



Fundamental  
Asset Management

# AIM for Intergenerational Tax Planning and Growth

Fundamental AIM Inheritance Tax ISA Portfolio  
Fundamental AIM Inheritance Tax Portfolio



[www.fundamentalasset.com](http://www.fundamentalasset.com)

## IMPORTANT INFORMATION ABOUT THIS INVESTMENT

For UK investors only

The Fundamental AIM IHT Portfolio invests in smaller companies that are deemed high risk. You may not get back the full amount you put in.

The benefit of tax relief depends on individual circumstances. Tax treatment may change in the future.

Qualification for Business Relief depends on the portfolio companies maintaining their qualifying status, which is assessed by HMRC at the point a claim for the relief is made.

Past performance is not an indicator of future returns. Performance history can be viewed on page 19.

The key risks associated with this service are explained in full on page 23 of this brochure. It is important that you read and fully understand the risks involved before deciding whether it is right for you.

Fundamental Asset Management cannot give advice on investments, legal matters, taxation or anything else. We always recommend you talk to a qualified financial adviser before making any investment decision and that your Will is drafted correctly to benefit from the available inheritance tax reliefs including Business Relief.

All data and factual information within this document is provided by Fundamental Asset Management and is correct at 16th February 2021, unless stated otherwise.

Issued by Fundamental Asset Management Limited, which is authorised and regulated by the Financial Conduct Authority. Registered in England and Wales No. 05089880. We record telephone calls.



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## About Us

***Fundamental Asset Management was established in 2004 and is still managed by founders Christopher Boxall and Stephen Drabwell.***

**We started with a handful of loyal clients allowing us to manage their portfolios and we have grown to be one of the leading owner managed providers of AIM Inheritance Tax portfolios.**

Our mission when we started, which still remains to this day, is to offer UK investors the opportunity to invest into diversified portfolios of high growth UK smaller companies, which have been thoroughly researched and analysed, allied with outstanding customer service.

Chris and Stephen had previously worked together at Washington Financial Group, a manager of a sizeable US small and mid-cap fund, from its London offices. It was there that they saw first-hand how US fund managers carried out extensive analysis and due diligence into smaller companies, which at that time was largely lacking in the UK.

We wanted to replicate the US style of research and investment management and apply it to investing into UK smaller companies. With many of these UK smaller companies listed on AIM, the junior market of the London Stock Exchange, we launched the Fundamental AIM Inheritance Tax Portfolio in October 2004.

Our methodology hasn't changed since we started and several companies we invested in at our launch still remain in our portfolios today.

We believe in investing in high quality, cash generative, profitable, growth companies, preferably where the management of these companies' interests are aligned to those of our clients through them holding substantial equity stakes.

**Investing excellence since 2004**

We have seen many changes and the considerable evolution of the AIM market since 2004: the change in ISA rules allowing them to hold AIM shares, the abolition of stamp duty on share purchases and the AIM market shrink from over 1700 companies at its peak in 2007 to around 800 today. We have seen many companies come and go and companies grow to several billion pounds in value.

It is this experience and expertise, gained through several stock market cycles, along with our outstanding customer service, which makes Fundamental one of the most successful providers of AIM Inheritance Tax portfolios.

# What is Business Relief

***Current UK tax law determines that investments which qualify for Business Relief can be passed on free from Inheritance Tax on the death of the investor, provided the shares have been owned for at least two years at that time.***

Business Relief (or Business Property Relief as it was previously called) was first introduced in the 1976 Finance Act with the objective of ensuring that after the death of the owner of a family-owned business the business could continue to survive as a trading entity, without having to be sold or broken up to pay an Inheritance Tax liability.

## Which businesses qualify

Not every business qualifies for Business Relief, but the following categories, may benefit:

- Shares in an unquoted qualifying company, even a minority holding
- Shares in a qualifying company listed on AIM and certain other overseas stock exchanges.
- An unincorporated qualifying trading business, or an interest in one – a partnership, for example.

The UK Government's decision in 2013 to allow AIM-listed shares to be held within Individual Savings Accounts (ISAs) means that investors can also invest in Business Relief-qualifying shares within a tax-efficient ISA wrapper.

## What doesn't qualify for Business Relief

You can't claim Business Relief if the company:

- mainly deals with securities, stocks or shares, land or buildings, or in making or holding investments.
- is a not-for-profit organisation.
- is being sold, unless the sale is to a company that will carry on the business and the estate will be paid mainly in shares of that company.
- is being wound up, unless this is part of a process to allow the business of the company to carry on

This applies to certain companies on AIM, accordingly not all AIM companies qualify and some may cease qualifying at certain times.

Fundamental Asset Management conducts extensive due diligence into the qualifying status of all AIM companies in which it invests for Inheritance Tax planning purposes.

## Key benefits of Business Relief for estate planning

An investment in a Business Relief qualifying company can be passed down to beneficiaries free of Inheritance Tax on the death of the shareholder provided it has been held for at least two years at that time. Unlike making gifts or settling assets into trust which usually takes seven years to become completely free from inheritance tax.

The assets remain in the client's name and they do not lose control. This means if they need the funds for a later life event such as to cover medical procedures or pay the deposit on a grandchild's first home they can do so. This is in contrast to a trust or gifting approach where the funds are given away and cannot be used by the client if needed in the future.

Business Relief qualifying investments do not use the nil-rate band. This means investors can plan for their nil-rate band allowance to reduce the Inheritance Tax charge on less liquid assets, such as their home, which are otherwise difficult to place outside of the estate for tax purposes.

# Who can benefit from a Fundamental AIM Inheritance Tax Portfolio?

*The Fundamental AIM Inheritance Tax ISA portfolio and General AIM Inheritance Tax account is designed for individuals whose estate is expected to be valued in excess of the nil rate band for Inheritance Tax.*

There are many client scenarios which can benefit from a Fundamental AIM Inheritance Tax ISA or General AIM Inheritance Tax account.

- If you have a **large stocks & shares ISA** in main market stocks and are looking for Inheritance Tax protection you can obtain 100% IHT relief by transferring your ISA over to our Fundamental AIM Inheritance Tax ISA
- If you have an **Inheritance Tax issue on your remaining assets** after exhausting your nil rate band you can use our Fundamental AIM Inheritance Tax Portfolio to mitigate 100% of your potential Inheritance Tax bill
- If you are **looking for Inheritance Tax mitigation sooner** rather than later, you can use our Fundamental AIM Inheritance Tax Portfolio to obtain 100% relief from Inheritance Tax after two years and not seven, as is the case with a Trust or a gifting approach
- If you want to **pass assets to loved ones** without the costly Inheritance Tax bill but don't want to lose control of your assets, then you can achieve 100% mitigation from IHT and retain ownership and control of your money through a Fundamental AIM Inheritance Tax Portfolio.
- If you have **sold a Business Relief qualifying business** in the last 3 years you can retain the Business Relief benefit without resetting the two-year clock by reinvesting into a Fundamental AIM Inheritance Tax portfolio.
- If you are an **attorney under a Lasting Power of Attorney**, you can invest into a Fundamental AIM Inheritance Tax portfolio on behalf of the grantor as direct holdings are deemed in the best interest of the client. This contrasts with a Trust or gifting approach which requires Court of Protection approval.

**An essential tool for intergenerational tax planning**



# Inheritance Tax planning with AIM in an Individual Savings Account ('ISA')

***AIM qualifies for some of the most generous tax benefits available to UK investors making it an essential tool for intergenerational tax planning.***

Many people are familiar with ISA investing and the Income and Capital Gains Tax benefits an ISA provides. However, some are unaware that their ISA is subject to Inheritance Tax like other investments. This is an important issue as thousands pay a significant amount of their estate to the tax man every year by not having an Inheritance Tax plan in place.

Currently, the first £325,000 of an individual's estate is Inheritance Tax free. Anything above this will be taxed at 40%. This is an issue for many and if you are in this situation you should seek professional financial advice.

## **ISA eligibility'**

AIM shares first became eligible for inclusion in ISAs in August 2013 benefiting from no Income or Capital Gains Tax on growth.

## **Inheritance Tax**

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 two years and until death gain 100% relief from Inheritance Tax.

## **Key benefits of the Fundamental AIM Inheritance Tax ISA**

- Effective Intergenerational Tax Planning Strategy
- Retain control and access to your money
- Outstanding 16 year track record
- Proven Investment Approach
- Unrivalled Knowledge of AIM
- Dedicated & Focused Team
- Low cost & low minimum investment

The Fundamental AIM Inheritance Tax ISA is designed to help mitigate a potential Inheritance Tax bill by investing in companies listed on AIM and benefiting from full Inheritance Tax relief after just two years. And the investment can remain as part of the ISA portfolio, benefiting from the tax benefits an ISA wrapper provides.

# AIM Focus

## Example - Quartix Holdings



Quartix-Annual-Report-and-Accounts-2019-Web.pdf | Image Credit

Quartix was established in 2001 and is a leading supplier of subscription-based vehicle tracking systems, software and services in the UK.



# Introducing the Fundamental AIM Inheritance Tax ISA Portfolio

***Inheritance Tax planning is not only for those with high net worth. It is a tax which is paid by thousands of people in the UK every year. But it is avoidable with a good Inheritance Tax plan. That is why we would recommend you speak to a financial adviser before making any investment decisions.***

The Fundamental AIM Inheritance Tax Portfolio has the objective of obtaining 100% relief from Inheritance Tax, as well as the potential for capital appreciation, by investing into qualifying AIM quoted companies. The Fundamental AIM Inheritance Tax Portfolio is an effective, proven and non-contentious tax planning method which avoids the costs, administration and loss of control associated with forming a trust or gifting.

## Growth potential

Holding a Fundamental AIM Inheritance Tax Portfolio means you will benefit from the growth opportunity AIM presents as one of the most successful growth markets in the world.

## Inheritance Tax mitigation

A Fundamental AIM Inheritance Tax portfolio achieves 100% mitigation from Inheritance Tax after only two years. Not seven years as is the case through a gifting or trust approach.

## Retain access to your assets

Holders of a Fundamental AIM Inheritance Tax portfolio retain assets in their own name which means you will not lose control of your assets and have the freedom to redeem some, or all, of your holdings at any time.

## ISA benefits

A Fundamental AIM Inheritance Tax Portfolio can be wrapped in an ISA which means you benefit further from no Income or Capital Gains Tax on growth. An ISA can also be left to a surviving spouse in its entirety tax-free through Additional Permitted Subscription.

## How do I transfer my existing ISA to Fundamental?

If you are looking to transfer your existing ISA to a Fundamental AIM ISA then all you have to do is complete our application and transfer forms and either email them to:

**[enquiries@fundamentalasset.com](mailto:enquiries@fundamentalasset.com)**

or send hard copies to:

**Fundamental Asset Management  
Cardinal Point  
Park Road  
Rickmansworth  
Herts WD3 1RE**

Please note, if you withdraw your investments from your ISA, you will lose your ISA benefits and we will not be able to include them into a new Fundamental AIM ISA if that sum is higher than your current year allowance. Transfers can be made in stock and/or funds (with some exceptions) and cash. To retain previous years ISA allowance, please complete our ISA transfer form.

Generally, the ISA transfer process can take anything up to six weeks for transfer proceeds to be received by Fundamental from your previous provider.

## Looking for a quote?

Email details to us at

**[enquiries@fundamentalasset.com](mailto:enquiries@fundamentalasset.com)**

**and we will be happy to pull together a personalised illustration for you.**

## Used up your ISA allowance but still looking to save Inheritance Tax?

***The Fundamental AIM Inheritance Tax Portfolio is available to investors both inside and outside an ISA.***

The annual ISA allowance for an individual is £20,000 which can be lower than the assets some clients are looking to protect from Inheritance Tax. To help with this we offer a General AIM Inheritance Tax account which is managed in the same way as our ISA account but outside an ISA wrapper.

Not all client wealth is contained in an existing ISA. You may have more than is permissible to be put into an ISA for the current year. That is when our General AIM Inheritance Tax account is helpful as it lets you obtain 100% mitigation from Inheritance Tax on any sums outside your permissible ISA allowances.

A General AIM Inheritance Tax account is slightly more flexible than an ISA. There is no annual maximum investment amount and it can be held as a joint account. Parties to a joint account are treated as joint beneficial tenants. This means should one spouse die, the portfolio will pass to the surviving spouse in full.

**If you are interested in opening a Fundamental AIM Inheritance Tax ISA or General AIM Inheritance Tax account...**

**please contact us on 01923 713890  
enquiries@fundamentalasset.com**

## AIM Focus

Example - Smart Metering Systems plc



SMS plc funds, installs, operates and manages smart meters and carbon reduction assets, including EV chargers and battery storage systems, which facilitate a smarter, greener and more flexible energy system.

## How does it work?

***The easiest way to show you how a Fundamental AIM Inheritance Tax Portfolio can help you and your family's Inheritance Tax planning is to use an example.***

John is an 80 year old widower. His home is worth £1million and he has a stocks & shares ISA he built up over several years valued at £360,000. He intends to leave all his wealth to his three daughters.

The current (2020/2021) Inheritance Tax nil rate band is £325,000 and the residential nil rate band is £175,000 amounting to a total of £500,000. John also benefits from his late wife's residential nil rate band, lifting this to a combined £1million. This means John can leave his home to his daughters free of Inheritance Tax which would use up his total Inheritance tax-free amount. This leaves the £360,000 ISA which would be liable to Inheritance Tax and potentially leave his beneficiaries with a £144,000 inheritance tax bill.

John decided to take financial advice and his financial adviser recommended he transferred 50% (£180,000) of the ISA into a Fundamental AIM Inheritance Tax ISA.

John's financial adviser walked him through the account opening process which was straightforward. John now holds two portfolios of ISA listed investments, one of which is invested in shares of qualifying AIM quoted companies, managed by Fundamental. After John has held the AIM shares for two years they will qualify for 100% Inheritance Tax mitigation and his beneficiaries will not incur a large Inheritance Tax bill and will instead save £72,000.

John can continue to invest up to the ISA threshold every subsequent year. He will retain access to the Fundamental AIM Inheritance Tax investment and can make withdrawals without affecting the Business Relief status of the remaining AIM shares.

### **What happens after I die?**

We are experienced in dealing with solicitors, executors and beneficiaries with any information they might need following your death. We will assist your executors and advisors in the probate process by providing the necessary information need to complete the relevant IHT forms to HMRC.

Executors have the option to sell the investment and pass proceeds to beneficiaries; retain the investment for the benefit of the beneficiaries; or use the portfolio to pay any Inheritance Tax owed from other investments. We cannot give financial advice and would recommend beneficiaries seek financial advice before making any decision.

## **Help is at hand**

**If you need any further information please get in touch. You can call us on 01923 713890 or email [enquiries@fundamentalasset.com](mailto:enquiries@fundamentalasset.com)**

## Stocks & Shares ISA Illustration

*What is the impact on Inheritance Tax of leaving half of John's Stocks and Shares ISA in main market stocks compared with moving it to a Stocks and Shares ISA in AIM stocks using the Fundamental Asset AIM ISA Portfolio?*

	John doesn't do anything	John moves the ISA to a Fundamental AIM Inheritance Tax ISA Portfolio
Gross Investment	£180,000	£180,000
Dealing Fees AIM Portfolio of 25 positions; each position £50	£0	-£1,000
Initial Charge at 1%	0	-£1,800
Amount remaining after initial costs	£180,000	£177,200
Annual Management Charges at 1%+VAT over 2 years	£4,621	£4,549
Value of Investments after 2 years assuming 5% growth each year	£196,069	£193,019
Amount lost through Inheritance Tax on death at 40%	£78,427	£0
Value of inheritance passed on to beneficiaries	£117,641	£193,019

### Looking for a quote?

Email details to us at [enquiries@fundamentalasset.com](mailto:enquiries@fundamentalasset.com) and we will be happy to pull together a personalised illustration for you.

## The Fundamental investment approach

***Your portfolio will hold a basket of AIM stocks with strong potential for capital growth and which qualify for 100% Inheritance Tax mitigation through Business Relief.***

The Fundamental AIM Inheritance Tax Portfolio is a discretionary managed portfolio service comprising of 20 to 30 holdings of Business Relief qualifying AIM quoted companies.

Portfolios are well-diversified and balanced across holdings and sectors. We adopt what is known as a core/satellite approach which means we have a core selection of companies we like to use for each portfolio and a smaller satellite selection which we will consider depending on the details of a particular portfolio. We will not hold a position in a company which exceeds 10% of the total value of the portfolio or 5% on initial investment.

We generally look to invest in better-established companies on AIM which qualify for Business Relief and have a business model which has been proven over time.

The result is that your portfolio is suitably diversified by name and sector, which helps to reduce risk. It also helps us manage liquidity which means you should not have to wait long to retrieve your money should you wish to disinvest from your holdings.

### **We regularly review our positions for Business Relief qualification**

We review our own portfolio holdings and others in the wider market on an ongoing basis. We have never experienced any concerns from HMRC since our founding in 2004.

### **We build bespoke portfolios**

We will tailor portfolios to suit your needs at no additional cost. You may wish to have a portfolio built in line with your own ethical principles. If so, talk to us. We built ethical portfolios for many clients in line with themes such as sustainability and negative screening.

# What business fundamentals do we look at?

*The Investment process starts with an initial stock screening.*

**The objective of this initial screening process is merely for idea generation and does not, alone, constitute a reason to invest. Idea generation is not restricted to only the screening process. Industry publications, investor magazines can be a source as is one company leading to another.**

Once the screening process has generated some ideas, the next stage of the process is to **analyse the strategy of the business** and to gather as much information as possible on what the company is trying to achieve/sell. This may include products, manufacturing, sales targets, operation of sales outlets, customers. This information is generally found on their website or in related publications.

Stage three is **analysis of the financial statements** and to gain a clear understanding the balance sheet, P&L and cash flow statements, with particular emphasis on the latter. Any areas that are not clear are highlighted in preparation for the meeting with management of the company.

If our findings are satisfactory, then we will arrange a **meeting with the management** of the company. However, we have become increasingly sceptical of the benefits of meeting senior management. On occasions this adds value but on others it can prove a distraction and management can tend to downplay any underlying issues within the business. Notwithstanding, generally speaking we will

not take a position to core size until we have met with senior management, often at their place of business.

Once the portfolio is constructed, Fundamental manages it on an ongoing basis, replacing holdings as necessary if they are no longer considered to offer compelling long term investment potential, or if they are in danger of losing their qualification for exemption from IHT. Active management of AIM IHT portfolios is allowed but must be done within certain rules. Expected turnover levels are very low but regular monitoring of holdings continues for the life of the portfolio.

**Delivering outstanding investment growth since 2004**

## Investment Team

Your portfolio will be managed by our two founders Chris Boxall and Stephen Drabwell. Chris and Stephen are experienced investment managers who have been managing the portfolios in-house for the last 16 years and since inception. Chris and Stephen conduct all research supported by external analysts (former fund managers, private investors and business people).

### Stephen Drabwell

[sdrabwell@fundamentalasset.com](mailto:sdrabwell@fundamentalasset.com)

**Stephen Drabwell** is a co-founder, major shareholder and director of Fundamental Asset Management. Stephen oversees the trading, asset allocation and operational aspects of managing the many AIM IHT portfolios that the company oversees. Prior to founding Fundamental, Stephen started his career at the investment bank, UBS in 1990. Following 9 successful years at UBS, which saw him progress to becoming a sales trader on the European portfolio trading desk, Stephen joined Washington Asset Management where he was senior trader for a US Long/short hedge fund. Stephen helped grow the fund from \$30m to \$250m before leaving in 2004 to start Fundamental.

### Christopher Boxall

[cboxall@fundamentalasset.com](mailto:cboxall@fundamentalasset.com)

**Christopher Boxall** is a co-founder, major shareholder and director of Fundamental Asset Management. Chris qualified as a Chartered Accountant in 1989 and has primary responsibility at Fundamental for company research and portfolio management for the firm's equity portfolios, with particular focus on AIM. Prior to Fundamental Chris oversaw activities at the Washington Financial Group, where he was a key member of the investment management team of the Washington US Fund Ltd, a successful equity fund.

**Chris and Stephen are the original founders and have been managing the portfolios since 2004**



## AIM Focus

Example - Gamma  
Communications



Gamma is a leading provider of Unified Communications as a Service into the UK, Dutch, Spanish and German business markets, supplying communication solutions directly and through their extensive network of trusted channel partners.

## One of the most successful growth markets in the world

***AIM has some of the most generous tax benefits of any listed market. But tax is not the only reason to invest in AIM. AIM is also one of the world's most successful growth markets for ambitious fast-growing smaller companies.***

It is true that investing in smaller companies involves risk. However, it also creates opportunity for long-term growth. Investing in smaller companies can produce upside growth potential that is rarely seen in the main UK stock market.

AIM was launched by the London Stock Exchange in 1995 and is home to over 800 companies. With a combined market capitalisation of over £130 billion, AIM gives investors the opportunity to invest in high-growth businesses across different sectors and industries.

There is a misconception that AIM is only for start-ups. AIM has many well-established companies dating back over 100 years with market capitalisations over £1 billion and which would gain entry to the FTSE100 and FTSE250 Index. AIM has an abundance of high quality and profitable businesses with strong growth and earnings prospects, organic cash generation and minimal debt. Many of the businesses on AIM have significant family and founder ownership and balanced management remuneration arrangements.

AIM is a stock pickers market. Large companies on the main UK stock market are covered by hundreds of analysts and professional investors around the world. AIM is a market which receives less focus and means there is greater scope for our investment team to find hidden value and where our well-honed expertise and skill in smaller companies investing can see great rewards.

**Do you know?  
AIM's largest  
companies are big  
enough to gain entry to  
the FTSE100 Index**



# Fundamental AIM Inheritance Tax Portfolio Performance

*The table below shows the performance of our Fundamental AIM Inheritance Tax Portfolio against key comparators*

Discrete Performance	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Fundamental Asset	7.73	21.62	-10.81	27.51	9.94	21.99	5.10	55.06	6.07	17.63	23.92
AIM market	20.74	11.61	-18.20	24.30	14.29	5.25	-17.48	20.29	2.02	-25.75	42.72
UK large companies	-14.34	12.10	-12.48	7.63	14.43	-4.93	-2.71	14.43	5.84	-5.55	9.00

The performance of Fundamental AIM Inheritance Tax Portfolio is shown alongside the return of the AIM market and 100 largest companies in the UK main market.

Performance has been calculated by using a representative Fundamental AIM Inheritance Tax portfolio. Figures have been calculated net of a 1% management fee, 0.5% adviser fee and transaction costs.

**Remember: Past performance is not a reliable indicator of future results.**



**Delivering outstanding investment growth since 2004**

## What are our charges?

*The Fundamental AIM Inheritance Tax Portfolio is one of the most competitively priced products in the market. A breakdown of our investment management costs is below.*

### Charges for advised clients with a financial adviser

Direct

Fundamental Asset <b>Initial Fee:</b>	1% maximum
Fundamental Asset <b>Annual Management Fee:</b>	1%+VAT
Fundamental Asset <b>Dealing Fee:</b>	Max £50 per trade

Through Platform

Fundamental Asset <b>Initial Fee:</b>	none
Fundamental Asset <b>Annual Management Fee:</b>	1%+VAT
Fundamental Asset <b>Dealing Fee:</b>	As per platform costs

### Charges for non-advised clients

Direct

Fundamental Asset <b>Initial Fee:</b>	1% maximum
Fundamental Asset <b>Annual Management Fee:</b>	1.5%+VAT up to £150,000 assets  1%+VAT above £150,000 assets
Fundamental Asset <b>Dealing Fee:</b>	Max £50 per trade

Custody & Regulatory fees and other charges may apply. Please refer to the Remuneration Schedule for a full schedule of charges

### Adviser charges

Adviser charges are agreed between you and your adviser in exchange for the financial advice they have provided to you.

For direct business, we can facilitate adviser initial charge and ongoing adviser charge. Adviser initial charge will be taken from your total investment which will reduce the total amount invested. Ongoing adviser charges will be charged quarterly reducing your net return.

Ongoing advice charge is taken in arrears following the relevant reporting dates, being 31 December, 31 March, 30 June and 30 September.

For platform business, adviser charges are facilitated via the platform.

# AIM Focus

Example - dotDigital



dotdigitalgroup.com - 1686\_Philosophy\_dotdigital-AR20-v12\_AW.pdf | Image Credit

dotDigital is an omnichannel marketing platform and a global leader in customer engagement technology through email, marketing automation, and customer engagement services.

## Frequently asked questions

### **How much can I contribute to my ISA?**

You can invest £20,000 a year into your ISA which is an individual's annual ISA allowance. You can also transfer from any existing ISAs you hold. We do not apply a minimum top-up amount.

### **When does the 2-year clock start?**

The two-year holding period required for an investment to receive exemption from Inheritance Tax is from the date we invest your money in qualifying shares. Once funds have cleared, we will endeavour to invest as soon as reasonably practicable. Please note, after those two years you must continue to hold the investment until your death for the Inheritance Tax relief to apply.

### **Can I make withdrawals?**

You can take your money out of your portfolio whenever you need to by contacting us. We run flexible ISAs which means you can disinvest and reinvest funds within the same ISA tax year. Money withdrawn may lose tax benefits and could form part of your taxable estate at death. We do not apply a minimum withdrawal amount.

### **How can I access my account and see my portfolio?**

If you are invested with us directly, you will have access to your own online portal which is secure and available anytime and where you can see your full portfolio holdings with up to date valuations. If you invest through an adviser's wrap platform you will be able to see all this information on the platform. Direct clients, advised and non-advised, will also receive a quarterly report after each calendar quarter from us, detailing current portfolio positions and valuations as well as a commentary. Copies will be sent to your financial adviser. We prefer to send these electronically but they can be sent in the mail on request.

### **How can I sell my shares and how long will I have to wait for settlement?**

If you wish to sell all or some of your shares we can do this for you as soon as is reasonably practicable following an instruction. One of the benefits of our AIM portfolios is that they are designed to reduce liquidity risk. This means we can usually sell a position within a few days.

### **What is the minimum investment?**

We have a minimum investment of £40,000 when coming direct, which can be split across two annual ISAs held by two people such as a husband and wife. Our minimum investment amount through an adviser platform is £20,000.

### **Does the portfolio pay any income?**

We take the view that AIM is a market for growth. As such, we do not pay out any income and dividends received are retained in the portfolio to meet ongoing costs. However, regular capital withdrawals can be facilitated through your chosen platform.

### **Is Fundamental Asset Management part of the Financial Services Compensation Scheme?**

Fundamental Asset Management is part of the Financial Services Compensation Scheme (FSCS). The FSCS is the compensation fund of last resort for customers of financial services organisations. If an organisation goes out of business, investors can make a claim to the FSCS for any losses resulting from the organisation's bad investment advice, negligence or mis-selling. It is important to understand that the FSCS does not protect against, or compensate for, losses from poor performance, such as when shares in a company have reduced in value.

## AIM Focus

Example - Fevertree Drinks plc



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

## Understanding the risks

***It is important that you understand the risks and are comfortable with these. We recommend that you speak to a financial adviser before making any investment decisions.***

### **Capital at risk**

Past performance is not a guide to future performance and may not be repeated. The value of an investment in a Fundamental AIM Inheritance Tax Portfolio can go down as well as up and an investor may not get back the full amount invested.

### **Small cap investing can be volatile and shares could be difficult to sell**

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 AIM Inheritance Tax 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 AIM Inheritance Tax Portfolio may not always be readily realisable and their marketability may be

restricted. As a Fundamental AIM Inheritance Tax Portfolio will invest in a comparatively small number of companies, it may be more volatile than portfolios that are more diversified.

### **Tax treatment may change**

Our service is based on current tax legislation which could change in the future. Tax relief depends on the companies we invest in maintaining Business Relief-qualifying status. Tax treatment depends on individual circumstances which could change in the future.

### **Business Relief is assessed on a case-by-case basis**

We cannot guarantee that the investments we make will qualify for Business Relief in every case in the future. HMRC will only conduct assessment after the death of an investor, to confirm whether the companies invested in qualify at that time.





## How to invest

***We recommend you speak to a financial adviser before making any investment decisions. Your financial adviser can help you with the application process and answer any questions you might have on whether the investments are suitable for you. At Fundamental, we cannot offer investment or tax advice.***

Our Fundamental AIM Inheritance Tax ISA and General AIM Inheritance Tax account portfolios are available direct by completing our application form and returning to us by email at:

**[enquiries@fundamentalasset.com](mailto:enquiries@fundamentalasset.com)**

or by post to the following address:

**Fundamental Asset Management  
Cardinal Point  
Park Road  
Rickmansworth  
Herts WD3 1RE**

All our literature, including our application form and ISA Transfer Form can be found in the Document Library section on our website:

**[www.fundamentalasset.com](http://www.fundamentalasset.com)**

### Financial Advisers

Our portfolios are also available through the following adviser platforms:

**Standard Life**

**Wrap**

**Standard Life**

**Elevate**

**transact**

**ascentric**

**nucleus**

**CO INVESTOR**

**FundsNetwork**

We are happy to talk further with you or your financial adviser to see how Fundamental Asset Management can help you with your Inheritance Tax planning. If this is something you wish to discuss please contact our relationship manager, Derek McLay.



**Derek McLay**

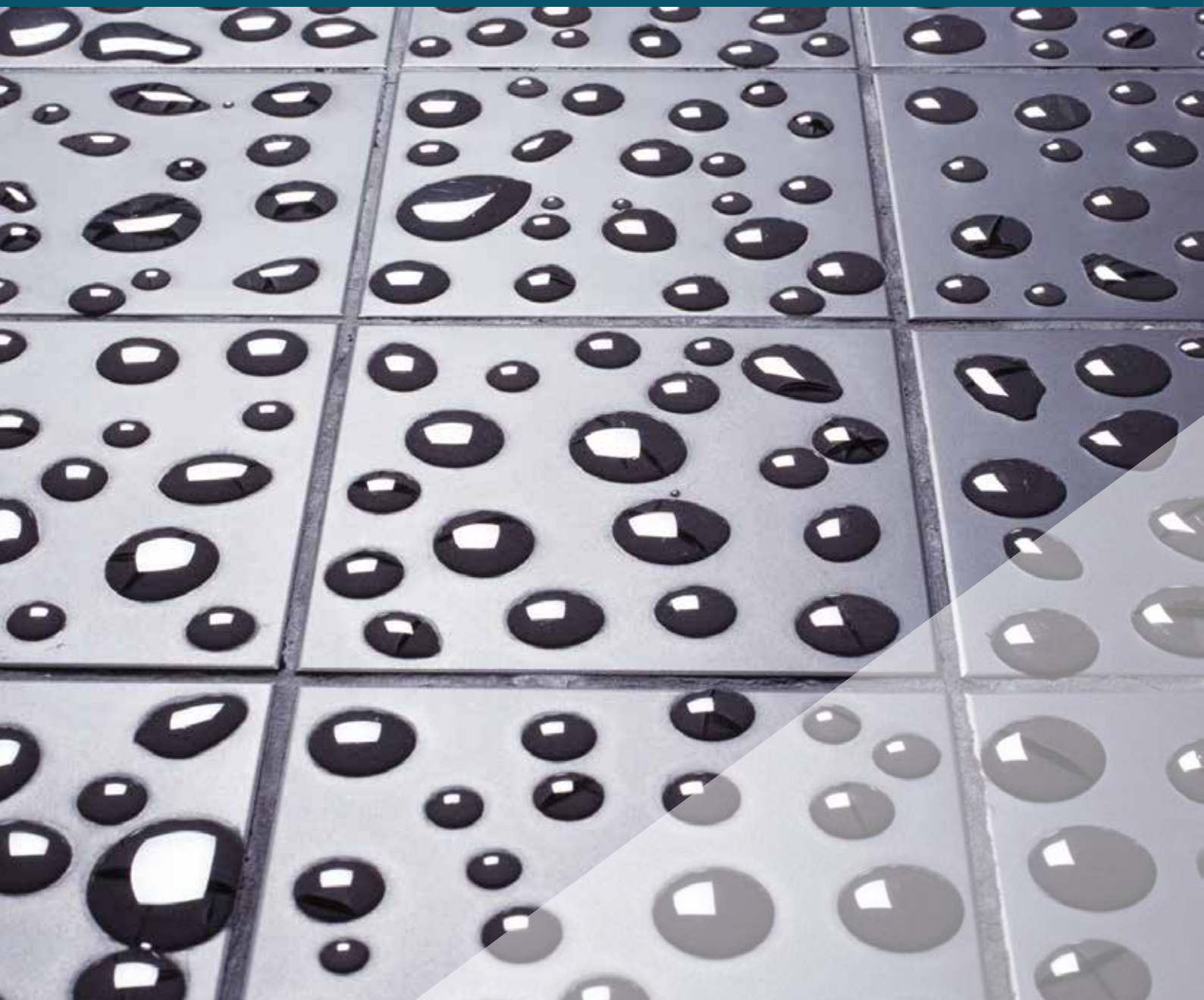
**01923 713 895**

**[dmclay@fundamentalasset.com](mailto:dmclay@fundamentalasset.com)**

Derek McLay has worked in UK investment distribution for over 10 years and is responsible for investor and adviser relationships at Fundamental Asset Management. Derek was previously with Standard Life Investments where he worked on business development and commercial strategy with a focus on single sector funds and pensions in the UK. He later moved to Cornelian Asset Managers specialising in discretionary investment management and multi asset funds covering relationships in the North East, North West, Scotland and Belfast.

## AIM Focus

Example - James Halstead plc



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.



## 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.

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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.