

FOR PROFESSIONAL ADVISERS ONLY

AIM Portfolio Service Summary

*Realising Ambitions.
Securing Futures.
We are Brooks Macdonald.*



Why invest in an AIM portfolio service?



IHT Relief

After two years, BR qualifying AIM shares attract 50% relief from IHT, offering a more efficient way to pass on wealth upon death of the investor. The AIM Portfolio Service can therefore provide accelerated IHT relief relative to other estate planning solutions which often take longer (e.g. trusts and gifting).



Retention of control and access to capital

Unlike trusts or other estate planning solutions, clients retain direct ownership of their AIM shares which can be readily sold within days, providing additional flexibility should there be a change in financial circumstances.



ISA Eligible

AIM shares can be held within an ISA, providing additional tax benefits to investors in the form of capital gains and income tax reliefs. This is of particular use in the case of AIM shares, which can exhibit significant capital gains for long term investors.



Simplicity

The service provides clients with a simple portfolio of AIM listed shares. There is no additional requirement for further legal structures, trust or bond administration or illiquid private equity investments.



Strong Growth Potential

AIM investments provide equity returns and the associated volatility of investment in the smaller companies' asset class. However, this return profile can prove attractive for those with longer term estate planning needs, as it can provide significant upside potential relative to other estate planning solutions.

Why Brooks Macdonald?



Strong liquidity controls

We do not own more than 3% of the outstanding shares of any company we invest in, meaning we are relatively nimble in being able to enter and exit portfolio investments.



Investment Manager Accessibility

Our investment team is available for direct contact throughout the year, providing advisers and clients with access to our thoughts on current holdings and market outlook, as part of an ongoing service offering.



Long term track record and experienced investment team

The Brooks Macdonald AIM Portfolio Service has been running since 2011, and the team has several decades of combined experience investing in smaller companies and the AIM market.



BPS/MPS/BMIS and AIM can all be managed 'under one roof'

We recognise that having a range of solutions available and regular contact with a dedicated representative can help provide ongoing support in a simple and efficient manner.



Transparent fee structure and VAT exemption (qualification as a SIF under HMRC guidance)

Due to our "one best portfolio for all clients" philosophy, our AIM service qualifies for VAT exemption. In addition, our charging structure is one simple all-in fee, which includes dealing, management fees and administrative charges. The service is managed in our own custody and therefore there are no additional 3rd party platform fees.

Annual management charge (AMC):

1.75% (VAT exempt) inclusive of all dealing charges

Other charges

The annual management charge includes dealing costs. Ancillary administration charges and regulatory fees may apply.

Adviser charges

Initial and recurring charge may be added subject to agreement between client and adviser.

Business Relief (BR)

Illustration

	With AIM portfolio					Without AIM
AIM Portfolio service investment performance						
	50%	25%	0%	-10%	-25%	
AIM Investment start	£200,000	£200,000	£200,000	£200,000	£200,000	£0
AIM Investment Assuming two year ownership	£300,000	£250,000	£200,000	£180,000	£150,000	£0
IHT Payable on AIM shares at 20%	£60,000	£50,000	£40,000	£36,000	£30,000	£0
Other asset	£500,000	£500,000	£500,000	£500,000	£500,000	£700,000
IHT payable at 40%	£200,000	£200,000	£200,000	£200,000	£200,000	£280,000
Net value of estate	£540,000	£500,000	£460,000	£444,000	£420,000	£420,000

Note: Above table is for illustrative purposes only and assumes nil-rate band used against other assets. Portfolio must normally be held for two years in order to achieve 50% BR relief from 5th April 2026. BR could be withdrawn at any time. Tax treatment depends on individual circumstances and may be subject to change in the future. Brooks Macdonald does not provide tax advice and independent professional advice from an account or other tax professional should be sought in respect of personal tax issues.



Meet the team



Ewan Millar
Senior Investment Director and Head of AIM

Ewan joined Brooks Macdonald in 2020 and is the head of our Alternative Investment Market (AIM) Portfolio Service. Ewan is also head of our Direct Equities research team. Previously, Ewan was a Senior Investment Manager at Cornelian Asset Managers before its acquisition by Brooks Macdonald. Prior to that Ewan spent ten years at Kempen Capital Management (UK), working in their Small Cap team where he was the co-leadmanager of their flagship European Small Cap fund. Ewan is a Chartered Financial Analyst (CFA) Charterholder.



Joe Capaldi
Investment Director

Joe joined Brooks Macdonald in 2022 and is an Investment Director on our Alternative Investment Market (AIM) Portfolio Service and sits on our Direct Equities research team. Prior to joining Brooks Macdonald, Joe worked at CS Investment Managers in Edinburgh for eight years where he was an Investment Director and head of the AIM IHT Service. Joe attained a first-class honours degree in Management & Business Enterprise from the University of Strathclyde in 2011 and is a Chartered Financial Analyst (CFA) Charterholder.

Risk considerations

The more volatile nature of the AIM market combined with the fact the portfolio will remain fully invested in a single asset class and geography (i.e. UK equities) leads us to describe the investment mandate as 'high risk'. Investors should be aware that the price of investments, as well as the income from them, can go down as well as up and neither is guaranteed.

In addition, further risks include the reduced liquidity associated with the AIM market and the fact that the Business Relief (BR) regime itself could be subject to change (or withdrawal) in the future. It is also important to note that BR qualification remains at the discretion of HMRC and is only tested upon the transfer of inheritance. Accordingly, BR is not guaranteed and as such there is a risk that a holding may not ultimately qualify. We do, however, endeavour to ensure that our investment universe is restricted to those companies that we believe qualify for BR.



Important information

Investors should be aware that the price of investments and the income from them can go down as well as up and that neither is guaranteed. Investors may not get back the amount invested. Changes in rates of exchange may have an adverse affect on the value, price or income of an investment. Investors should be aware of the additional risks associated with investing in smaller companies. All performance figures shown on this factsheet are net of Brooks Macdonald fees but gross of professional adviser management fees. Deduction of these fees will impact on the performance shown.

Past performance is not a reliable indicator of future results.

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Business Property Relief is not guaranteed and remains at the discretion of HMRC to be determined on the death of the individual. The individual could die before the two year BPR qualification period has been achieved. It is important to note that the BPR tax regime itself could be withdrawn by the UK Government at any point in the future. Tax treatment depends on individual circumstances and may be subject to change in the future. Brooks Macdonald does not provide tax advice and independent professional advice should be sought.

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