

July 2025

Downing AIM Estate Planning Service

Brochure



Important Notice

If you are in any doubt about the content of this brochure, the terms & conditions, or any action that you should take, please seek advice from a financial adviser who is authorised under the Financial Services and Markets Act 2000 (FSMA) and specialises in advising on investments of this type. This document has been approved and issued as a financial promotion. Downing is a trading name of Downing LLP.

Downing LLP is authorised and regulated by the Financial Conduct Authority in the United Kingdom (Firm Reference Number 545025). 10 Lower Thames Street, London EC3R 6AF.

Downing has taken all reasonable care to ensure that the facts in this brochure are true and accurate in all material respects and that there are no other material facts whose omission would make any statement of fact or opinion misleading. All statements of opinion, views expressed, and statements made regarding future events, represent Downing's assessment and interpretation of information available to it at the date of this brochure.

For UK investors only

If you have any questions, please call us on 020 7416 7780. Please note, telephone calls may be recorded for monitoring purposes.

No representation is made, or assurances given, that such statements or views are correct, or that the objectives of the Service will be achieved. Investors and their advisers must determine for themselves what reliance they should place on such statements, views or forecasts; Downing does not accept responsibility in respect of these.

Nothing in this brochure constitutes investment, tax, legal or other advice from Downing.

All information contained in this brochure has been sourced by Downing, unless otherwise stated.

Capital is at risk. The value of your investment may go down as well as up and you may not get back the full amount you invested. Also, tax rules and regulations depend on personal circumstances and are subject to change.

Information correct as at 30 June 2025

Feedback and Complaints

At Downing, we aim to deliver outstanding service across everything we do. While we strive for excellence, we know things can occasionally go wrong. If you're unhappy with any aspect of our service, please let us know - we'll acknowledge your concerns in writing and explain how we intend to put things right.

Our approach to handling complaints is shaped by the standards of the Financial Conduct Authority. We also work in line with the Financial Ombudsman Service, which offers an impartial route to resolving disputes between consumers and financial services firms.

If you'd like to raise a complaint, you can reach us at customer@downing.co.uk, call us on 020 7416 7780, or write to: Downing LLP, 10 Lower Thames Street, London EC3R 6AF.

Should we be unable to resolve your complaint to your satisfaction, you may refer the matter to the Financial Ombudsman Service, located at Exchange Tower, London E14 9SR. More information is available at [financial-ombudsman.org.uk](https://www.financial-ombudsman.org.uk).

Contents



4	Who is Downing?	15	Support from the wider team
6	Understanding inheritance tax	16	How we invest your money
7	Why consider an inheritance tax solution?	19	Wealth Guard
8	The Downing AIM Estate Planning Service	21	Life Cover
9	Why choose the Downing AIM Estate Planning Service?	22	Downing's commitment to responsible investing
10	What is AIM?	23	Our fee structure
11	Why small is a big opportunity	24	How we support you
12	The Downing AIM Estate Planning Service in action	25	Key risks
14	Meet the Fund Managers		

Who are Downing?

Established investment manager founded in 1986, combining scale and experience with a focus on client service



What do we believe in?

With over three decades' experience managing assets, we pride ourselves on our ability to take both an agile and considered approach, offering investment opportunities that can be both profitable and purposeful.

Our commitment to building long-term relationships and supporting good businesses combined with our entrepreneurial spirit, means we are always looking for new opportunities that create value for our customers.

Downing in numbers

£2.3bn¹
assets under
management

2007
managing IHT
solutions since

£1.2bn¹
total IHT assets

¹ As at March 2025



“At Downing, our vision is to be a leader in our chosen markets so that we can deliver attractive returns for investors by investing in assets and businesses that can contribute to building a better future.”

Tony McGing

Partner and Chief Executive Officer



For nearly 40 years
Downing has been
investing in businesses
on behalf of investors

Understanding inheritance tax

Will your estate have to pay inheritance tax?

The value of your estate that exceeds the below thresholds could be subject to inheritance tax (IHT) at a rate of 40%.

IHT applies to property, savings, investments, and any other assets after deducting debts, such as your mortgage. Any part of your estate that's left to your spouse or civil partner is exempt from IHT if they permanently reside in the UK.

The **Nil-Rate Band (NRB)** is **£325,000** per person. This is the amount of value in your estate that can be passed on without paying IHT. Spouses and civil partners can transfer part or all of their unused NRB to each other.

The **Residence Nil-Rate Band (RNRB)** is **£175,000**. If you own a home, ownership can transfer to a direct descendant after your death. There are conditions for this threshold to be available.

Do you know about Business Relief?

IHT relief is available after just two years by investing in companies that qualify for Business Relief (BR). This tax relief was established in 1976 to ensure small businesses wouldn't have to be sold to pay IHT bills when an owner died. The tax relief since has been extended to include those who are a minority shareholder within the business. This contains shares in companies listed on the AIM market and shares in unlisted companies that are not traded on a public stock exchange.

The level of IHT relief you benefit from will depend on the type of shares you own. For you to benefit from BR, you must have held the shares for at least two years at the date of your death. You can access BR-qualifying companies by investing in an estate planning solution such as the Downing AIM Estate Planning Service.

Until April 2026, all BR-qualifying shares will be fully exempt from IHT. After this date, AIM-listed shares that qualify for BR will benefit from a halved IHT rate of 20%².



² The proposed reforms to IHT/BR were announced in the Autumn 2024 Budget and, as they have not been drafted in legislation, are subject to change. If in doubt about your financial situation, we recommend that you seek tax and investment advice.

Why consider an inheritance tax solution?



We understand that wanting to pass on as much of your wealth as possible to your loved ones leaves you with several options to consider.

Investing in an estate planning service can have a role to play in a wide range of circumstances. Perhaps you have recently sold a trading business, have a lasting power of attorney in place, or you simply want flexibility and control over your estate.

What are the benefits of choosing a Business Relief solution?

Traditional estate planning solutions can be inflexible or involve a lengthy process. For example, if you give away your assets to family and friends during your lifetime, these gifts can take seven years before they become fully exempt from IHT.

BR can be a useful tool in your IHT planning toolkit and could:



Offer you eligibility for IHT relief after just two years (shares must be held at death)



Allow you to retain access and control over your assets (subject to liquidity)



Enable you to support and invest in UK businesses.

What types of businesses qualify for Business Relief?

It is important to note that businesses must conduct a qualifying trade, so not all will qualify for BR. BR can be available for:



Shares in unlisted companies that are not traded on a public stock exchange



Shares in companies listed on the AIM market

Find out more about BR on the HM Revenue & Customs (HMRC) website at [hmrc.gov.uk](https://www.hmrc.gov.uk). Find the relevant page by entering 'Business Relief' in the search box.

The Downing AIM Estate Planning Service

We aim to provide IHT relief after two years and seek attractive investment opportunities in growth companies

The Downing AIM Estate Planning Service invests in companies that we expect to qualify for BR. These shares may then be passed on to your beneficiaries with a reduced IHT liability, provided they are held for at least two years and at the date of death. Our experienced investment team will spread your capital across 25-40 carefully selected companies that are listed on AIM (the Alternative Investment Market) and FCA recognised investment exchanges. The Fund Managers select companies they believe can deliver consistent returns and are attractively priced.

The team follows a disciplined investment process, focusing on diligent research and careful analysis. They thoroughly evaluate each company to ensure it meets our high standards for long-term value and growth potential.

Why does experience matter for Business Relief eligible investments?

When investing with the goal of qualifying for BR, having a team with the right experience and expertise is essential. Identifying which companies on AIM qualify for BR – and ensuring they continue to do so – requires specialist knowledge. Our expert team is skilled at selecting and managing investments that are likely to qualify for BR, helping you maximise the benefits of your portfolio. Additionally, an external tax adviser provides us with advice and annually monitors the eligibility of portfolio companies to qualify for BR.

We aim to invest in businesses with strong management teams capable of making sound decisions over the long term



Why choose the Downing AIM Estate Planning Service?

A simple and flexible solution for IHT planning that provides access to carefully selected UK growth companies



The benefits of investing

Speed of IHT relief

Your investment could benefit from IHT relief after two years, provided you hold the shares at the time of death. This could significantly benefit your estate planning and mean more of your estate is left to your loved ones.

A diversified portfolio

We believe there is power in diversification and typically invest in 25-40 companies across various industries. This approach can help spread risk and balance your portfolio, reducing reliance on any single investment.

Experienced team

Your investment is in the hands of a specialist team who research, select, and monitor investee companies to deliver inheritance tax benefits alongside the potential for capital growth.

Access to your investment

You can request to sell down your shares at any time, subject to liquidity. This flexibility gives you access to your funds when you need it.

Wealth Guard protection

Your net initial investment is automatically protected from falls in value of up to 20%, at no extra cost (up to a maximum payout of £150,000). The Wealth Guard is guaranteed for the first two years you are invested.

The cover ceases when you reach 90 years old. Please see pages 19-20 for more information.



The risks of investing

Tax reliefs

Tax reliefs are not guaranteed, subject to change, and only apply if you hold your shares for a minimum of two years and at death. There is no guarantee that the companies that we invest in will remain BR qualifying.

Capital at risk

The value of any investment can fall as well as rise and investors may not get back the full amount they put in.

Past performance

Past performance is not a reliable indicator of future results.

Liquidity

The Service invests in AIM-listed shares. This means that the shares we invest in may take longer to sell than shares of companies listed on the London Stock Exchange.

What is AIM?

London Stock Exchange's market for small and medium-sized growth companies



Originally known as the Alternative Investment Market, AIM was established in 1995 to enable smaller companies to raise funds and access public markets.

AIM has since grown to become an established and significant part of the UK equity market. It offers investors exposure to companies with growth potential and the opportunity to diversify portfolios across a broad range of sectors and industries.

29 years

since AIM launched

Over 700

companies currently listed on AIM

£78.3billion

combined market capitalisation

Source: London Stock Exchange, 31 July 2024

What makes AIM attractive

We favour AIM over other markets because it offers unique benefits for investors. It provides a wider range of opportunities at lower prices compared to larger markets. Our strategy targets overlooked companies that, as they grow and attract bigger investors, often see their value rise. This approach enables us to potentially sell these stocks at higher prices, helping us deliver stronger returns for our clients.

“By focusing on companies valued at less than £500 million, we consistently uncover undervalued opportunities. This is our specialty and helps us maximise the potential of what AIM has to offer.”

Nick Hawthorn, Fund Manager



Why small is a big opportunity

While investing in 'smaller' companies involves risk, they can offer attractive returns and the potential to outperform larger firms

While AIM-listed companies are usually smaller compared to those on the main stock exchange, many are well-established businesses with solid track records. Some have histories dating back to the 1700s, such as James Latham, and the 1800s, like Volex.

Find out more by reading the case studies on pages 17 and 18.

Room for substantial growth

Smaller companies inherently have greater growth potential and may be able to grow their earnings faster than larger businesses. This offers the possibility for higher returns, which can make smaller companies an attractive option for investors seeking opportunities beyond those found in larger businesses. However, this potential comes with higher risks, such as greater volatility and less predictable performance.

Hidden gems at lower prices

Smaller companies tend to be under researched and therefore can offer potential for attractive investment. We apply our expertise to seek out companies in overlooked parts of the market, making sure we acquire them without paying more than necessary. Note that this limited coverage can also mean reduced liquidity and less market visibility compared to other AIM-listed companies.

Impact on the UK economy

Companies listed on AIM play a crucial role in the UK economy. Their capacity to attract long-term investment supports growth and job creation. By investing in these companies, you can not only benefit from Business Relief but also contribute to the success of British businesses and the overall strengthening of the UK economy.

Please note that investing in smaller companies also comes with some risks. These business typically present higher risk than those listed on the FTSE100, along with less liquidity and greater price volatility. The combination of these factors may make smaller companies more sensitive to market shifts.

The Downing AIM Estate Planning Service in action

How much could you save?



1

Meet Thomas, 75, who is considering **IHT solutions** to minimise the tax bill his beneficiaries will face. Thomas has an existing **£100,000 share portfolio**.



3

Thomas's financial adviser advises him to sell his share portfolio and invest the proceeds in the **Downing AIM Estate Planning Service**.



2

Thomas consults with his financial adviser. He learns that the value of his other assets will use up the available IHT reliefs and exemptions. As a result, his beneficiaries could be left paying **40% IHT** on the value of his share portfolio. That's a bill of **£40,000**.



4

After two years, Thomas's investment is expected to qualify for **Business Relief**. Provided he still holds the investment when he dies, it can be passed on to his beneficiaries with a reduced IHT liability.

Here's an example of how the Downing AIM Estate Planning Service could help retain the value of Thomas's estate.



	Thomas invests in the Downing AIM Estate Planning Service	Thomas keeps his share portfolio
Net investment	£100,000	£100,000
Potential value after five years (7.5% p.a. growth rate)	£143,563	£143,563
IHT at 40%	(£28,713)	(£57,425)
Net value after IHT	£114,850	£86,138

Assumptions:

- The IHT Nil-Rate Band and Residence Nil-Rate Band are fully used against other assets.
- Both investments are assumed to grow at a compound rate of 7.5% per annum after charges.
- Note that achieving the assumed growth rate outside the Downing AIM Estate Planning Service would require finding an alternative product or strategy offering similar growth.
- All other charges, costs, taxes and tax reliefs have not been considered.
- The example assumes Thomas passes away prior to April 2026. After April 2026, AIM-listed shares that qualify for BR will be subject to a halved IHT rate of 20%.

The above is for illustrative purposes only and assumes there is no capital movement and does not include income, transaction charges or management fees.

Meet the Fund Managers

The expert team managing your investment

Our skilled investment team has nearly forty years of combined experience investing in smaller companies and the UK market, with significant expertise in AIM-listed businesses. Having worked together for nearly a decade, they have refined their investment approach to achieve a strong track record of performance for our clients.

Judith MacKenzie

Partner and Head of Downing Fund Managers

Judith is a Partner and joined Downing in October 2009. Previously Judith was a partner at Acuity Capital, a buy-out from Electra Partners, where she managed AIM-quoted VCT and IHT investments and a small-cap activist fund. Prior to Acuity, Judith held senior investment management positions at Aberdeen Asset Management Growth Capital and has over 30 years of experience of investing in UK Smaller Companies and has been a Citywire AAA rated Manager. Judith is Chair of the Quoted Companies Alliance and is an active member on boards both in the private and public arenas.



Nick Hawthorn

Fund Manager

Nick joined Downing in September 2015 and works across our AIM portfolio mandates. Nick has significant investment management industry experience and prior to Downing held roles at BP Investment Aberdeen Asset Management. Nick's particular interest is in investigating unloved and overlooked situations in the smaller company universe as these have historically been a source of strong returns. He holds a MSc in Finance and Investment from Durham University and a MA in Accounting and Economics from the University of Aberdeen.



Support from the wider team

Harnessing collective expertise

Investment team and collaboration:

- The Investment Team is supported by a **dedicated Analyst**, providing research and analysis to aid decision-making.
- Fund Managers regularly discuss investment ideas with the wider Downing team, leveraging **collective expertise** and insights.

Experienced support teams:

- **Investment Operations Team** helps keep investments running smoothly by handling all the behind-the-scenes work.
- Fund Managers work closely with our **Customer Team** which is dedicated to assisting you throughout your journey with Downing.

Governance and product management:

- Robust governance structures ensure **strong oversight** and put **investors first**.
- **Product Specialists** provide market insights, technical knowledge, and regulatory guidance.

External oversight:

- The portfolio companies are reviewed annually by an **independent external adviser** to provide an extra layer of oversight towards ensuring our portfolio companies qualify for IHT relief.
- The team also benefits from support of an independent member on the **Advisory Investment Committee** with over 20 years of quoted smaller company investment experience.

“At Downing, we design solutions with our clients in mind, focusing on innovation and simplicity to meet their needs.”

Rebecca Ward, Head of Product



How we invest your money

A dedicated and experienced investment manager

We pride ourselves on allocating your money to quality businesses while ensuring they are acquired at the right price. We build a high-conviction portfolio of 25-40 AIM-listed companies across sectors, focusing on durable growth potential and solid management.

What makes a good investment opportunity?

1

Good companies first

Our focus is on owning **high-quality companies**.



We seek enduring companies with strong management teams capable of creating long-term returns for investors.

2

Strong growth prospects

We look for companies that have **room to grow** and can use their capital wisely.



This means they have the **potential to expand** and make the most of new opportunities.

3

High quality management

We seek management teams that act like owners, prioritising **long-term value** creation for investors over short-term gains.



4

The price is right

By exploring parts of the market that others might overlook, **we identify companies at lower prices**.



We meet with the management teams of all the companies we invest in, as it's a key part of our investment process. This direct interaction helps us ensure informed investment decisions.

Example holding: Volex

Volex, established in Manchester in 1892 as Ward & Goldstone Ltd, manufactures electrical connection products for five structurally growing end markets. The company has expanded significantly, employing 6,000 staff across fifteen UK factories, and serves as a critical supplier to leading technology, medical, and industrial companies worldwide.

Why we invested

Business quality

By combining all parts of production and constantly improving its processes, the company has increased its profit margins nearly five times since 2017. Disciplined investment in both internal growth and acquisitions has led to steady and high returns for the business.

Growth potential

The company is selectively investing to increase capacity in its key facilities. It continues to integrate its power cord manufacturing capability and optimise its supply chain and production capacity to reflect economic trends. It has also grown by acquiring 12 other businesses, which has added new markets and customers while increasing profits and providing strong returns on investment.

Management

Investors are well aligned with management who themselves own more than 25% of Volex. The operational and cultural turnaround since 2015 has been impressive and builds a foundation for long term growth.



Information accurate as at November 2024.

Example holding: James Latham

James Latham started importing hardwoods into Liverpool in 1757 and became a public company in 1965. Eight generations of the Latham family have expanded the business from one location in Clapton to a leading distributor of hardwood, softwood, and panel products across the UK.

The company has mainly grown by carefully investing its resources and focusing on customer needs, introducing new and innovative products for their trade customers.

Why we invested

Business quality

Latham has demonstrated disciplined investment over multiple decades, growing a lasting business. Their profit margins are strong, and their returns have consistently been higher than their costs.

Growth potential

The company has grown its revenues and operating profit at impressive rates over the last 10 years. Exceptional operating conditions during the COVID pandemic led to a significant windfall, which will be reinvested into the future growth of the business.

Management

The Latham family have managed the business for over eight generations. As is typical with family-owned and managed businesses, strategic decisions are typically taken with an ultra-long-term perspective. This is evident in how the company has evolved into one of the UK's largest independent timber distributors.



Information accurate as at November 2024.

Wealth Guard

Unique cover designed to provide extra security

Investing comes with risk

We can't know for sure what the future will bring so it's important to plan for what may happen. While we manage the Downing AIM Estate Planning Service in a way that seeks to mitigate risk, it can't be fully eliminated.

At no extra cost to you, provided you're under 90 at time of death, our Wealth Guard covers a fall in value of up to 20% of your net initial investment (i.e. the amount invested after charges) when paying out upon your death.

Key features of Downing's Wealth Guard:

- Available at no extra cost and guaranteed for the first two years you are invested, after which it will be reviewed annually by the insurer.
- You are covered up to £750,000 which means there is a maximum payout of £150,000. Joint applications are treated separately for insurance purposes.
- Wealth Guard is provided through a group insurance policy with an A-rated insurer.
- Cover will cease when you reach 90 years old.

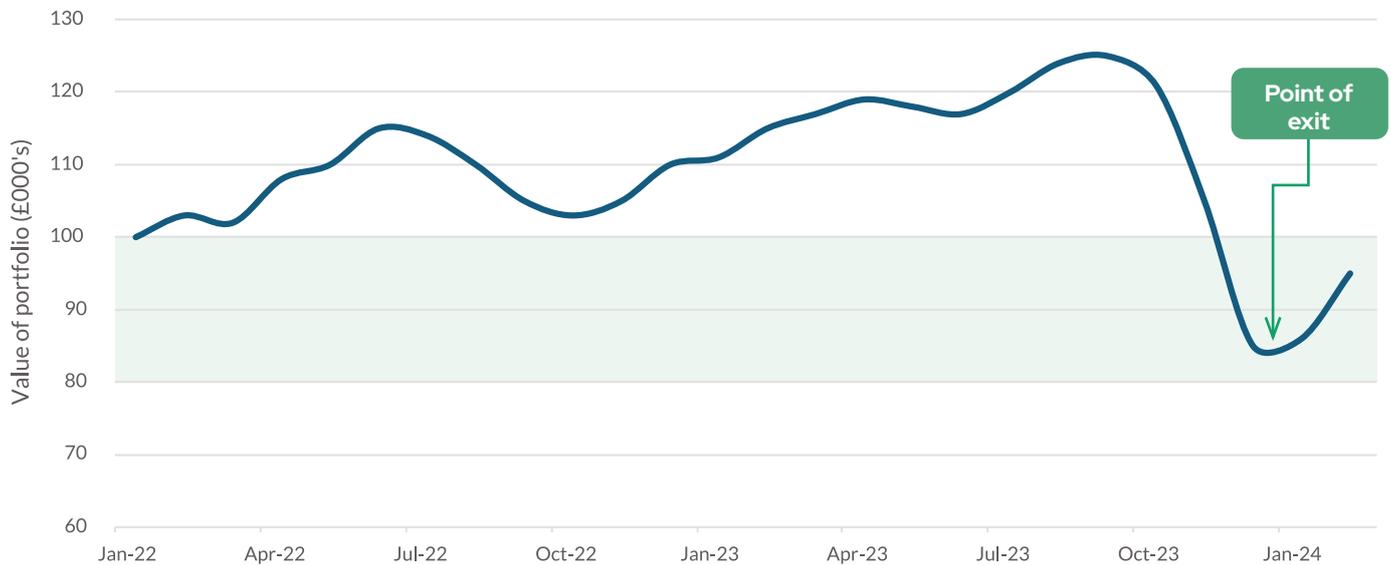
Please note this is a summary only and investors should read the full policy and general exclusions which can be found in the terms and conditions.



An example scenario

How could Wealth Guard work for you?

Illustrative performance



The shaded area represents the 20% covered by Wealth Guard as standard when investing through the Downing AIM Estate Planning Service.

Meet Mrs Thomson

- Mrs Thomson invests £100,000 into the Downing AIM Estate Planning Service (after Downing and adviser initial fees).
- After two years of holding the investment, Mrs Thomson passes away. Her beneficiaries look to sell her investment which is now valued at £85,000.
- Because Mrs Thomson's investment in the Downing AIM Estate Planning Service benefited from Wealth Guard, the insurers paid out £15,000, which is the drop in value from the initial investment.
- As Mrs Thomson held her investment for at least two years and when she died, there was reduced IHT payable on the value of her shares. Depending on the timeframe, her beneficiaries inherited between £80,000 and £100,000.

Initial net subscription	£100,000
Value of portfolio at exit	£85,000
Wealth Guard payout	£15,000
IHT payable if death occurred before April 2026 (full inheritance relief)	£0
IHT payable if death occurred after April 2026 (20% inheritance relief)	£20,000
Amount left to the beneficiary(ies)	£80,000- £100,000 depending on the BR available

Please note that the above is for illustrative purposes only, is not indicative of returns and should not be relied upon. Wealth Guard cover is not guaranteed to stay in place after two years and is subject to the age of the investor.

Life Cover

An optional feature

Life Cover is designed to mitigate the risk of having to pay inheritance tax when your investment hasn't yet qualified for Business Relief. If you were to pass away within two years of acquiring your shares, the insurance could cover the tax bill.

Term	Maximum of two years
Cover	40% of the original gross investment on death
Maximum pay-out	£300,000/£600,000 for joint Life Cover
Maximum age	Under 85 years at the investment date
Life Cover charge	2.25% + VAT per annum/1.86% + VAT per annum ¹

For more information, please request a copy of our Life Cover booklet, and read pages 10-12 of the Dowing AIM Estate Planning Service terms & conditions document, which includes more details of conditions and medical exclusions.

Please note: Medical exclusions/conditions apply and this option may not be available to everyone. ¹ Single Life Cover - 2.25% + VAT per annum/joint life second death cover - 1.86% + VAT per annum.

The charge is calculated on the original gross investment and is allocated annually in advance. There will be no refund of the charge in the event of death. In the case of funds being withdrawn, pro-rata charges will be rebated to reflect the new amount invested and the sum insured will be proportionately reduced. (See the Life Cover booklet and terms & conditions for details.)

Downing's commitment to responsible investing

Making investment more rewarding: investing responsibly for growth, profit and a better tomorrow

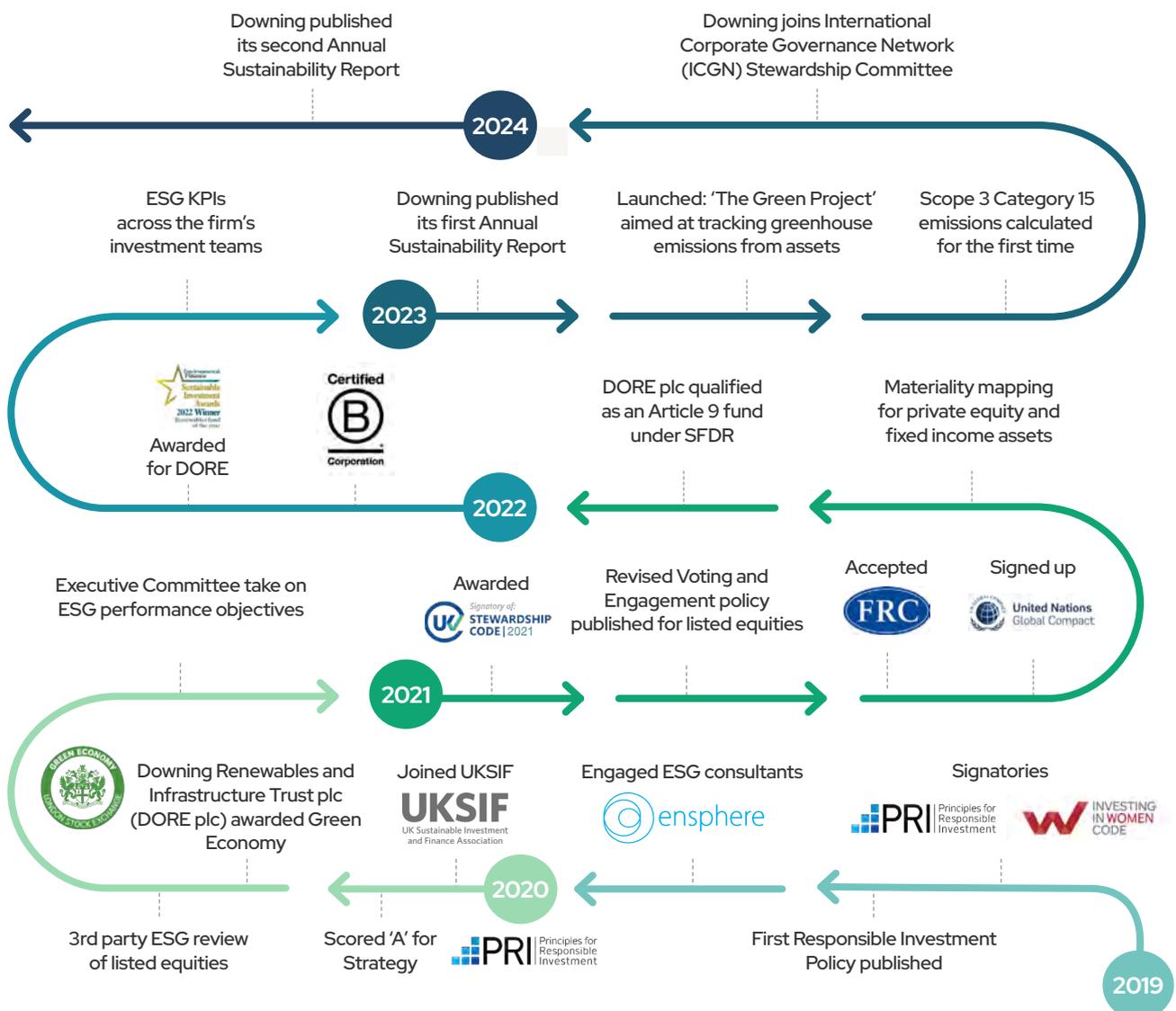
B Corporation

In 2022, we became a B Corporation. This means that we meet high standards of social and environmental performance.

Robust governance

We are committed to accountability, transparency and clear roles and responsibilities for Downing's Committees.

Our investment strategy and policies at firm and investment team levels are available at: www.downing.co.uk/sustainability



Our fee structure

We aim to be as clear as possible with the costs associated with investing in the Downing AIM Estate Planning Service. It's important you understand these fees fully. If you do not, we recommend you seek financial advice before investing.

If you are investing through an adviser:

Description	Charge	Explanation
Annual management charge	1.5% plus VAT	Based on the value of your portfolio
Bargain fee ³	£35 (capped at 0.5% annually)	Per transaction

If you are investing directly or through an intermediary who does not give you relegated advice (execution only):

We recommend that investors consider seeking professional financial advice before making investment decisions. As a result, an initial fee applies to those who choose not to take advice.

Description	Charge	Explanation
Initial fee	2%	Based on the value of your portfolio
Annual management charge	1.5% plus VAT	Based on the value of your portfolio
Bargain fee ³	£35 (capped at 0.5% annually)	Per transaction

³ The bargain charge applies to the acquisition of new shares into the investor's portfolio or the sale of existing shares from the investor's portfolio. It is capped at 0.5% each year to protect smaller investors from paying high ongoing costs.

Further details on charges and fees are set out on page 13 in the terms & conditions. Initial and ongoing adviser fees can be facilitated through the Service (see the application form for more details). Alternatively, you can choose to pay any such fees personally.

How we support you

Putting you and your beneficiaries first



Our dedicated customer service team, led by Jane, are here to help you. Whatever decision you make, we are with you at every step, helping things to go as smoothly as possible. Please don't hesitate to call our team on 0207 416 7780 or email us at: customer@downing.co.uk

Jane Hart, Customer Services Director

- 1** Before investing it is important to understand your personal inheritance tax situation and what type of planning would be best for you. When considering investing please read all relevant literature, paying close attention to the risks. If you have any questions, please contact your financial adviser or our customer service team on the number above.
- 2** Should you decide to invest, we can provide the relevant application forms to complete. A financial adviser will be able to help with filling these in.
- 3** Once we have received your application, we will send you an acknowledgement letter.
- 4** Once the funds are received, we will write to you to let you know the investment programme has begun and provide your login details for the portal. We will send additional confirmation when the investment programme is completed.
- 5** If you have selected the optional Life Cover policy, we will ensure your first-year premium is paid to the insurers. The second-year premium will be paid on the one-year anniversary of your investment.
- 6** You can access your portfolio at any time to add or withdraw, subject to liquidity.
- 7** We will provide you with online access to your portfolio and with a periodic statement every quarter in respect of each portfolio. The report will comprise the cost, current value and dividends of all holdings within a portfolio as at the last business day of the period in question. The performance of the investments will be measured against a stock market index.
- 8** We will provide an annual tax pack detailing capital gains and income after the end of each tax year.



Our in-house bereavement team are here to help

We have a dedicated team that are here to help you and your beneficiaries. If you pass away while holding an investment, the team can talk your loved ones through the options they have available. You can contact the team at the number or email address above.

Sunil Patel
Bereavement Team

Key risks

Here are some of the risks that you should consider before investing

We always recommend that you seek specialist independent tax and financial advice before investing. Downing does not offer tax or investment advice.

Risk to your capital

The value of your capital may go down as well as up and you may not get back the full amount invested.

Level of risk and term of investment

Your investment is considered to be higher risk than securities listed on the main London Stock Exchange; and you must hold your investment for at least two years and at death to benefit from IHT relief.

Tax reliefs are not guaranteed

The rates of tax, tax benefits and tax allowances in this brochure are based on current legislation and HMRC practice. They are not guaranteed, depend on personal circumstances, and are subject to change.

Qualifying investments are not guaranteed

Although the service invests in companies we believe will qualify for business relief, there's no guarantee that this will be achieved or maintained for each company. HMRC assess business relief on a company by company basis at the time of death. The level of IHT relief could be restricted if any portfolio company becomes non-qualifying for business relief purposes. This could occur if, for example, such a company changes its business activities or its corporate structure, or if a company is taken over by another company which

does not qualify for business relief, or if a company's shares become listed on a main stock market so that they cease to be unquoted for tax purposes. This would not affect the business relief status of all the other companies in the portfolio and would likely only represent a small overall proportion of your investment. In these cases, we would look to sell the shares in a non-qualifying business and replace with shares in a qualifying business.

You cannot rely on past performance

Past performance is not a guide to future performance and there is no guarantee that the service's investment objectives will be achieved.

Concentration

We aim to invest in between 25 and 40 companies, which may vary by sector and value. The relative concentration in your portfolio can create more risk compared to investing in a wider portfolio of companies.

Liquidity

There could be a delay in returning cash in the event of significant demand for withdrawals or distributions. It is anticipated that withdrawals will usually be satisfied within 15 working days of Downing's receipt of an Investor's written request, although this is not guaranteed. In the case of large withdrawals the timescale may be extended.

Key risks (continued)

Here are some of the risks that you should consider before investing

Your portfolio may be difficult to sell

The shares of AIM listed companies tend to be harder to sell than those of larger companies. This means that if you want to make a withdrawal or transfer funds from your portfolio, you may not be able to sell the shares immediately and you may have to accept a price that is less than the real value of the companies. You can request a withdrawal from your portfolio at any time but this may be delayed because investments made through the service will be in companies whose shares are less liquid than those of companies listed on the FTSE or another main stock exchange.

Wealth Guard is not guaranteed to remain in place

The insurance policy is a Downing group policy, paid for by Downing. It is renewable each year (subject to a minimum period of at least two years for each investor) but there is no guarantee that it will remain in place following each renewal date.

Life Cover payout

There is no guarantee that the life cover policy will always pay out if a claim is made because there are a number of exclusions.

For further details of the risks associated with investing, please see pages 7-8 of the terms & conditions.

Please read

The information in this brochure is based upon our understanding of current tax rules, legislation, and HMRC practice. Any changes in legislation or HMRC practice may affect the value of an investment.



10 Lower Thames Street
London EC3R 6AF

www.downing.co.uk

Downing is a trading name of Downing LLP. Downing LLP is authorised and regulated by the Financial Conduct Authority (Firm Reference No. 545025). Registered in England and Wales (No. OC341575).
Registered Office: 10 Lower Thames Street, London EC3R 6AF.

July 2025

Downing 