

AIM-IHT Service

A research based solution available to private individuals who are looking to take advantage of Business Relief or Business Property Relief (BPR) for IHT purposes.

The AIM-IHT Portfolio Service is a discretionary investment service that seeks to reduce a client's potential exposure to Inheritance Tax (IHT) on death. This can be achieved through the construction of an investment portfolio of shares traded on the Alternative Investment Market (AIM), which have been held for a two-year qualifying period.



Mark Sevier
Head of Research

Mark Sevier

- Head of Research at Alpha Portfolio Management
- Small and mid-cap equity analyst for over 30-years
- StarMine rated equity analyst for accuracy of stock recommendations
- 8-years experience managing AIM IHT portfolios

This experience in AIM companies is backed by:

- Independent research from 15 specialist mid and small cap research brokers
- Experience of managing and dealing in illiquid quoted companies
- Regular meetings or briefings from company management teams
- Analysis of company Reports & Accounts

Service Features

- Low initial minimum investment from only £50,000
- Subsequent investments of £20,000 or more can be made, however please note that each additional investment will take two years from the date that the underlying security has been purchased to become IHT exempt
- ISA qualifying. Shares held within your ISA will be free from Capital Gains Tax, Income Tax and Inheritance Tax.
- Higher risk, capital growth but with a conservative approach
- Income option
- Additional terms and conditions apply.

Competitive Charges

- Alpha has an open and transparent policy with regard to fees and charges. There are two choices to ensure the charging structure adopted is appropriate for their individual circumstances.

Please refer to our AIM-IHT Fee Schedule for our charges which includes all our investment management and custody fees.

- Adviser charging can be facilitated.

Contact us on 0117 203 3460 or visit www.alpha-pm.co.uk to find out more

Our Approach

Alpha receives and analyses a wide range of third party research to identify potential investments. Alongside this, the research team hold regular meetings with management teams of many AIM companies. These can be particularly useful when evaluating and monitoring investment opportunities that may be suitable.

AIM comprises many early stage technology, mining and oil exploration businesses, which we typically avoid as these tend to be loss making, cash hungry and are not likely to pay dividends.

"Our key investment requirement is strong cash flow. We seek to invest in well established business models with experienced management teams and strong cash flow. This means businesses capable of funding growth and progressive dividend policies." *Mark Sevier*

Key benefits of the service

- **Reduction of IHT liability:** Business Property Relief offers a potential 100% IHT exemption on qualifying AIM shares that have been held for a minimum of two years. This is in comparison to the usual seven years for a potentially exempt transfer.
- **Diversification:** Portfolio's typically contain 20-25 holdings covering a broad range of industries.
- **Simplicity:** Compared to some IHT mitigation strategies, the service is a simple, cost effective way of mitigating inheritance tax.
- **Access:** The investor retains ownership and control of the portfolio and has 100% access to capital and income. This offers the investor the flexibility to alter their IHT strategy in the future at minimal cost.
- **Expertise:** A specialist portfolio manager, supported by an experienced research and investment team, selects stocks with a view to constructing a diversified portfolio giving exposure to companies quoted on AIM with the intention of generating long term capital growth. Direct access to the portfolio manager ensures transparency of holdings and overall strategy.
- **Growth Potential:** AIM is home to a wide variety of companies that offer the potential for capital growth and dividends..

Key risks

- **Investment Risk:** Any investment in shares involves significant risk and should be regarded as a long term investment. The value of investments and the income from them can fall as well as rise and investors may get back less than they originally invested.
- **Risks relating to AIM shares:** AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than is generally the case for larger or more established companies.
- **Liquidity Risk:** Investments in smaller companies such as those listed on AIM can be highly illiquid. The price quoted for valuation purposes may be significantly different to the price achieved if an immediate sale is required. This can be exacerbated during periods of significant market volatility or risk aversion.
- **Legislation:** Legislation could change in the future in a manner which could adversely impact the effectiveness of the portfolio service as a means of mitigating IHT liability or the effective CGT rates.
- **Qualification:** Only certain companies qualify for IHT relief and there is no guarantee that these will be companies generating positive investment returns. We look to invest in shares that are believed to qualify at the point of acquisition. However, we cannot guarantee that such shares will retain their status and any change in the status of the shares may adversely impact the effectiveness of the portfolio service.
- **Making Withdrawals:** Please note that a cash withdrawal will lead to an immediate loss of IHT benefits on the amount withdrawn and the capital will return to the investor's taxable estate.

As a potentially tax driven investment, a tax specialist should be consulted before considering this service.

 **Call us on 0117 203 3460**
 **Learn more at www.alpha-pm.co.uk**

The value of the investments and the income from them may go down as well as up and you may not get back the full amount you invested. Past performance is not a guide to future performance. Information concerning taxation treatment is based on our understanding of current law and HMRC practice. Levels and bases of, and reliefs from taxation depend on the individual circumstances of each client and are subject to change.

This document is intended to be informative only, it should not be taken as advice and does not constitute a recommendation to buy or sell securities or to invest in any of the markets and/or sectors referenced.

Alpha Portfolio Management, 1 The Square, Temple Quay, Bristol BS1 6DG

Tel: 0117 203 3460 info@alpha-pm.co.uk www.alpha-pm.co.uk

Alpha Portfolio Management is a trading name of R C Brown Investment Management PLC.

R C Brown Investment Management PLC is Authorised and Regulated by the Financial Conduct Authority. Registered Office: As above address.

Registered in England No. 2489639