



Inheritance Tax (IHT) Portfolio Service Consumer Duty Information

What is the IHT Portfolio Service?

- At JM Finn we have established a service dedicated to investing in stocks with a view to providing IHT relief;
- This is an actively managed discretionary service that comprises an individually tailored portfolio of qualifying investments that, under current legislation, may benefit from Business Relief (BR);
- This means that the investments fall outside a taxable estate if held at death, and as long as they have been held for a minimum of two years;
- Managed by a specialist investment manager with over 25 years' experience in investing in AIM-listed companies, the service builds bespoke, discretionary portfolios consisting of well researched AIM or Aquis Exchange listed companies.

What is the Target Market?

This service is compatible with investors:

- who are retail clients with a minimum investment of £100k who have received independent advice prior to setting up the portfolio;
- who understand the risks involved in trying to achieve income/growth but also the risks involved in the financial instruments they will be exposed to;

- who are happy to be invested in AIM investments for a minimum of two years and for their remaining lifetime given that this is considered a medium term investment;
- who understand that BR is applied for during probate and subject to HMRC rulings and therefore there can be no certainty that relief will be granted.

Negative Target Market

This service is potentially incompatible with investors:

- who are unlikely to be able to remain invested for a minimum of two years;
- who have portfolios below £100k in value;
- who are without a high risk tolerance;
- who have no ability to sustain capital loss;
- who want to manage their own investment portfolios;
- who have specific ESG or other investment restrictions;
- who are without a potential IHT liability.

Clients with vulnerability characteristics

This service is compatible with clients who have vulnerability characteristics however, we recognise that an understanding of vulnerability from the investment manager is key to providing a good outcome. Please contact your usual manager to discuss further how best we can provide support and make any reasonable adjustments required.

Fair Value Assessment

In accordance with the Consumer Duty and as part of its internal governance procedures, JM Finn has carried out an initial Fair Value Assessment of this service and aims to review and update this at least annually, as well as after any significant changes are made. If it is ever determined that our offering is no longer providing fair value to the client, an action plan will be put in place with measurable timescales for remediation, all of which will be shared with you. Where additional charges are incurred by financial advisers and other intermediaries, they will need to be factored into the financial adviser's own value assessment.

The key factors considered in our Fair Value Assessments include:

- The client is in the right service to meet their needs and objectives
- The client is within the target market for the product/service they are in
- The offering is transparently sold and well supported
- The client receives everything from the offering that has been previously agreed
- The overall client charges are proportionate to the benefits and value the client receives and the costs associated with delivery of the offering

Distribution Strategy

The service is only available to clients who have taken regulated financial advice, either with an independent financial advisor or by a JM Finn Wealth Planner.

Important Information:

The value of investments and the income from them can go down as well as up and investors may not get back the amount originally invested.

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