Target Market Statement -
Meon Capital Management AIM IHT Investment Service
31 March 2025

Target Market Statement

Meon Capital Management (Meon), a trading name of R C Brown Investment Management (RCBIM), offers an Alternative Investment Market (AIM) Inheritance Tax (IHT) service via our discretionary managed portfolio service which is available for both direct clients and those introduced by regulated Financial Advisers. This document has been produced by Meon in accordance with our regulatory responsibilities under Consumer Duty as both a manufacturer and distributor of our products and services.

Service Characteristics

By investing through Meon's AIM IHT service, clients can potentially benefit from a partial exemption from IHT after two years. This is achieved by investing in companies which qualify for business relief. The portfolios are designed to support investors in achieving their financial and IHT planning goals, in line with the strategy agreed upon with their Financial Adviser, where applicable. This strategy is designed purely for capital growth and as such returns may be volatile especially in the short term. Such a portfolio will be invested solely in equities listed on the London Stock Exchange's AIM and in order to meet current business relief rules, very little, if any, cash will be held on the account. To meet suitability for our target market, Meon reviews portfolio holdings and the AIM universe to ensure that the service remains compatible for investment for retail investors. We assess this metric for all investments within Meon's portfolio solutions on an ongoing basis. The portfolios are designed to support investors in achieving their financial goals, in line with the strategy agreed upon with their Financial Adviser, where applicable. To ensure suitability for our target market, Meon make sure that all funds and holdings in which we invest and include within our solutions are compatible for investment with retail investors. We assess this metric for all funds within Meon's portfolio solutions on an ongoing basis.

Client Relationships

The intermediary service is provided on a 'reliance on others' basis, whereby the client's Financial Adviser (where applicable) will perform a suitability assessment and advise us of the investment strategy recommended for their client. For direct clients and those introduced by Financial Advisers (but not on a reliance on others basis) we will undertake a full suitability assessment.

Intended Target Market

Meon's AIM IHT service is primarily designed for retail investors with short-term investment objective or longer (minimum two years). It is only suitable for investors deemed to have an IHT liability based on the current size of their estate and who are willing to accept a higher level of investment risk, given the nature of the underlying investments. Investors will typically be UK residents, although clients from other countries may be accepted if agreed by Meon. The service does not offer any form of capital guarantee, meaning investors must be able to tolerate the possibility of capital loss.

Meon's AIM IHT service may be compatible with investors:

- who want an investment professional to manage their investments;
- who are Retail or Professional clients;
- with basic knowledge, or stronger, of investment markets;
- who can remain invested for a minimum of two years but ideally for at least five years over the medium to long term,
- whose expected financial returns will not be excessively impacted by MEON's charges;
- who can afford to be exposed to market movements in investment values and potential losses over the term of investment and who do not require any form of capital guarantee;
- who have the capacity to absorb potential losses without a significant impact on their financial wellbeing
- who understand that investing involves risk and are comfortable accepting a potentially significant degree of investment volatility;

- who work with an authorised and regulated Financial Adviser, who will assess the suitability of the investment, explain its risk/reward profile, and help set an appropriate investment time horizon;
- ideally, have a minimum £100,000 to invest or to transfer into the service

Negative Target Market

The Meon AIM IHT service is not compatible for investors who:
- prefer to manage their own investments;
- are unlikely or unable to remain invested for two years as a minimum;
- are unlikely to have a liability to inheritance tax;
- require capital protection or guarantees underpinning their investment;
- are fully risk-averse and unwilling to accept any level of investment loss;
- need a fully guaranteed income stream or a fixed return profile.

Clients with characteristics of vulnerability

Issues which may increase a clients' risk of vulnerability include, but are not limited to, changes in their health, major life events such as bereavement, a low capacity to absorb financial shocks and a low understanding of financial matters.

We ensure our investment managers and administration staff are well trained to identify any such issues and refer any concerns to others within the team so that the client may be supported appropriately. Our relatively small size in terms of both client numbers and team assists in this process, as does the direct relationship we are able to form with clients. We therefore do not feel that vulnerable clients should be excluded by default from investing within this service and instead will manage each situation on a case-by-case basis.

Portfolio Closure

Based on our current information there are no restrictions on Meon's portfolio solutions that prevent investors being able to disinvest without notice (subject to trading settlement times), with this flexibility enabling customers that experience a change of circumstances to exit the service (without providing notice and with transfer/liquidation charges capped at £5 per holding).

Fair Value Assessment

In accordance with our regulatory obligations under Consumer Duty, Meon has undertaken a detailed value assessment of our AIM IHT service as of June 2025 and has determined that it represents fair value. This will be reviewed on a regular basis (at least annually) as part of Meon's internal governance procedures.