

Alternative Investment Market (AIM) - Portfolio Service

Inheritance tax (IHT) is one of the most unpopular taxes and ensuring you leave as much of your hard-earned money to your family or the causes you care about most is important to many investors.

Without arrangements in place you risk being unable to pass wealth onto the next generation. In some circumstances an additional allowance is applicable to the primary residence but otherwise assets in excess of the IHT nil rate band threshold are taxed at 40%.

IHT relief

The Farley & Thompson AIM portfolio service has been designed to mitigate IHT after a two year holding period by investing in a portfolio of AIM securities that qualify for Business Property Relief. This means that the value of the shares is not counted as part of your estate for the purposes of calculating inheritance tax.

AIM market

AIM is the junior market of the London Stock Exchange where UK and international smaller companies can float shares with fewer restrictions and can access capital for further growth.

Established in 1995 it is home to nearly 1,000 companies ranging widely in market capitalisation from £1m to over £1bn. This provides us with a substantial universe from which to screen and select our preferred securities.

The key features of the AIM Portfolio Service include:

- Offered on a discretionary managed stand-alone basis
- All stocks are bought and held with the IHT benefit as the main focus
- After two years the value of the assets fall outside your estate
- All securities are held in our nominee
- Formal six-monthly valuations
- Tax year end information
- Available within an ISA wrapper for added tax advantages

Tax efficient investing

At Farley & Thompson we seek to protect our clients' wealth as part of our ongoing relationship and our AIM Portfolio offers an opportunity to shelter part of your estate from tax.

This service provides an alternative to the traditional approach of establishing a trust and could assist you in your overall tax planning.

Importantly, as it is a directly invested portfolio of AIM shares, you still retain full control of the assets and the income they earn. This means that unlike a trust, you still have access to your capital if your circumstances change.

Is it for me?

The service might be appropriate if you are a UK resident taxpayer with assets in excess of the nil rate band but you should consult a tax adviser with regard to suitability to your personal circumstances before making any investment.

You should also be willing to accept a higher degree of risk whilst looking to achieve potential capital growth over the longer term by investment in a portfolio of smaller companies.

Contact us

If you would like to find out more about the discretionary AIM Portfolio Service please telephone us to arrange a no obligation meeting.