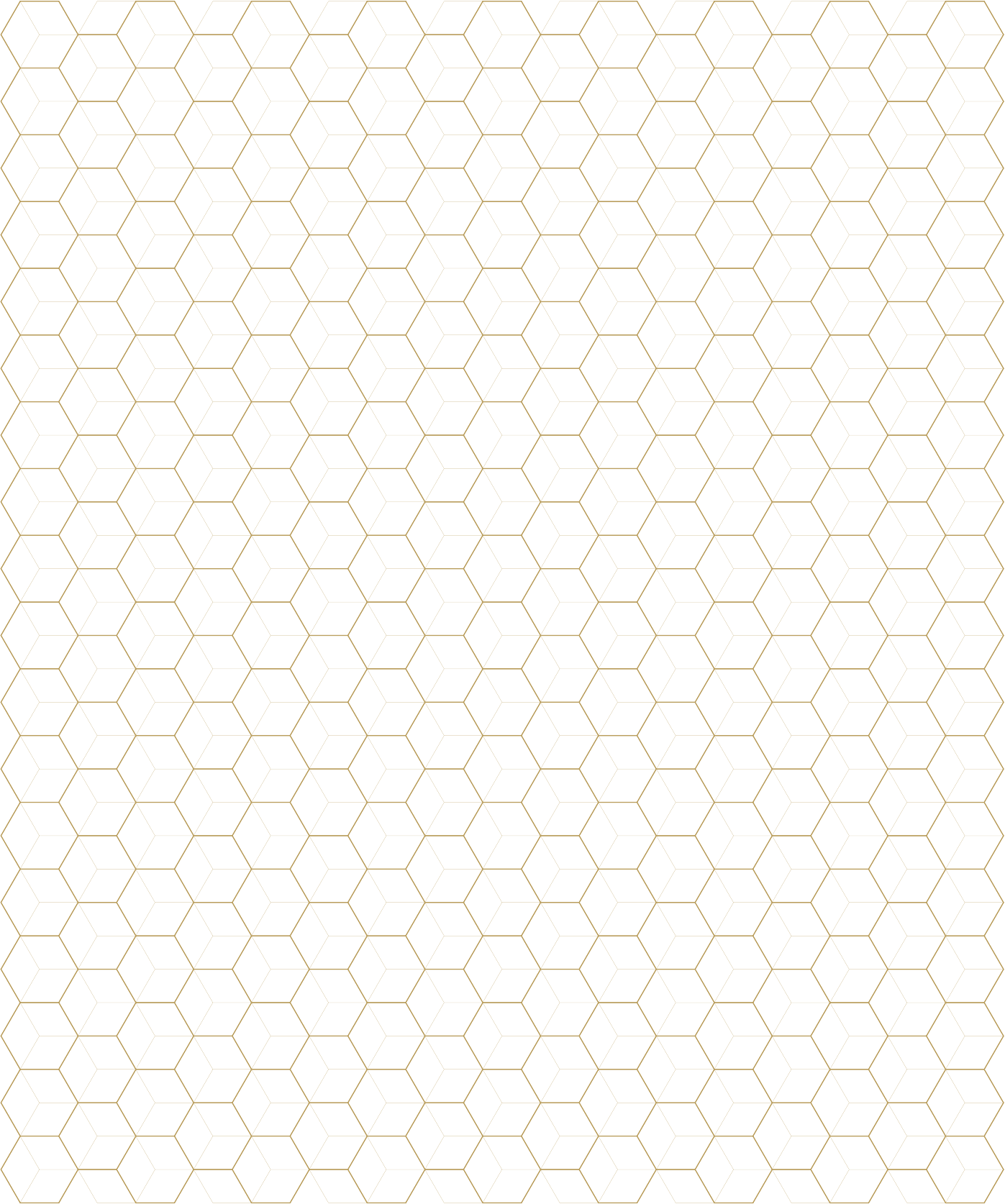


DISCRETIONARY AIM PORTFOLIO BROCHURE



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ABOUT US

Pilling & Co is proud to have offered skilled Stockbroking and Portfolio Management Services for over three centuries. Our head office is named after our founder, Henry Pilling, who launched the firm in 1893. We offer a professional and friendly service and have also forged excellent working relationships with many Solicitors, Accountants and IFAs.

We pioneered Personal Equity Plans (PEPs) and their replacement Individual Savings Accounts (ISAs), and defined the development of this special market nationally. Our expertise in ISAs also covers “Self-Invested” Personal Pensions (SIPPs) of which many clients have already taken full advantage. We also added Child Trust Funds (CTFs) to the menu and more recently Junior ISAs (JISAs) giving you the investment vehicles you need to look after all the family. However, we do not just give you sound information to enable you to choose your own investments, all administered by us, we also specialise in Investment Management and Discretionary Management services.

Our aim is to help you achieve your investment goals with the minimum of fuss. This is why we offer an unrivalled telephone service where calls to Pilling & Co go directly to experienced staff.

The main number **0161-832-6581** is answered by qualified stockbrokers who have immediate access to the markets and can normally deal for you instantly. We also have a direct line **0161-819-4850** to our Administration Department for enquiries relating to your accounts and a direct line **0161-819-4808** to our Settlement Department for stock enquiries to save you annoying call transfers. This makes your phone call shorter and means your needs are dealt with more efficiently.

We find this the best way of giving you an efficient service, particularly in busy periods when rapid market movements mean a surge of calls. In volatile market conditions the ability to trade instantly is critical, which gives Pilling clients a major advantage. We pride ourselves on our ability to answer promptly, even in very busy periods.

MANAGED PORTFOLIO FOR INHERITANCE TAX MITIGATION

Under current legislation, bequests made to a deceased's spouse or to recognised charities escape inheritance tax (IHT). After a 'nil rate band' IHT is applied at a flat rate of 40%. Each person's estate has a nil rate band of at least £325,000 (frozen until April 2030) and may also benefit from a further £175,000 of 'residential nil rate band' provided:

- a) the deceased's main residence is left to a direct descendant, and,
- b) the total estate value is under £2 million.

For estates valued above £2m the residential nil rate band is eroded by £1 for each £2 by which the total value exceeds £2m. From April 2027, pension funds accruing to the deceased are to be included in the calculation of IHT payable by their estate, bringing more estates into the scope of IHT.

Beyond the nil rate bands, an estate will then be taxed at 40% unless any further reliefs are available. The principal reliefs are Business Relief and Agricultural Property Relief.

Pilling clients can buy and hold shares that qualify for Business Relief. Companies can qualify for such relief provided they pass certain tests related to their activities and financial returns as well as not trading on a recognised stock exchange. The UK's AIM market is not a recognised stock exchange for this purpose and therefore some companies trading on this exchange qualify for Business Relief.

FOR AN ESTATE TO BE ABLE TO SUCCESSFULLY INVEST SO AS TO BE ABLE TO CLAIM BUSINESS RELIEF THE FOLLOWING POINTS SHOULD BE OBSERVED

- Qualifying AIM securities must have been purchased at least two years before the date of death with the monies remaining in qualifying AIM securities up to the date of death.
- If a qualifying stock needs to be sold, monies must have been reinvested into further qualifying stock under the provisions of 'replacement property relief'.
- Not all 738 AIM companies will qualify. Companies dealing in property, investments, and general financial instruments (i.e., investment companies) and cash shells do not qualify.
- Until April 2026 successful claims for Business Relief will garner 100% relief from prevailing IHT.
- After April 2026 the relief will reduce to 50% of prevailing IHT.
- AIM stocks can be held in ISAs meaning there is no tax on gains or dividends. AIM stocks also do not pay stamp duty on purchase.
- Away from ISAs AIM stocks are subject to normal rates of CGT and dividend taxation.

Operating within these parameters it is possible for Pilling's Investment Manager to create and manage a portfolio to take advantage of these far-reaching tax breaks.

We do have to point out that AIM securities are regarded as **high risk** and **trading liquidity cannot be guaranteed**. Investors should only contemplate investing in such equities if they can afford to lose any of the capital committed.

We believe the higher risk nature of AIM investing makes it essential to have a broad spread of companies that have been researched and are regularly monitored. At any given time we are monitoring 50 or more companies from which we select for IHT mitigation portfolios. These companies are regularly appraised and added to when appropriate opportunities arise.

CHARGES

An annual management fee of 1% plus VAT will be charged on the value of the portfolio, taken half yearly in arrears. Dealing commission will be charged at 1.65% on the first £10,000 consideration and 0.5% on any balance (per deal).

There is a custody charge of 0.25% charged six monthly in arrears on the total value of ALL your accounts with Pilling & Co. The fee has a minimum of £25.00 and a maximum of £90.00 if you are registered for using our on-line portal Client Web Access (CWA). For clients who request postal documents the fees have a minimum of £30.00 and a maximum of £100.00. In other words, any value over £40,000 (non CWA) and £36,000 (CWA) is free so you may wish to consolidate your investments from other managers.

The discretionary account will be managed on a “contract of care” basis with the performance benchmarked against an appropriate market index. You will receive quarterly valuations and a comprehensive half yearly report and reconciliation. The minimum initial investment for the AIM portfolio is £30,000. The account can be liquidated and the sale proceeds paid to you at any time. In such an event, our normal dealing commission would be levied as well as the management charge on a pro rata basis.

WHAT TO DO NEXT

If you would like to proceed simply complete the AIM Discretionary Form from our website at pilling.co.uk and return it to us.

If you are not an existing client of Pilling & Co, you will also need to provide verification of identity documentation, details of which are the form. For existing clients the firm may conduct an online identity verification check.

Feel free to call us with any questions you may have on 0161 832 6581 between 8.00am and 5.15pm on any business day when there is always somebody here to help you. Alternatively contact us by email at info@pilling.co.uk.

IMPORTANT NOTICE

PLEASE READ CAREFULLY

Pilling & Co Stockbrokers Ltd. is registered in England and Wales No. 9220456 and is authorised and regulated by the Financial Conduct Authority (FCA) No. 652114 and are members of the London Stock Exchange.

A leaflet detailing our own internal Complaints Handling Procedure is available on request together with booklets describing the operation of the Financial Ombudsman Service (FOS) and the Financial Services Compensation Scheme (FSCS) and how to get in touch with them.

Information in this brochure is for guidance only. It is not a recommendation for any product or service without proper consideration of your personal financial circumstances and investment needs. Whilst every effort is made to ensure accuracy, we cannot be held liable for any errors or omissions in this brochure. The past is not a guide to future performance, and the tax treatment of investments depends on individual circumstances and is subject to statutory change. Since the value of investments and the income they produce can go down as well as up, you may not always get back the full amount originally invested.

