

# Thorntons Investments AIM Inheritance Tax Portfolio Service

## Financial Adviser Factsheet Q4 2018

(31 December 2018)



THORNTONS  
INVESTMENTS

### Service Overview

The Thorntons Investments AIM Inheritance Tax Service is a discretionary managed model portfolio of AIM company shares. These shares are expected to qualify for Business Relief, and be exempt from Inheritance Tax if held for two years and at death. Our experienced investment team select and manage a well-diversified portfolio of smaller companies, chosen for their quality, strength and growth potential. Our AIM service is only available to investors through their financial adviser, on the Standard Life and Ascentric Wrap platforms.

### Service Objectives

**Primary objective:** 100% Inheritance Tax relief after two years

**Secondary objectives:** Capital preservation; Long-term growth; Respectable dividend yield

### Key Features

**AIM Service inception:** 2006

**Range of holdings:** 30 to 40

**Minimum Investment:** £20,000

**Tax Wrappers:** ISA, GIA, SIPP

**Current dividend yield:** 3.1%

**Platform Availability:** Standard Life and Ascentric

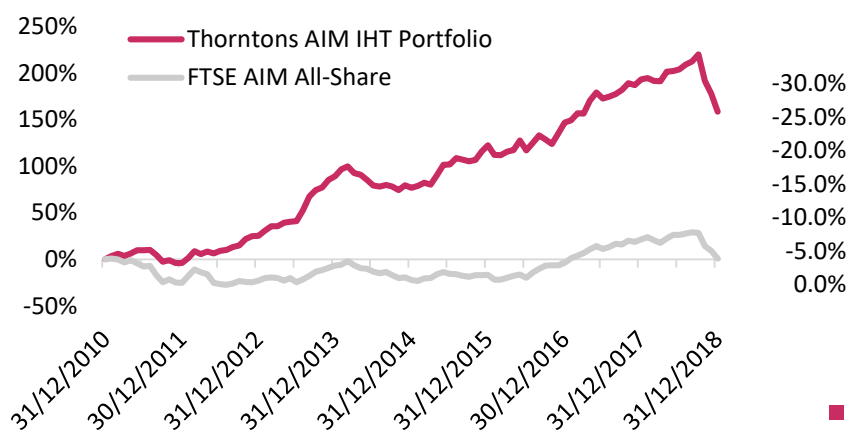
**Portfolio fee:** AMC of 1% plus VAT

**Other charges:** Platform Charges apply. Platform dealing charges where applicable.

**No initial, exit or withdrawal fees**

**Portfolio 2018 P/E:** 15x (est)

### PERFORMANCE CHART FROM 1<sup>st</sup> JANUARY 2011



### RISK OUTCOMES

#### Maximum Drawdown



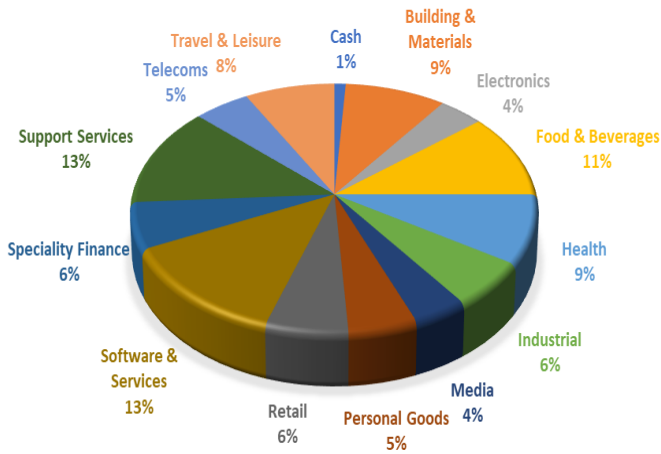
Cumulative Performance %	YTD	1 Year	2 Years	3 Years	4 Years	5 Years	01/01/11
Thorntons AIM IHT Portfolio	-11.8%	-11.8%	4.7%	16.3%	46.4%	36.7%	158.5%
FTSE AIM All-Share index	-17.1%	-17.1%	4.4%	21.2%	29.2%	7.9%	0.7%

Discrete Annual Performance %	2018	2017	2016	2015	2014	2013
Thorntons AIM IHT Portfolio	-11.8%	18.7%	11.0%	25.9%	-6.6%	50.9%
FTSE AIM All-Share index	-17.1%	26.0%	16.1%	6.6%	-16.5%	21.3%

All Data: Financial Analytics, Thorntons Investments, 31st December 2018

### Performance Calculation Methodology

Performance is calculated on a monthly total return (capital return with dividends reinvested) basis. Total return has been used to aid comparison although in practice dividend income will be held in cash to fund fees. The Thorntons Investments AIM IHT portfolio includes all BR qualifying AIM stocks we invested in for clients. An equal unit investment was applied to each company at the start of the calculation, with a new unit investment made to each new stock invested in, in the month in which it was first used. Where a stock was removed from use its value was transferred into the stock chosen to replace it. Performance is calculated net of the investment fee of 1% (plus VAT), taken monthly, but excludes any dealing charges. Performance is shown against the total returns of the FTSE AIM All-share, but only as an indicator as to the performance of the wider market and should not be taken as a benchmark for the Thorntons Investments AIM IHT portfolio.



Company	% holding
Telford Homes	6%
Dart Group	5%
Character Group	5%
Manx Telecom	5%
Emis	4%
Finsbury Foods	4%
Iomart	4%
M&C Saatchi	4%
Vertu Motors	4%
Craneware	3%
	44%

## AIM IHT Portfolio Service

### KEY BENEFITS

**Speed:** BR qualifying AIM shares are expected to offer 100% IHT relief after two years, if held at death.

**Access:** Client retains control and can request withdrawal of capital at any time

**Simplicity:** Less complex than traditional estate planning such as trusts or gifting assets. No medical underwriting required.

**Growth:** Portfolio diversity provides opportunity for capital appreciation and dividend payments.

### KEY RISKS

**Potential for Capital Loss:** AIM listed company shares tend to be more volatile than those of larger companies, and losses may be greater or more sudden.

**Business Relief cannot be guaranteed:** HMRC assess AIM company qualification for BR when an investor dies, so it is only then that qualification can be established for certain.

**Liquidity:** AIM shares can be more difficult to sell than larger companies, and investors may have to accept a price lower than their real value, and/or experience delays in realising cash.

**Tax rules can change:** Tax reliefs are subject to change and cannot be guaranteed.

### Contact

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