



## **Discretionary IHT AIM Portfolio Service**

Fair Value Assessment & Target Market Information



April 2024



<b>Firm name</b>	Walker Crips Investment Management Limited
<b>Product / service name</b>	Discretionary IHT AIM Portfolio Service

## Product/Service Information

The Discretionary IHT AIM service is designed to exempt customers' invested assets from Inheritance Tax (IHT) liability.

Walker Crips IHT AIM portfolio utilises Business Relief through investment in shares listed on Alternative Investment Market (AIM). Customers can seek to diversify their investments into smaller companies and obtain relief from IHT liability.

Customers taking advantage of the Discretionary IHT AIM service must be comfortable with investment risk and the returns they receive may be less than their invested amount.

## Fair Value Assessment

This product has been subject to the firm's consumer duty process and has been reviewed and signed off by senior management as representing fair value to customers. This is in light of the following assessments:

- Pricing Assessment
- Costing Analysis
- Benchmarking to peers: Walker Crips has benchmarked the price paid for Discretionary IHT AIM Portfolio Service against the price of similar services charged by peer group firms. Walker Crips' price is competitive for the customers, which is commensurate with the benefits they receive, and we believe it provides fair value.
- Benefits of Product (which includes the following):
  - Named Investment Manager
  - Qualified Staff
  - Brochures, Guides and Website Content
  - Weekly Newsletter & Podcast
  - Social Media Channels
  - Client Services Support
  - Client Portal
  - Customer and third-party feedback
  - Robust complaints process
  - Annual Client Asset (CASS) audit by external accountants

## Summary

This assessment of the benefits provided as part of the Discretionary - IHT AIM Portfolio service in relation to our pricing and external benchmarking analysis has concluded that it provides fair value to all customers within the target market.

### Walker Crips Investment Management

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Walker Crips Investment Management Limited is authorised and regulated by the Financial Conduct Authority (FRN: 226344) and is a member of the London Stock Exchange. Registered in England and Wales number 4774117.

## Target market

### Knowledge and experience:

- A basic understanding of stock markets is preferable due to potential high fluctuations in share price on the AIM market.
- Time period is for life as the portfolio will be in place to help mitigate IHT whilst the companies invested within the portfolio remain eligible for Business Property Relief (BPR).

### Financial situation/loss capacity:

- The service offers no capital guarantees and clients must have an ability to tolerate a substantial loss of c.40% which is equivalent to the IHT rate.
- Clients must be comfortable that their investments may fall and rise in value over time. Clients must also have the ability to withstand such loss.
- Minimum portfolio size is £50,000 to ensure cost effectiveness.

### Risk tolerance:

- Only available as a high risk portfolio. No other risk tolerance will be accepted.
- The investment objective is capital growth. These types of portfolios should not be used for income generation.

### Client objectives and specific needs:

- This investment portfolio is for UK resident customers who will have, and would like to mitigate, IHT liability upon their death.

### Distribution approach:

- Customers cannot invest directly; they must take advice from a Financial Adviser. If they do not have a FA, we can help direct them to Financial Advisers.
- The Financial Adviser / Planner must sign the appropriate form to attest to the advice given.

## Types of customer for whom the product/service would not be suitable

### Knowledge and experience:

- No knowledge of stock markets.
- Short term investing is not permitted as this is an investment vehicle to help mitigate IHT on death of the client. The service is also not appropriate for clients who:
- Are risk averse, i.e. will not accept any capital loss. All investments have different risk exposures and there is no option for clients who want investments with 'no risk'.
- Have no financial resilience, i.e. they do not have the financial ability to invest in a portfolio where there is a risk of loss, however small.
- Require very high risk, willing to lose all of their invested capital in high risk instruments, or wanting to use leveraged instruments to seek greater returns.
- Require an Environmental, Social and Governance (ESG) compliant portfolio.
- Are seeking advice on investment decisions before proceeding. This service gives the Investment Manager discretion to make investment decisions on the clients' behalf based on their investment risk and objectives.
- Are seeking to make their own investment decisions.

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- Currently holds an investment portfolio which is under £50,000 in value.
- Wish to have an input in the construction of their investment portfolio.
- Are overseas residents where the firm does not have permission to provide financial services to customers in that jurisdiction.
- Have a risk rating that puts them outside of the firm's financial crime risk appetite.

### Financial situation/loss capacity:

- Less than £50,000 to invest.
- Investors seeking full capital protection or without the ability to sustain capital losses.
- Investors who are uncomfortable with investments falling for any period of time.

### Risk tolerance:

- Clients who cannot withstand any sort of capital loss (loss beyond capital).
- Clients who are totally risk averse and have no risk appetite whatsoever.
- Clients who may only be willing to accept a little bit of risk but not a high level of risk.
- Clients who are looking for income generation.

### Client objectives and specific needs:

- This model cannot be managed with ESG/investment restrictions in place.
- Not designed for customers who will not have IHT liability upon their death.
- Non-UK resident customers.
- Customers seeking to make their own investment decisions.
- Investors who require Capital Gains Tax (CGT) management.
- Investors who have cherished holdings.
- Investors who require a guaranteed rate of return or a capital preservation objective.
- Investors seeking a leveraged return profile.

### Distribution approach:

- The service is where portfolios are managed by an investment manager with all decisions made by the investment manager. It does not allow for client directed investments, or any customer not willing to take financial advice from a financial adviser before proceeding.

### Other information which may be relevant to distributors

This assessment will be subject to a formal annual review and ongoing monitoring against performance data and other measurable management information.

Date Fair Value assessment completed	April 2024
Expected date of next assessment	April 2025

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