

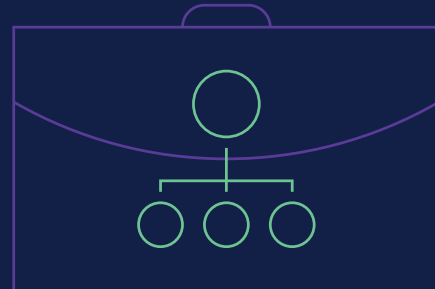
Psigma AIM IHT Portfolio Service.

How does it work?

Psigma's AIM IHT Portfolio Service aims to mitigate your client's Inheritance Tax liability by taking assets outside of their chargeable estate after a holding period of just two years, as opposed to the typical seven year period when making a gift. Clients are able to do this by holding assets which qualify for Business Relief (BR) which can include shares in qualifying companies quoted on AIM. In addition to the tax benefits the portfolio has the potential to provide long-term growth.

Which clients could this be suitable for?

- Clients who wish to retain ownership and control over their assets and carry out some IHT planning.
- Clients with shorter investment horizons than the typical seven year period that other estate planning solutions require. Clients could benefit from a shorter waiting period of two years to get assets outside of their chargeable estate.
- Clients with ISA savings who want additional tax benefits while reducing their Inheritance Tax liability.
- Clients who are comfortable with higher risk investments while providing estate planning benefits.
- Clients who want to complement existing estate planning vehicles and retain access to their assets.



Simple fee structure:

- 1% AMC + VAT
- no entry fees
- no trading fees
- no exit fees

Removes assets from chargeable estate after a two year holding period

Clients have direct access to their Investment Manager

Qualifying AIM stocks can attract up to 100% relief from Inheritance Tax (IHT) – if held for at least two years at the date of death

ISA-eligible

Minimum investment of £100,000 limited to 25% of client's total wealth

Regular and ongoing communication

Comprehensive reporting package

Investment audit trail for probate purposes

An example of how AIM investing can save your client inheritance tax

Client assets as at the date of death	IHT planning using AIM IHT portfolio	IHT planning without using AIM IHT planning
Value of total client assets	£2,000,000	£2,000,000
Value of AIM portfolio	£500,000	N/A
Net taxable amount after using nil rate band of £325k	£1,175,000	£1,675,000
IHT charge at 40%	£470,000	£670,000
Psigma initial charge	£0	N/A
Net estate value including AIM assets	£1,530,000	£1,330,000

Figures are calculated at the date of death and do not take into account any gifting, inter spousal nil rate band transfers or investment growth in the portfolio.

Key Risks

- Psigma AIM IHT Portfolio should be regarded as a higher risk, long-term investment.
- The tax relief available may change at any time. Each company's eligibility for BR is subject to HMRC approval at the time of death.
- AIM company shares can be less liquid than their larger counterparts in the FTSE 100 and 250 indices.
- Many AIM quoted companies have smaller management teams and, as such, the loss of any one individual may have a material impact on the prospects of a company. They may also have fewer product ranges or a more concentrated customer base, which could potentially leave it more vulnerable to sudden changes in market conditions.
- An AIM-quoted company may elect to move up to the main market or de-list from AIM, in which case BR would cease following the transition.
- You should only invest in the Psigma AIM IHT Portfolio if you have financial security independent of any investment made.
- Psigma also does not guarantee the timescale for fully investing portfolios or that portfolios will be fully invested at all times in the future.

What are the potential benefits?

- Qualifying investments held for a minimum of two years at the date of death will be excluded from the client's chargeable estate for the purposes of Inheritance Tax.
- Clients can remove assets from their estate after a two year holding period as opposed to the typical seven years.
- Clients have the potential to make their investment free of Capital Gains Tax (CGT), Income Tax and IHT by investing in qualifying AIM-quoted equities within an ISA wrapper.
- Clients retain full access to their capital with the option to withdraw funds at any time.
- Natural income or a fixed amount of income can be withdrawn monthly or quarterly.

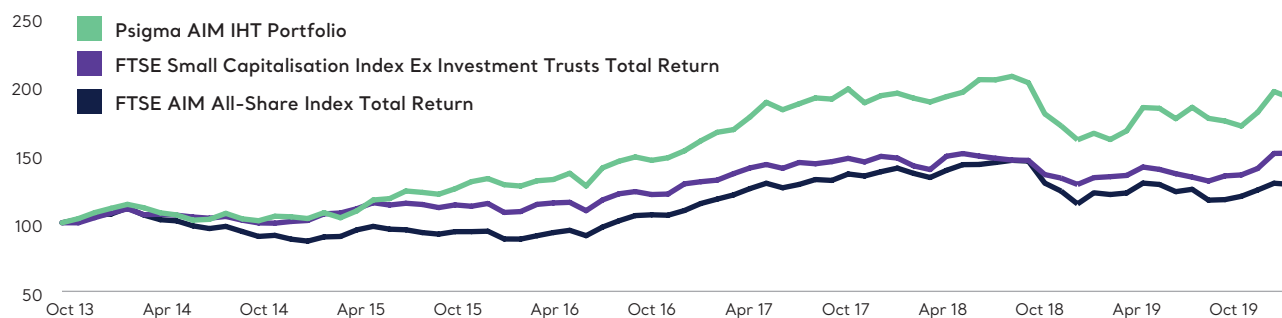
What sort of companies do we invest in?

When investing in AIM companies we use the same criteria when considering investment in any company. We want them to:

- be profitable now (not in three years' time)
- have a strong balance sheet, often with a modest dividend yield
- have a sustainable business model with long-term growth prospects
- have experienced management teams
- have appropriate valuations for the business model and earnings profile

Performance

Psigma AIM IHT Portfolio Performance



DISCRETE NET PERFORMANCE %	2013*	2014	2015	2016	2017	2018	2019	2020**
Psigma AIM IHT Portfolio	7.41	-2.85	26.71	15.29	26.40	-16.72	21.96	-2.42
FTSE Small Capitalisation Index Ex Investment Trusts Total Return	3.72	-2.68	12.99	12.54	15.61	-13.80	17.68	0.13
FTSE AIM All-Share Index Total Return	5.44	-16.53	6.63	16.07	25.97	-17.12	13.26	-0.68

* 2013 discrete performance covers the period 31st October 2013 to 31st December 2013

** Data to 31/01/2020

CUMULATIVE NET PERFORMANCE %	1 Month	3 Month	6 Month	1 Year	2 Years	3 Years	5 Years	ITD**
Psigma AIM IHT Portfolio	-2.42	11.97	3.68	15.56	-1.81	19.55	85.25	90.92
FTSE Small Capitalisation Index Ex Investment Trusts Total Return	0.13	11.75	13.10	13.43	2.42	16.01	48.26	50.72
FTSE AIM All-Share Index Total Return	-0.68	7.26	2.86	5.02	-8.50	12.20	47.71	27.93

Past performance is not a guide to future performance.

** Data inception to 31/01/2020

FTSE AIM All-Share Index shown as a reference only and should not be considered an appropriate benchmark for AIM IHT portfolios. Cumulative performance shows the total performance over different lengths of time running up to the present from the date of inception. Discrete annual performance shows the portfolio's performance between two fixed specified dates; close of market on 31st December in the preceding year to close of market on 31st December in the stated year. Data for 2013 covers the period between 31st October 2013 to 31st December 2013.

Important Information: Since inception (31/10/2013), performance has been based on composite portfolio performance on mid-market valuation at each month end. From 1st January 2016 performance is based on the Psigma AIM IHT model portfolio. The portfolio and benchmark performances are calculated on a total return basis net of all fees and charges. Psigma AIM IHT Portfolio Service AMC is 1.00% + VAT, deducted at 0.25% + VAT per quarter.

Source: Psigma Investment Management, Interactive Data, Bloomberg 31/01/2020.



Why consider Psigma for the AIM IHT Portfolio?

- Our team has over 95 years' collective experience investing in equity markets, two of the team were formerly part of the highly regarded AXA Framlington Equity Team.
- Strong performance record from inception.
- Simple fee structure:
 - 1% AMC + VAT
 - no entry fees
 - no trading fees
 - no exit fees
- Just 100-125 AIM stocks meet our rigorous and stringent selection criteria. From this we build portfolios of between 20-30 stocks.
- We use a third-party company to verify qualification for Business Relief.



Psigma
Investment Management

www.psigma.com

Important information:

This document is prepared for professional advisers and is intended to provide information only. The information contained within this document has been obtained from industry sources that we believe to be reliable and accurate at the time of writing. It is not intended to be construed as a solicitation for the sale of any particular investment nor as investment advice and does not have regard to the specific investment objectives, financial situation, capacity for loss, and particular needs of any person to whom it is presented. The investments contained in this document may not be suitable for all investors.

Investment Risks:

- The value of investments and the income from them can fall as well as rise. An investor may not get back the amount of money that he/she invests. Past performance is not a guide to future performance.
- Foreign currency denominated investments are subject to fluctuations in exchange rates that could have a positive or adverse effect on the value of, and income from, the investment.
- Investors should consult their professional advisers on the possible tax and other consequences of their holding any of the investments contained in this publication.

©2020 Psigma Investment Management. This document has been approved and issued by Psigma Investment Management. Psigma Investment Management is a trading name of Punter Southall Wealth Limited, which is authorised and regulated by the Financial Conduct Authority. Registered in England and Wales No. 5374633. FCA Registration No. 478840. Registered office: 11 Strand, London WC2N 5HR. A Punter Southall company.

(L3_AIM-F_0120-0220_2020-172_1.0FINAL)