



The Product

The Unicorn AIM IHT & ISA Portfolio Service is a discretionary investment management service, which aims to provide inheritance tax exemption after two years while targeting growth from investments in companies listed on the Alternative Investment Market (AIM).

The portfolio will consist of 25 to 40 companies which have passed Unicorn Asset Management Limited's proven and rigorous selection process, and which have been independently assessed to confirm they qualify for Business Relief (BR). The companies will be spread across a variety of investment sectors to provide diversification, thereby helping to ensure that the portfolio is not overly exposed to one particular company or investment sector.

Once the client has held shares qualifying for Business Relief for a minimum of two years their value will be exempt from IHT.

The Growth portfolio will automatically re-invest any dividends received from the investee companies in order to help maximise capital growth.

In the event of the client's death, their shares will be included in their estate for probate purposes and will be revalued as at the date of death. If the shares have been held for two years or longer, then 100% BR will be available, which should result in no IHT being payable on the value of the shares at the date of death.

Any cash or shares that do not qualify for BR but are held in the client's portfolio will remain inside their estate for IHT purposes. If the client was to die within two years of investment, the shares will not benefit from BR and they will be liable to IHT as part of the taxable estate. However, the shares may be transferred to a surviving spouse without triggering an IHT liability and without resetting the two year qualifying period.

The portfolio is actively managed and trades are made without reference to a client's tax position. Therefore, capital gains are likely to be created, which could potentially result capital gains tax being payable.

The Providers

The Investment Adviser to the service is Unicorn Asset Management Limited (Unicorn), an investment company that specialises in AIM and UK smaller capitalised companies.

The Investment Manager of the service is WM Capital Management Limited (WM). WM is the Discretionary Investment Manager responsible for the day to day management of investor portfolios, including the allocation of stocks to client portfolios, compliance and taking legal advice to determine whether stocks qualify for Business Relief.

The Custodian to the service, which will hold client money and the shares for investors, is Reyker Securities Plc (Reyker).

The marketing agent to the service is LGBR Capital London Limited (LGBR).

Target Market

The type of clients to whom the product should be marketed:

- Clients that are able to remain invested for at least a minimum of five years, usually because they have other liquid assets.
 - Clients that have knowledge and experience of AIM and higher risk equity investments and who appreciate that shares in AIM companies are illiquid and that it may take some time to invest and reinvest.
 - Clients with the ability to bear the loss of capital, either due to other income or significant other assets.
 - Clients that will benefit financially from the IHT relief whilst appreciating the potential high risks.
 - Clients that that would benefit from an opportunity to mitigate IHT liability combined with the potential for capital growth.
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Negative Target Market

This service is unlikely to be suitable for clients:

- That cannot remain invested for at least five years and who anticipate that they might have a short term need for a substantial proportion of the money invested in the portfolio.
 - For whom the creation of capital gains within the portfolio could create a significant tax burden.
 - That cannot suffer the potential capital losses that could be incurred
 - That require an income
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Distribution Channel

This service is unlikely to be suitable for clients:

This product should be limited to clients who have received investment advice or for clients that have passed WM Capital Management's appropriateness tests.

WM Capital Management Ltd is authorised and regulated by the Financial Conduct Authority and recorded in the register under reference no 601025. Its company number is 07042526 and its registered office is 80 Coleman Street, London, EC2R 5BJ.