

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 15 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 very 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 £50,000

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 charge for an IHT portfolio is 1.25% pa + VAT. This is inclusive of all custody and dealing charges so there are no ongoing fees payable on top of this.

£500+VAT one off set up fee

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 31/03/2022 and are post all fees & transaction costs.

	<u>3 Months</u>	<u>6 Months</u>	<u>1 Year</u>	<u>3 Years</u>	<u>Since Inception (1 May 2018)</u>
RCBIM	-15.62%	-17.10%	-13.84%	24.71%	21.50%
FTSE AIM All Share Index	-14.15%	-15.80%	-12.14%	17.38%	2.88%

All correspondence to Head Office

Head Office:

1 The Square, Temple Quay, Bristol BS1 6DG

tel: 0117 925 6073

email: enquiries@rcbim.co.uk www.rcbim.co.uk

EXAMPLE PORTFOLIO

This is an example of the holdings in a client portfolio as at 31st March 2022 (exact stock selection and sector weightings for a new client portfolio may be different from this illustration):

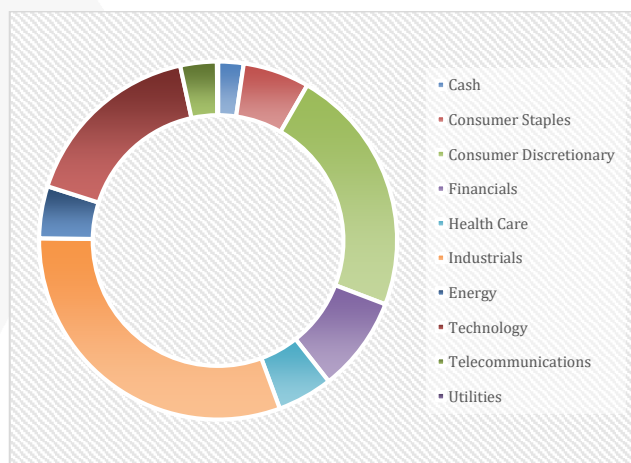
“During the last quarter The AIM market suffered sharp falls and volatility, under performing its larger peers such as the FTSE 100. The prospect of rising interest rates acted as a headwind to growth company valuations, which are a mainstay of the AIM market. Coupled with Russia’s invasion of Ukraine, which sent markets into a tailspin, it has been a difficult period for the AIM market. At times of political and market stress, it is inevitable that higher growth companies with less liquidity, get sold off more sharply as investors seek the safety of cash, bonds and blue chip shares. Nevertheless, with none of our investee companies having material exposure to Russia or Ukraine, we view the sell off as extreme and in recent weeks have seen prices stabilise and some confidence return. The AIM market remains an attractive arena for growth companies looking to expand and we believe the quality of companies on the market has never been higher and we consider the AIM market to be a jewel in post Brexit Britain’s crown.

Given the market backdrop, it proved a quieter period for equity fund raisings. The holding in Team17, a computer games developer, was increased following its equity raise to fund an acquisition. Kitwave, a wholesale supplier to convenience stores and independent bars & restaurants was also added to the portfolio. Essensys, a software provider to the flexible office space sector, was a drag on performance following a disappointing trading update. We anticipate equity raising picking up for the remainder of 2022 as companies seek capital for expansion purposes.’

Anexo	K3 Capital
Animalcare	Kitwave
ASOS	Lords Trading Group
Artisanal Spirits	Marlowe
Breedon	Mattioli Woods
Brooks Macdonald	Microlise
CMO Group	Midwich
Creo Medical	MJ Hudson
Devolver Digital	Saietta
Eckoh	Strix Group
Jet2 Group	Springfield Properties
Essensys	Sumo Digital
Elixirr Consulting	Supreme
Gamma Communications	Team17
Hotel Chocolat	TinyBuild
Impax Asset Management	Watkin Jones
Johnson Service Group	Young & Co Brewery

By sector:

Cash	2.3%
Consumer Staples	6.0%
Consumer Discretionary	22.5%
Financials	8.6%
Health Care	5.0%
Industrials	30.8%
Energy	4.7%
Technology	16.7%
Telecommunications	3.3%
Utilities	0.0%



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.