

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 30/06/2022 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	-17.86%	-30.69%	-31.62%	-1.76%	-0.20%
FTSE AIM All Share Index	-15.55%	-27.50%	-28.99%	-1.65%	-13.12%

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EXAMPLE PORTFOLIO

This is an example of the holdings in a client portfolio as at 30th June 2022 (exact stock selection and sector weightings for a new client portfolio may be different from this illustration):

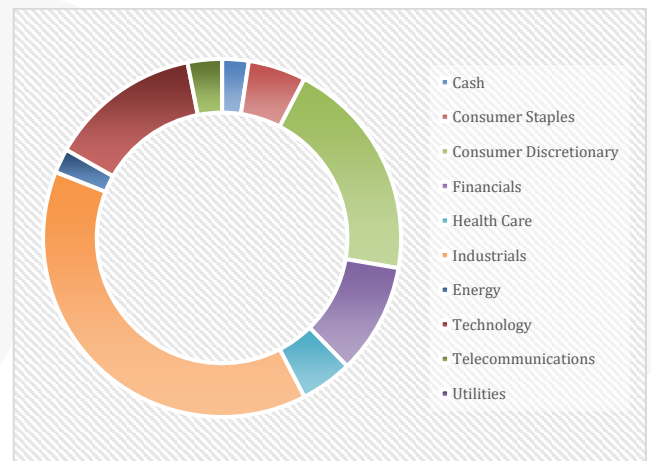
"It has been a further dire period for the AIM market, under performing its larger peers such as the FTSE 100. Rising interest rates and the highest inflation in the UK for 40 years has sent investors fleeing to safer havens - albeit global equities and bonds have suffered substantial falls year to date. Falls have been exacerbated by outflows from smaller companies and with the uncertainty there are no places to run for cover on the AIM market given its growth and smaller company bias. Whilst many of our constituent companies continue to trade well, those that disappoint have suffered severe share price falls. Whilst we acknowledge that growth companies may remain out of favour for a while and some clarity is required over inflation and interest rates, 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.

During the period, FRP Advisory, an insolvency and restructuring company, and Fonix Mobile, a payment software company, were added to the portfolio. Essensys, a software provider to the flexible office space sector, which had warned on sales in the previous period, was sold. Artisanal Spirits, owner of The Scotch Malt Whisky Company, was also sold as the shares have struggled to make headway since IPO.

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

By sector:

Cash	2.4%
Consumer Staples	5.2%
Consumer Discretionary	20.1%
Financials	10.0%
Health Care	4.7%
Industrials	38.6%
Energy	2.2%
Technology	13.7%
Telecommunications	3.1%
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.