

## AIM Inheritance Tax (IHT) Investment Service

As part of their inheritance tax planning, clients can benefit from our AIM IHT Investment Service, which potentially gives exemption from inheritance tax after only two years by investing in companies that qualify for business relief.

### About AIM (The Alternative Investment Market)

Launched in 1995 with just ten companies. A less tightly regulated market than the main London Stock Exchange, AIM provides a lower cost alternative for growth companies. It has seen some tremendous successes over the years with the likes of ASOS and Fever-Tree growing into multi billion pound companies, and now boasts 700+ companies (N.B. not all AIM listed companies qualify for business relief and therefore inclusion in an AIM IHT portfolio). It should also be noted that it has seen its fair share of failures too. Investing in AIM carries greater risk than investing in blue chip FTSE stocks but may be advantageous for some clients as part of a broader investment universe.

### Why consider R.C.Brown's AIM IHT Investment Service?

**Our AIM Expertise** – we have been investing in the AIM market for over 25 years. We are aware of the potential for growth but also the pitfalls in the market.

**Our unique primary opportunities process** – this allows us unrivalled access to IPO's and equity raisings which are typically the preserve of institutional investors. We have been running our UK equities via this process since we were founded in 1990.

**Our experienced team** – Oliver Brown and Neil Whelan both have over 16 years' experience in the financial services sector. Oliver is also lead manager of the IFSL R.C.Brown UK Primary Opportunities Fund which has a strong long term performance record, and can and does invest in the AIM market.

**Competitive & transparent fees** – there are no dealing, custody or hidden charges.

**Low minimum** – we will establish an IHT portfolio from £20,000

**Diversification** – we look to hold 30-40 companies in a portfolio. This is typically more diversified than our peers, providing the potential for more consistent returns and less damaging to performance should a holding fall sharply.

### FEES

Our management charge for an IHT portfolio is 0.95% pa + VAT. This is inclusive of all dealing & administration charges. A flat-rate Custody Fee of 0.30% pa will be charged monthly, at the same time as the management fee. The Custody Fee is exempt from VAT.

Fees are calculated calendar monthly and charged according to the total portfolio value at the month end.

### HISTORIC PERFORMANCE

We created our AIM / IHT Investment Service in May 2018, at the specific request of an existing client. The performance figures quoted are taken from that portfolio, as at 31/12/2024 and are post all fees & transaction costs.

	<u>3 Months</u>	<u>6 Months</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Year</u>	<u>Since Inception (1 May 2018)</u>
RCBIM	-1.75%	-2.56%	7.36%	-32.98%	-3.02%	-11.83%
FTSE AIM All Share Index	-2.32%	-4.98%	-3.95%	-33.86%	-7.22%	-25.31%

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**EXAMPLE PORTFOLIO**

This is an example of the holdings in a client portfolio as at 31st December 2024 (exact stock selection and sector weightings for a new client portfolio may be different from this illustration):

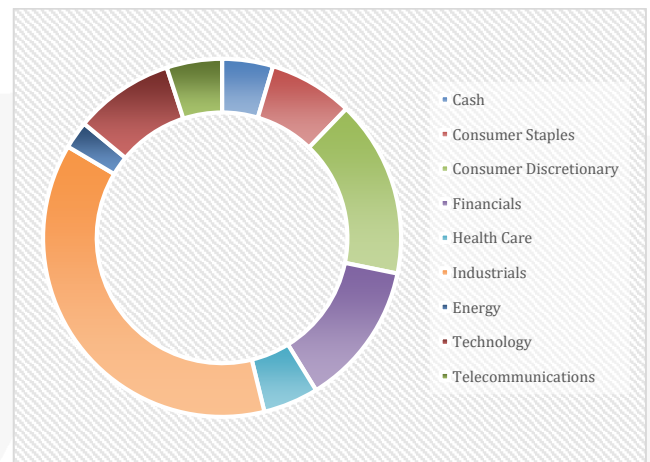
‘ The new Labour government’s first budget saw them announce a reduction in business relief available on AIM shares to 50% (from 100%), thus resulting in an effective inheritance tax of 20%, likely to be payable on AIM IHT portfolios held for a period of at least two years. This is due to take effect from April 2026. Whilst we do not welcome this proposed change, we do welcome the clarity the policy change provides, and the AIM market will continue to offer investors access to growth companies with a potential useful inheritance tax benefit.

We used some of the cash following earlier takeovers to add Fintel, a financial services company and also a small holding at IPO was taken in Amcomri, an acquisition led industrials company. There was also some rebalancing in a number of other stocks to ensure your portfolio has the desired weightings to each company. We anticipate a pick up in equity fund raisings and IPOs in 2025 and are aware of a growing pipeline of deals.’

- |                        |                         |
|------------------------|-------------------------|
| Amcomri                | Johnson Service Group   |
| Anexo                  | Kitwave                 |
| Animalcare             | Learning Technologies   |
| AOTI                   | Lords Trading Group     |
| Ashtead Technology     | Marlowe                 |
| Brooks Macdonald       | Microlise               |
| Brickability           | Midwich                 |
| Fonix Mobile           | Next 15                 |
| Franchise Brands       | Sigmaroc                |
| FRP Advisory           | Strix                   |
| Jet2 Group             | Springfield Properties  |
| Elixirr Consulting     | Supreme                 |
| Fintel                 | Tatton Asset Management |
| Gamma Communications   | Team17                  |
| Hargreaves Services    | Volex                   |
| Helios Underwriting    | Young & Co Brewery      |
| Impax Asset Management |                         |

By sector:

Cash	4.6%
Consumer Staples	7.6%
Consumer Discretionary	16.0%
Financials	13.0%
Health Care	5.0%
Industrials	37.3%
Energy	2.5%
Technology	9.0%
Telecommunications	5.0%



**RISK DISCLOSURE**

Due to the nature of the investments held within the portfolio, clients will be classified as having a growth objective with a high risk tolerance.

Investing in AIM shares traded on the London Stock Exchange will mean that the value of assets, and any income received from them, may go down as well as up and you may not get back all the money invested. There are three main reasons why this might happen:

- 1) The actual or perceived financial standing and trading well-being of the AIM companies involved may change.
- 2) The AIM shares themselves are subject to the laws of supply & demand and are capable of significant price movements irrespective of market and corporate factors. Such movements could be a reflection of the company size and marketability.
- 3) The AIM market itself is capable of large movements due to economic, political and other factors.

AIM is a market designed primarily for emerging smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM shares are not admitted to the official list of the United Kingdom Listing Authority.