# Alpha Portfolio Management - AIM IHT Portfolio Service: July 2026

## Target Market Statement

The objective of this service is to provide clients with access to discretionary investment management, offering an efficient way to reduce a client's inheritance tax (IHT) liability, while remaining in control of their assets. This document has been produced by Alpha Portfolio Management (Alpha) in accordance with our regulatory responsibilities under Consumer Duty, as both a manufacturer and distributor of our products and services.

## Service Characteristics

By investing in Alpha's AIM IHT Portfolio Service, a client can potentially benefit from a reduction in IHT following a 2-year holding period. This is achieved by investing in companies that qualify for Business Relief. While the Government has reduced the IHT relief available, holding permissible AIM investments remains attractive for those with large estates that exceed an individual's IHT allowance, particularly with ISAs, which must hold quoted investments. To ensure suitability for our target market, Alpha invests in companies that are compatible for retail investors.

## Distribution Strategy & Client Relationships

Alpha's investment service is available to clients introduced by financial advisers, as well as direct clients. We work with financial advisers to ensure introduced clients meet the investment service's target market. Typically, a financial adviser will perform a suitability assessment and advise us of the investment strategy recommended for their client. This approach is on a 'reliance on others' basis.

For direct clients, an initial suitability review is undertaken, alongside updating each year, to ensure they continue to meet the target market.

## Intended Target Market

Alpha's AIM IHT Portfolio Service is designed for retail investors with medium to long-term investment objectives (minimum 2 years). Typically, investors will be UK residents. The service does not offer any form of capital guarantee, meaning investors must be able to tolerate the possibility of capital loss. In summary:

- UK retail investors liable to Inheritance Tax (IHT) seeking professional investment management
- Investing for a minimum of 2 years
- Those seeking IHT mitigation faster than many other options
- Accepting of higher risk investing
- Able to bear capital losses
- Minimum initial investment of £50,000

An initial assessment is made to ensure a client meets the target market. An ongoing assessment that the client remains within the target market is made as part of their annual suitability review. These assessments will either be undertaken by an introduced client's financial adviser, or otherwise their designated Portfolio Manager if a direct client.

## Negative Target Market

- Clients that do not want to accept investment risk
- Clients that do not have the capacity to accept losses
- Clients seeking a guaranteed or capital protected service/product
- Investors investing for less than 2 years
- Investors with less than £20,000 to invest
- Investors interested in complex or non-standard investments
- Client requiring an annuity, mortgage, cash savings product

## Vulnerable Clients

Any client can become vulnerable or find themselves in vulnerable circumstances at any time. Issues which may increase a client's 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. Given the typical age profile of investors seeking professional investment services, it is likely that clients are more likely to exhibit one or more of these characteristics.

Our staff are on hand and trained to assist vulnerable clients and work with their advisers and any other appointed representatives. If staff identify any such issues, these concerns are acknowledged to others within the team, and systems updated, so that a client may be supported in an appropriate manner.

## Portfolio Closure

Any customers that experience a change of circumstances can exit the service. Based on our current information, there are no restrictions to prevent an investor from being able to disinvest without notice (subject to trading settlement times).

## Fair Value Assessment

In accordance with our regulatory obligations under Consumer Duty, Alpha has undertaken a detailed value assessment of our AIM IHT Portfolio Service as of July 2026 and has determined that it represents fair value. This will be reviewed on a regular basis (at least annually) as part of the firm's internal governance procedures.