



CAPITAL FINANCIAL MARKETS
Stockbroking & Investment Management



CAPITAL FINANCIAL MARKETS AIM IHT PORTFOLIO SERVICE

Investing for your families future

INHERITENCE TAX IS A TOPICAL ISSUE

Understandably many people wish to do as much as they can to avoid Inheritance tax so that they can pass as much of their hard earned money on as possible. The Capital Financial Markets AIM IHT Service provides a way of doing this by creating a bespoke portfolio for Individuals which invests into qualifying AIM shares.

Paul Coffin
Managing Director

AIM INHERITANCE TAX SERVICE

The Capital Financial Markets AIM Inheritance Tax Service offers a flexible solution to Inheritance Tax Planning, allowing you to retain control of and access to your money.

It is very important that you read and fully understand the risks involved with this investment so that you can decide whether it is right for you.

The value of an investment in this service may go down as well as up and you may not get back the full amount invested.

Please remember that tax rules and regulations are subject to change. The key risks associated with this product are explained on page 5 this brochure.

WELCOME TO CAPITAL FINANCIAL MARKETS

As an investor with us. We will manage a portfolio specifically designed for you and your particular requirements. We value a personal relationship where we know our clients and do not treat them as a number.

Capital Financial markets proposition is to provide a tailored Investment Service and personalised customer service. We believe in that way our business will grow further by recommendation. We do not aim to be all things to all people. One area we offer services in is providing an Investment Service which mitigates Inheritance Tax.

The basis of this service is to invest in AIM listed securities which qualify for Business Property Tax Relief. This is a specialist area because not all AIM listed companies qualify.

Capital Financial Markets also have specialist experience in analyzing and investing in these stocks, which puts us in a good position to offer an AIM IHT service.

I hope you find this brochure clear and easy to understand. We always recommend that you speak to your financial adviser before investing, but if you have any questions we can assess your suitability by going through a Fact Find with you – please call us on 0203 697 0560.

Paul Coffin

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BUSINESS PROPERTY TAX RELIEF

Introduced in 1976, Business Property Relief (BPR) is a tax relief provided by the UK government as an incentive for investing in a trading business.

WHAT IS BUSINESS PROPERTY RELIEF?

Investors in unquoted shares of trading companies benefit from 100% relief from inheritance tax provided the shares are held for two years and at the time of death.

A TOPICAL ISSUE

Capital Financial Markets can help to ensure you reduce or do not pay Inheritance tax, Investors want to protect their hard-earned assets and pass them on in order to ensure security for their families. Nobody likes the idea of their family losing up to 40% of their money to taxes, but that's what can happen. When you die, HMRC can claim up to 40% of your estate above a threshold of £325,000 (this tax free allowance, frozen until 2015, is known as the 'Nil Rate Band'). There are a number of ways to limit your exposure to inheritance tax, such as the use of trusts.

However, these structures typically take several years to be fully effective and can cause you to permanently lose control of and access to your money.

Capital Financial Markets manage portfolio's which invest in AIM companies that to our knowledge qualify for Business Property Tax relief. In this way such assets fall outside on an estate after just two years.

SOLUTIONS

CAPITAL FINANCIAL MARKETS SOLUTION MEANS YOU RETAIN ACCESS TO YOUR CAPITAL.

Capital Financial Markets AIM IHT Service offers investors inheritance tax exemption after just two years, whilst providing potential investment returns from access to the Alternative Investment Market. We build you a diversified portfolio of AIM investments, which are currently believed to qualify for Business Property Tax relief and which we believe represent good growth opportunities. We then monitor the holdings on a day-to-day basis, buying or selling shares as appropriate.

Your capital is at risk. This means that the value of your investment may go down as well as up and you may not get back the full amount invested.

Our preference is to invest in companies with an established track record, which have strong cash flows and where possible, pay dividends. In larger portfolios there may be a larger tail of Investments than normal in order to mitigate some of the increased smaller company risk.

KEY BENEFITS

1. MITIGATION AFTER TWO YEARS

Unlike gifts and simple transfers into trust, which generally take seven years before they are fully exempt from inheritance tax, investments into CFM AIM IHT are exempt after just two years (provided the investments are still held at the time of death).SIMPLICITY

An investment in CFM AIM IHT Service does not involve complex legal structures, client underwriting or medical reports.

2. CONTROL AND ACCESS

Unlike some other inheritance tax solutions, you

- Retain access to your investment. If your circumstances change and you want to access your capital, you can
- Although money withdrawn will not be shielded from inheritance tax.

3. GROWTH POTENTIAL

The CFM AIM IHT service invests in companies listed on AIM. These are established and often well-known companies, but many still qualify for Business Property Relief. As publicly traded companies, their share prices can change, meaning that there is potential for your investment to grow over time. Of course, there is the risk that their share prices will fall, and it is the job of our investment team to manage your investment to reduce the likelihood of this.

INVESTING IN AIM

The Alternative Investment Market (AIM) was launched in June 1995 as the London Stock Exchange's international market for smaller companies. AIM helps growing companies raise the capital they need for expansion with a relatively inexpensive and flexible method of gaining a stock market listing. AIM is home to around 1,100 companies with a total market value of £60.6 billion.

Today, AIM is firmly established as one of the world's leading stock markets for smaller companies and is home to companies from a diverse range of sectors, based both in the UK and overseas. AIM has continued to flourish through two complete economic cycles and continues to attract dynamic, fast-growing companies.

PORTFOLIO INVESTMENTS

We understand how hard you've worked to build up your assets – that's why we invest in resilient companies with proven management teams we know and trust.

HOW IS MY MONEY INVESTED?

CFM AIM IHT Service usually invests in a diversified portfolio of between 25 and 35 established companies quoted on AIM. Each company needs to demonstrate that:

- It occupies strong market positions & displays clear advantages over the competitors in its chosen market.
- It has a proven management team with a clear record of success in growing the company's business.

To understand and evaluate each investment opportunity, we go through a rigorous process. This often involves spending time with a company's management team, evaluating its competitors and assessing its financial projections. We aim to invest in companies at the right price and not over pay.

UNDERSTANDING THE RISKS

INVESTING ALWAYS INVOLVES SOME ELEMENT OF RISK. WE'RE HERE TO HELP YOU UNDERSTAND WHAT THAT MEANS FOR YOUR MONEY.

This investment product may not be suitable for all investors. However we can sit down with you and assess your financial suitability for this service. We are not tax advisors and would recommend you seek advice in this area as well.

INVESTMENT OBJECTIVE

CFM IHT Service is designed to provide investors with long-term capital growth by investing in a portfolio of AIM listed shares. The investment is designed to be held for the long term. Additionally, please note that investments in AIM shares have to be held for at least two years (and at the date of death) in order to benefit from inheritance tax relief.

RISK TO CAPITAL

Your Capital is at risk and the value of investments may go down as well as up and you may not get back the full amount invested.

VOLATILITY AND LIQUIDITY RISK

Investments made by CFM IHT Service, because they are quoted on AIM, are likely to be higher risk than securities on the London Stock Exchange Official List.

We are able to provide past performance of our portfolios but these are no quite to future performance.

TAXATION RISK

Portfolios are liable to income tax and capital gains tax, although CFM where possible seeks to manage the portfolio to reduce the impact of this.

CURRENT LEGISLATION

Rates of tax, tax benefits and allowances described in this brochure are based on current legislation and HM Revenue & Customs practice and depend on personal circumstances. These may change from time to time and are not guaranteed.

CFM AIM IHT Service has been designed with UK resident tax payers in mind. If you are not resident or ordinarily resident in the UK for tax purposes, it may not be appropriate or advantageous for you to invest in this service.

INVESTMENT HORIZON

CFM AIM Inheritance Tax Service is designed to be held for the long term. Investments in qualifying companies have to be held for at least two years (although relief can be transferred where qualifying holdings are changed in your portfolio) and at the date of death in order to benefit from the IHT relief.

THE CHARGES

We try to make our products and charges crystal clear, but if you have any questions please speak to your financial adviser or call us on 0203 697 0560.

INITIAL CHARGES	NIL
Capital Financial Markets do not charge an upfront fee to invest in this service.	
ANNUAL MANAGEMENT CHARGE	1%
DEALING CHARGES	1.5% first £7,000 + 0.75%

Adviser charges are costs that you have agreed with your adviser, in payment for the advice they have provided to you. If agreed between you and your adviser, Capital Financial Markets Ltd can facilitate adviser charges from your investment. We will deduct these charges from the amount on your application form and pay them to your adviser.

Any purchases within the portfolio will incur a 0.5% stamp duty charged by the UK tax authorities. Some companies are not liable for Stamp duty depending on their domicile.

INVESTMENT LIMITS

The minimum investment into CFM AIM IHT Service is £25,000 and there is no maximum.

ADDING TO YOUR INVESTMENT

You can top up your account at any time. However, remember each 'top up' will take two years to become inheritance tax exempt.

FLEXIBILITY

We understand that circumstances can change, so if you need to sell any of your investment this can easily be arranged. This will however impact the amount you have shielded from inheritance tax. You can ask us to sell any of your holdings at any time the London Stock Exchange is open.

Please note that due to the smaller nature of some AIM companies that liquidity is often an issue. Clients should have appropriate levels of liquid Investments alongside.

AFTER TWO YEARS

You have two options once the investment falls outside your estate for inheritance tax purposes. Your decision depends on the level of control you want to retain over your investment.

Hold the investment: You can continue to hold the investment yourself. This will give you maximum control and allows you to withdraw all or part of your investment at any time.

Put it into a trust: If you are confident that you do not need access to the capital, you might consider gifting all or part of the investment into a discretionary trust. This has a number of potential advantages:

- You can arrange for the trust to pay you a level of income every year
- You can determine how the assets within the trust are used (to pay school fees for example)
- Gifting into a trust prevents the assets being tied up in the probate process
- After seven years, the investment can be transferred into other assets and remain outside of your estate for inheritance tax purposes

We recommend that you seek specialist professional advice before establishing a trust. Should you decide you wish to place your investment in trust, we can provide details of a qualified Financial Planner or Specialist Accountant in this area.

ABOUT CAPITAL FINANCIAL MARKETS LTD

PLEASE VISIT OUR WEBSITE WWW.CAPITALFINANCIALMARKETS.CO.UK or speak to us on 0203 697 0560

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