

INHERITANCE TAX SOLUTIONS



Fundamental

Important Information

Investment in a Fundamental Inheritance Tax Planning Portfolio of the type referred to in this brochure may not be suitable for all investors. It is not intended that anything stated in this brochure should be construed as an offer or invitation to treat or inducement for you to engage in any investment activity. The information in this brochure relating to the management of portfolios of assets by Fundamental Asset Management Ltd is directed at United Kingdom residents only and products referred to on our website are not available to those who are not resident in the United Kingdom.

Before investing, please ensure that you have read the information set out in the account application form, which includes full details of the charges. Nothing in this document should be regarded as constituting legal, taxation, investment, or other advice and prospective investors are advised to consult their financial and /or other professional advisers before contemplating any investment in a Fundamental Inheritance Tax Planning Portfolio. Any references to tax laws or levels in this document are subject to change. In any event, tax treatment depends on the individual circumstances of a client.

Past performance is no guide to future performance and may not be repeated. The value of an investment in a Fundamental Inheritance Tax Planning Portfolio can go down as well as up and an investor may not get back the full amount invested.

Investment in smaller companies quoted on AIM is generally higher risk than investment in larger, more established companies. As a result, the performance of a Fundamental Inheritance Tax Planning Portfolio that is solely invested in companies quoted on AIM may be more volatile than a portfolio that is solely invested in companies that are listed on the London Stock Exchange Official List. The investments included in a Fundamental Inheritance Tax Planning Portfolio may not always be readily realizable and their marketability may be restricted. As a Fundamental Inheritance Tax Planning portfolio will invest in a comparatively small number of companies, it may be more volatile than portfolios that are more diversified.

This brochure is provided for marketing purposes only. As such, although reasonable care has been taken to ensure that the content of this brochure is not misleading, nothing in this brochure should be taken as being a statement of fact, nor be relied on in any way. Any facts or figures stated in this brochure may not be correct at the time of your reading. The copyright in the content of this brochure belongs to Fundamental Asset Management Ltd and unauthorised copying is strictly prohibited.

Fundamental Asset Management Ltd, is authorised and regulated in the conduct of investment business in the United Kingdom by the Financial Conduct Authority. Fundamental Asset Management Limited has its registered office at Cardinal Point, Park Road, Rickmansworth, WD3 1RE, and was incorporated in England & Wales under Company No.5089880.

Privacy Policy

Any information you provide to Fundamental Asset Management Limited will be used to administer your request for information from us. Occasionally, we may also use your details to inform you of other features, services and products offered by Fundamental Asset Management Ltd and its subsidiaries which we think you may be interested in and we may contact you by post, fax, email or telephone unless you have requested us not to.

We will keep your personal information confidential except to the extent that we are compelled to disclose it by law or to comply with an instruction of a regulatory body of competent jurisdiction.

To comply with the requirements of the Data Protection Act 2018, we adhere to strict security procedures and have taken all appropriate measures to ensure that no unauthorised disclosures of your details are made to a third party without your permission and unauthorised access to it is prevented.

The Service: Performance focused

Fundamental Asset Management Ltd (authorised and regulated by the Financial Conduct Authority) is a specialist investment management firm offering bespoke solutions to suit our clients' investment requirements. Founded in 2004 by Christopher Boxall and Stephen Drabwell.

The Fundamental management team has a proven track record running successful equity strategies through both bull and bear markets and specialises in the type of intensive research that is paramount to investing in smaller, lesser-known companies. In addition to managing portfolios for Inheritance Tax mitigation, Fundamental's asset management services also encompass discretionary portfolio management and fund management.

We pride ourselves on maximising investment returns over the long term as well as offering high levels of customer service for clients and our intermediary partners.



‘AIM’ focus

CVS Group

CVS Group PLC is the largest veterinary group in the UK operating small animal, equine and large animal veterinary practices, complementary veterinary diagnostic businesses, pet crematoria & an online pharmacy business.

A taxing problem

Roy Jenkins, the former Labour chancellor referred to Inheritance Tax as “A voluntary levy paid by those who distrust their heirs more than they dislike the Inland Revenue”.

The Fundamental AIM IHT portfolio is designed for individuals whose estate is expected to be valued significantly in excess of the nil rate band for Inheritance Tax. Fundamental cannot advise you on whether this portfolio is a suitable investment for you.

Your individual circumstances may make the portfolio unsuitable for you and we recommend that you take advice from your intermediary, tax or other professional adviser before making any investment decision.



‘AIM’ focus

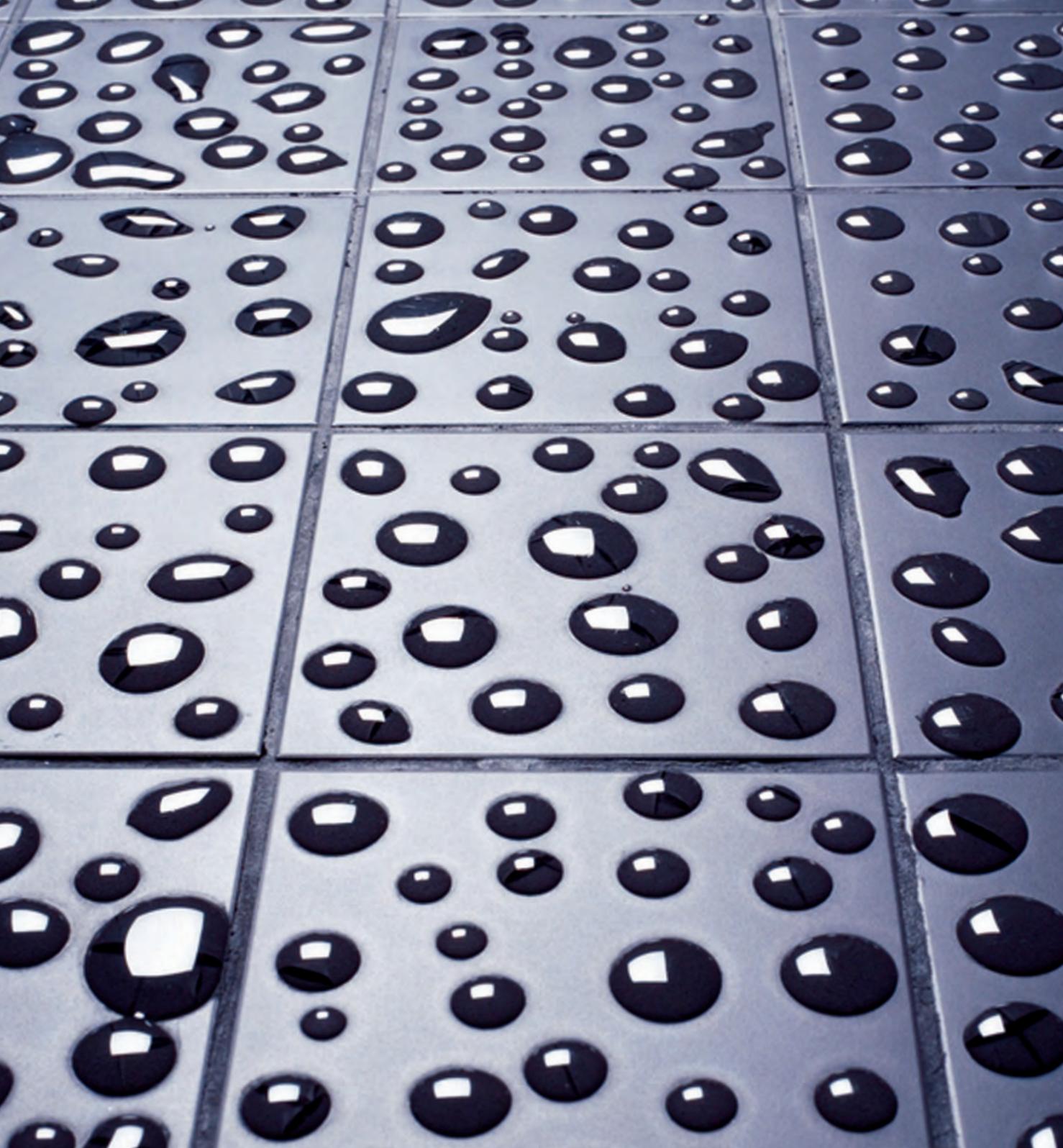
Character Group

Founded in 1991, The Character Group plc is engaged in the design, development and international distribution of toys, games and giftware. The Group’s toy brands include Peppa Pig, Teletubbies, Fireman Sam, Little Live Pets and Stretch Armstrong, amongst others.

A simple solution

Fundamental Asset Management offers an investment service which has the objective of obtaining 100% relief from Inheritance Tax (IHT), as well as the potential for capital appreciation, through investment into qualifying AIM quoted companies.

The Fundamental Inheritance Tax planning service is an effective, proven and non-contentious tax planning method that avoids the costs associated with forming a trust, or the risks associated with gifts as assets remain under the control of the holder.



‘AIM’ focus

James Halstead

James Halstead plc is a significant manufacturer on the world stage for commercial flooring and has been manufacturing successfully since 1915, with the group’s flooring products being installed across the globe. In 2006 the Company received recognition for ongoing achievement in International Trade through the Queen’s Award for Enterprise.

The Inheritance Tax planning benefits of AIM

AIM is the London Stock Exchange's international market for smaller growing companies. Since its launch in 1995, over 3000 companies have joined raising just over £100bn in the process. Many highly successful AIM companies have subsequently made the transition to the LSE's main market following their success on AIM.

AIM is the market of choice for a growing number of international companies as well as household names.

There are currently c850 companies on AIM including a large number of good solid businesses generating excellent profits with demonstrable trading histories.

Under legislation introduced in 1996, individual investors in qualifying AIM quoted companies benefit from the rules on Business Relief as AIM shares are designated "unlisted". Investment in the shares in 'qualifying' AIM quoted companies held for 2 years or more gain 100% relief from Inheritance Tax.

The short two-year qualification period and continual expansion of AIM make it an increasingly compelling tax planning tool.

AIM-listed shares can also be held in ISAs.



‘AIM’ focus

Mulberry

Mulberry Group plc is a British design company renowned world-wide for its craftsmanship and quality. The brand’s backbone is an extensive line of luxury fashion bags for men and women that combine stylish, stand-out design with the finest leathers and detailing.

Fundamental method

The Fundamental investment management process focuses on investment in established qualifying AIM companies which have demonstrable earnings, dividend yield and reduced stock volatility.

Subject to the size of the proposed portfolio, investment will typically be made in 20-30 qualifying AIM quoted companies, covering a broad range of sectors and industries.

The objective will be to hold shares for the long term with relatively limited trading subject to efficient portfolio management and risk control.

Replacement Relief

Relief from IHT is available when the property that qualified for Business Relief is replaced with similar qualifying assets. This allows us to sell assets and reinvest without clients losing the benefit of continued Business Relief. Qualifying business property must be replaced within three years of disposal to retain the relief.



‘AIM’ focus

Nichols

Nichols plc is a multi million pound international business, specialising in soft drinks and dispense systems. The group can trace its development back to the establishment of Vimto, a fruit flavoured cordial, created by John Noel Nichols in 1908.

Nichols plc originally floated on the Manchester Stock Exchange, before moving to AIM in 2004.

Working for you: our team

Christopher Boxall – portfolio manager

Chris qualified as a Chartered Accountant in 1989. He was formerly with Deloitte & Touche, senior adviser with a specialist business consultancy and more recently at Washington Financial Group where he was a key member of the investment management team of the Washington US Fund Ltd, a successful long/short equity fund. Since 2004 Chris has been joint Chief Executive of Fundamental Asset Management Ltd.

Stephen Drabwell – portfolio manager

Stephen has been involved in the financial services sector for 20 years. He was formerly with UBS for 9 years where he was employed as an equity sales trader working in the London, New York and Paris offices.

Stephen then worked at Washington Financial Group where he was senior trader and a key member of the management team of the Washington US Fund, a successful US equity small and mid cap long/short fund. Since 2004 Stephen has been joint Chief Executive of Fundamental Asset Management Ltd.



‘AIM’ focus

Breedon Group

Breedon Group plc is the largest independent construction materials group in the UK. They operate quarries, asphalt plants, ready-mixed concrete & mortar plants and concrete block plants throughout England, Wales and Scotland.

The risks

The attractive Inheritance Tax breaks available to individuals investing in AIM quoted companies are partly designed to overcome one of the major disadvantages of AIM: the extra risk.

Many AIM-listed companies are young, with a relatively undeveloped business or track record. Some are run by inexperienced managers and some are little more than a great idea in search of some capital to develop it.

For a complete explanation of risks please refer to the Risk Warning at the end of this document. We strongly recommend clients consult with their independent financial adviser prior to investing in an IHT planning portfolio.



‘AIM’ focus

Fevertree Drinks

Fevertree Drinks PLC is a supplier of premium carbonated mixers for alcoholic spirits. It sells carbonated mixers to hotels, restaurants, bars and cafes on trade as well as supermarkets and off-licenses for retail purchase off trade.

Frequently asked questions

What is the minimum amount I can invest in an IHT planning portfolio?

The minimum initial portfolio size per client for a dedicated AIM Portfolio is £40,000.

How do I apply?

To apply for the Fundamental AIM IHT Portfolio Service, please complete the separate account application form and send to Fundamental Asset Management Ltd, Cardinal Point, Park Road, Rickmansworth, WD3 1RE.

We will acknowledge receipt of your application and subsequently confirm your new account details. Payment will only be required once the account is open.

Will the portfolio benefit from dividend income and can this be withdrawn?

The portfolio's primary focus is on long term capital growth with a limited level of income, estimated to be approximately 2.5% per annum. Unless specifically requested otherwise, it is suggested that dividend income be retained within the portfolio in order to meet fees and reinvestment opportunities.

How am I kept informed about my portfolio?

You can call the portfolio managers on 01923 713890 at any time to discuss your portfolio.

We provide a formal valuation of client portfolios at the end of each calendar quarter as well as a quarterly report, expanding on the stories behind some of the portfolio's holdings. Each time we buy or sell shares on your account a contract note will be produced and sent to you either with the quarterly valuation referred to above or separately.

What are the ongoing tax implications?

Income and/or capital gains arising from investments within the portfolio are subject to taxation in accordance with investor's individual tax circumstances. We arrange to provide a Consolidated Tax Statement in respect of income earned on the portfolio after the end of the tax year.

Who is responsible for the custody and safe keeping of the shares and cash in my portfolio?

Fundamental does not hold client money. Execution and settlement of trades and custody of the portfolio will be the responsibility of Fundamental's appointed broker.

Fundamental maintains relationships with many of the world's leading brokers and appointment is made in consideration of the following:

- Cost
- Financial Security
- Service

What happens if I want to terminate the service?

Clients can withdraw from the service at any time by giving written notice to the investment manager. Due to the nature of the portfolio's investments in smaller quoted companies it might be harder to deal in certain investments at short notice.

What if I have a complaint?

Complaints should be addressed to The Compliance Officer, Fundamental Asset Management Ltd, at the address given on the back cover of this brochure.



‘AIM’ focus

Young & Co

Young and Co.’s Brewery plc began life in 1890. Its principal activities comprise the management and operation of, and the selling of food and drink through, its pub estate with more than 200 establishments.



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