Downing AIM ISA Estate Planning Service

Brochure

1 October 2021

Downing

About this brochure

Welcome to this introduction to the Downing AIM ISA Estate Planning Service. You should not rely solely on this brochure to provide you with information about the service. Please talk to your financial adviser and read the terms & conditions before deciding to invest.

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 brochure constitutes a financial promotion in line with Section 21 of the FSMA. It is issued by Downing LLP (Downing), St Magnus House, 3 Lower Thames Street, London EC3R 6HD. Downing is authorised and regulated by the Financial Conduct Authority in the United Kingdom (firm reference number 545025).

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 the brochure.

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; and 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.

For UK investors only.

Information correct as at 1 October 2021.

If you have any questions, please email us at sales@downing.co.uk, or call us on 020 7630 3319. (Telephone calls may be recorded for training purposes.)

Please note

Estate planning investments are high risk and may not be appropriate for everyone. It's important that you understand the risks involved in investing, which are set out on pages 21 and 22 and outlined in more detail in the terms & conditions.

The value of an investment may go down as well as up and you may not get back the full amount you invested. Tax rules and regulations depend on personal circumstances and are subject to change.

What's inside?

About Downing LLP

Our purpose is to make investment more rewarding: rewarding by being profitable for our investors, rewarding by being supportive to the businesses we fund and, through their success, ultimately rewarding for society.

Our role comes with the responsibility of striving to make better returns for our investors from worthwhile businesses.

Central to Downing's ethos is a commitment to the principles of responsible investment. This firm-wide initiative means we will be assessing opportunities for both their profitability – the level of return compared to the risk – and their environmental and social impact.

We believe that putting environmental, social and governance (ESG) criteria at the core of our business will enhance rather than constrain returns.

As a firm, we share three values that guide our decisions and behaviour:

- We are bold and ambitious, coming up with solutions that solve both business challenges and investment objectives for our customers.
- We aim to be as straightforward as possible – with simple, jargon-free interactions that make what we do accessible to all.
- We believe in the power of relationships and mutual support. Downing invests more than money: we provide help and expertise to build lasting relationships with the companies we back and the investors who trust us with their money.

Founded 1986

c. w£1.5 billion of assets under management (30 June 2021)

Managing IHT solutions since 2007

Total IHT assets of over £630 million (30 June 2021)

PRI Principles for Responsible Investment

HealthInvestor Awards 2020 WINNER Private equity investor of the year

GROWTH FINANCE AWARDS | 2019 WINNER BEST FUND MANAGER

Why consider an estate planning service?

If you have worked hard to build up your assets throughout your life, it's likely that you have two objectives for your estate when you pass away.

First, you want to pass on as much of your wealth as you can to your beneficiaries.

Second, you want to make things as easy as possible for your family by leaving your estate in good order.

If you don't make plans for your estate, then your beneficiaries could miss out on a significant portion of your wealth, as well as having the headache of working out how to pay any inheritance tax (IHT).

Traditional estate planning solutions can be inflexible. If you give away assets to family and friends during your lifetime, these gifts can take seven years before they become fully exempt from inheritance tax.

The alternative might be to put your money into a trust but, as with gifts, this option results in you no longer being able to access your wealth and can mean you wait seven years for IHT exemption.

Investing in a flexible estate planning service can have a role to play in a wide-ranging set of circumstances. Here are just five examples.

- **You want flexibility and control over your estate**

  Estate planning services allow you to request access to your investment in part or in full. You can put money in and take money out (subject to liquidity) as you wish.

- **You are elderly, or in poor health, or just want to secure IHT relief in a shorter timeframe**

  With an estate planning service you can benefit from just a two-year wait for your shares to gain IHT free status.

- **You have recently sold a trading business**

  If you sell your business and re-invest the proceeds into an estate planning service, the shares in the service could be IHT free from day one.

- **You have a lasting power of attorney in place**

  Although this can make gifting assets to your beneficiaries more challenging, in most cases a power of attorney is free to invest in an estate planning service.

- **You want to invest in the lifeblood of the UK economy**

  Smaller companies are key to the UK's economic success. You can support their growth across a range of sectors and help contribute to the country's future prosperity.

There are other situations where investing in an estate planning service may be appropriate but Downing cannot give tax or investment advice, so please talk to a financial adviser to find out if this kind of strategy is right for you.

How Inheritance Tax works

Inheritance tax (IHT) affects thousands of families every year and the rules are getting more restrictive. By investing in companies that qualify for business relief you can get IHT relief after only two years.

Taxable estates worth more than £325,000 (the 'nil-rate band') are subject to 40% inheritance tax. There is an additional allowance that applies to the family home, called the 'residence nil-rate band', which is £175,000.

Therefore, the total value of an estate, including the family property, that may be left to direct descendants free of IHT is £500,000 per person (£1 million for married couples or those in a civil partnership) – subject to conditions.

Any unused part of the nil-rate band and the residence nil-rate band (which applies to a single residence) can be transferred between spouses and civil partners.

Note: These bands are frozen until 2026, which could make even more estates liable for IHT.

£325k

2021/22 IHT nil-rate band per person

£500k

2021/22 IHT nil-rate band plus residence nil-rate band per person

Business relief is the gateway to IHT relief

Business relief is an established tax relief introduced in 1976 as a means of ensuring that small businesses wouldn't have to be sold to pay inheritance tax bills when the owner died. The tax relief was later extended to people who invest their money in smaller UK trading businesses.

To qualify for business relief, you have to hold the qualifying shares for a minimum of two years and at the date of death. The value of the shares can then be left to your beneficiaries completely free of inheritance tax. The two-year holding period begins from the date your shares are purchased.

How Inheritance Tax relief works

Here's an example of how gaining IHT relief could help retain the value of your estate.

	Investment in an estate planning service	Standard savings and investments
Your net investment (after charges)	£100,000	£100,000
Potential value after five years (7.5% p.a. growth rate)	£143,563	£143,563
IHT at 40%	Nil	(£57,425)
Net value after IHT	£143,563	£86,318

Assumptions

- Both investments are assumed to grow at a compound rate of 7.5% per annum after charges, with no withdrawals taking place.
- The IHT nil-rate band and residence nil-rate band are fully used against other assets.
- All other charges, costs, taxes and tax reliefs have not been considered.

Please note: This example aims to illustrate the application of business relief and IHT relief. It is not a forecast of the likely performance of the service. The assumed return of 7.5% is not guaranteed. This summary is based on our understanding of current UK tax law and is intended as a guide only.

Downing AIM ISA Estate Planning Service (DAISA)

DAISA is a flexible, discretionary managed portfolio service which combines the tax-saving benefits of investing through an ISA with the opportunity to gain relief from inheritance tax. The investment objectives of the service are outlined below.

IHT relief by investing in AIM listed companies

Full IHT relief on your investment after just two years, by investing in companies listed on AIM who carry out a 'business relief' qualifying trade.

Target portfolio

A target portfolio of between 25 and 40 businesses - diversified by size, sector, and other factors.

Focus on growth

Invest in companies whose business strategy the investment manager believes can generate sustainable growth over the medium to long term.

Responsible investment

Invest in companies that have taken into account Environmental, Social and Governance (ESG) factors in their business model.

The service also gives you access to your money if you need it and protection from any fall of up to 20% in the value of your investment at the date of death. See page 17 and 19 of this brochure.

What is AIM?

Originally known as the Alternative Investment Market, AIM was established in 1995 and is now the world's premier market of its type: a place for small, ambitious and growing companies to gain investment to help them succeed. At present, AIM is home to over 800 small companies with a combined value of more than £150 billion.*

* Source: London Stock Exchange (August 2021)

Why invest in DAISA?

Here are five key reasons why you may want to consider investing in the Downing AIM ISA Estate Planning Service.

A fast track to IHT relief

On your behalf, our investment team invests in AIM-listed UK companies that qualify for business relief. The shares in these businesses can be left to your beneficiaries completely free of inheritance tax – provided they are held for at least two years at the date of death.

A diversified portfolio

The aim is to spread your investment across 25 to 40 companies in various industries. Typically, the size of the companies will be up to £500 million.

Tax free growth and income

Your investment is held in an ISA 'wrapper' so any growth in the value of your investment and any income from the portfolio companies will be tax free.

Protection for your investment

Downside protection cover is provided at no extra cost and means your investment is protected from any fall in value of up to 20% at the date of death – subject to conditions.

And if you want life cover to protect your investment before it becomes IHT free, we can also arrange that for you.

Control over your future financial needs

To give you maximum flexibility, you can request access to your investment at any time, free of charge. We will seek to get funds to you within 15 working days of your request.

The maximum ISA contribution in any tax year is £20,000. This is also the minimum lump sum investment for DAISA. However, there's no upper limit to what you can transfer in from existing ISA accounts.

Remember, tax rules can change and tax advantages depend on personal circumstances.

The experienced team investing your money

Investments in Downing AIM ISA Estate Planning Service are made on your behalf by Downing Fund Managers, who currently manage around £380 million of assets across all portfolios.*

*as at 31 July 2021

Judith MacKenzie
Partner and Head of Downing Fund Managers (DFM)

Judith joined Downing in October 2009. Previously, she was a partner at Acuity Capital managing AIM-quoted VCT and IHT investments and a smaller companies activist fund. Prior to Acuity, Judith spent nine years as a senior investment manager with Aberdeen Asset Management Growth Capital as co-fund manager of the five Aberdeen VCTs, focusing on technology and media investments in both the public and private arenas. Judith is a non-executive director of the Quoted Companies Alliance and is an active member on boards both in private and public companies.

Nick Hawthorn
Co-Fund Manager

Nick joined Downing in September 2015 from BP Investment Management. Prior to this, he worked for Aberdeen Asset Management. Nick has over eight years of experience in the investment management industry and works across the AIM portfolio mandates, the Downing Strategic Investment Trust, and Downing VCT products. Alongside day-to-day fund management duties, he fulfills board observer rights on Downing portfolio companies. 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.

Josh McCathie
Fund Manager

Josh joined Downing in October 2018, working on the Downing Monthly Income Fund, Downing Strategic Investment Trust and AIM IHT products. Previously, he worked at BRI Wealth Management focusing on UK equities. Josh is keen on identifying companies that can compound above average returns on capital over time, which are under appreciated by the shorter term focus of the wider market. By focusing on companies with strong capital discipline, he believes it offers the potential for the most beneficial shared total returns for the company, investors, employees and the environment. Josh is a CFA Charterholder, CISI Level 7 Chartered Wealth Manager, holds the IMC and was in the Citywire 'Top 30 under 30' class of 2018.

As well as the expertise of the wider investment team at Downing, Downing Fund Managers also enlist the services of independent adviser **Donald Robertson**, who is the former co-founder of SVM Asset Management and has over 20 years' experience of smaller quoted company investment.

How your money is invested

Businesses in the portfolio are chosen with the aim of making sure they are in a position to deliver positive returns for investors.

As well as using 'in-house' experience of investing in small companies, DFM really get to know the portfolio companies and take a pro-active role in helping them thrive. This 'deep-dive' approach helps manage risk and aims to give you a high conviction portfolio of 25 to 40 AIM-listed companies in different sectors. The companies will vary in size but each will have a market capitalisation of no more than £500 million at the time of the initial investment.

What makes a good investment opportunity?

- **The management team are high quality**

  Is the company run by an experienced and high-calibre management team? We want to ensure that the interests of management, investors, and our ESG investment principles (see page 13) are closely aligned.

- **The company has a business model that can make money for investors**

  Is the business currently profitable and likely to remain so? The sustainability of earnings over the medium to long term is crucial, and a positive cashflow is a sign that a business is run efficiently and has a solid foundation to create value for investors.

- **The price is right**

  Is the current valuation of the business attractive in relation to similar companies? A good entry price for shares gives more scope for your investment to grow in value.

- **The company is protected from competition**

  Does the company have high barriers to entry for rival companies? A business should be able to maintain at least one major competitive advantage (e.g. technical, economic, brand, legal or strategic).

- **The company's prospects are strong**

  What's the potential for the company and its sector to expand? Before investing, DFM assess whether the outlook for a business is favourable for creating returns for investors.

Responsible Investment

Downing Fund Managers aim to protect and enhance returns for investors by taking an integrated approach to environmental, social and governance (ESG) issues throughout the investment lifecycle.

An integrated approach to ESG

By taking a long-term, sustainable approach to analysis, decision-making and stewardship, Downing Fund Managers strive to take ESG issues into account, mitigate risks and maximise opportunities - the ultimate goal being value creation both through financial returns to shareholders and wider benefits for society.

Our approach is ESG integration rather than blanket negative screening. Holdings in businesses with known ESG risks can be taken provided these are reflected in the current valuation and there is sufficient visibility and influence on management teams to foster change and value creation through an active ownership approach.

This approach ties in with Downing's wider corporate commitment to be a 'Responsible Investor', which is central to the company's ethos as an investment manager.

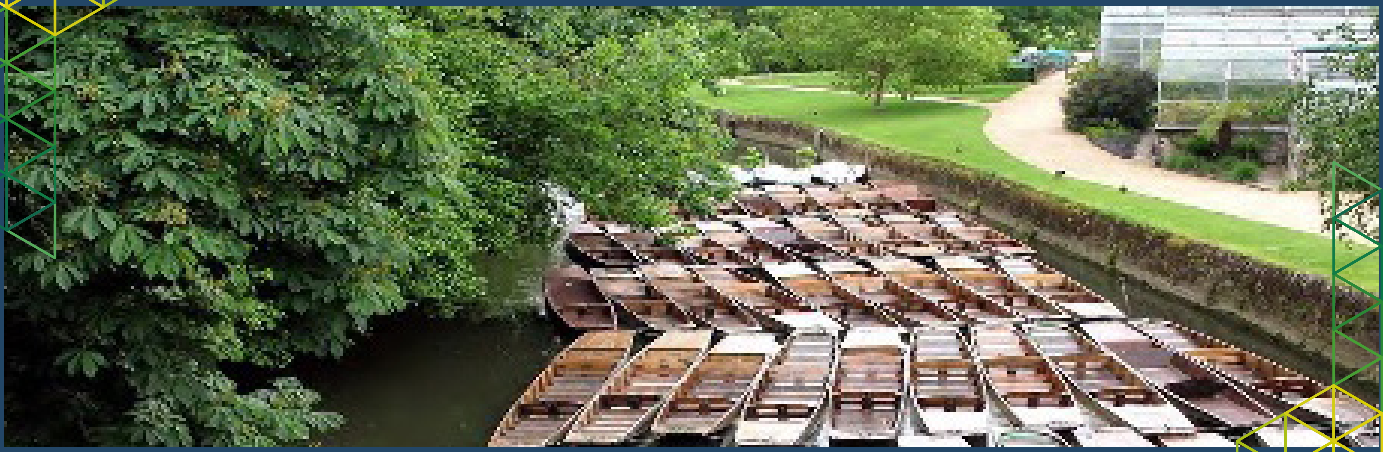
Special focus on good governance

The governance element of ESG investing is a core focus of Downing Fund Managers.

DFM take an active, constructive approach in their relationships with the portfolio companies, aiming to use their experience to enhance corporate governance, protect investors' interests and improve long term value.

Downing is also active at an industry level, being a major supporter of the Quoted Companies Alliance (QCA) and its corporate governance code tailored to small companies.

With the QCA, Downing sponsored the Henley Business School's research reports, 'The Role of Non-Executive Directors (NEDS) in Growth Companies', which promotes better governance through a deeper understanding of the roles and responsibilities of chairs and NEDS; the Board Performance Review Guide on continuous improvement; and a practical guide to ESG for small companies.



Why invest in smaller companies?

Smaller companies can offer attractive returns, are often undervalued and have the potential to outperform larger companies.

Room for substantial growth

By smaller companies we generally mean companies with a market capitalisation up to £500 million.

These businesses are large enough to be established, but small enough to have considerable room to grow and generate big gains - with the flip side being greater volatility. Downing Fund Managers (DFM) focus on AIM-listed companies which, by function of their size, can grow their earnings faster than larger businesses. Over the long-term, a company's growth in earnings is the key factor behind the performance of its share price.

Since AIM's inception in 1995, over 1,600 companies have raised over £125 billion of initial and ongoing funding to support their growth.* And while there's no doubt smaller companies carry more risk than those listed on the FTSE 100, they also have more potential for significant growth.

Hidden gems at lower prices

To help manage risk and drive strong returns for investors, DFM use a 'private equity' approach to investing in the shares of publicly listed companies. This means conducting extensive 'in-house' research before deciding to invest and, once invested, using their expertise to help management teams to succeed.

Large companies have many investment analysts looking at their every move and their shares are traded regularly and in high volumes. In contrast, smaller companies tend to be under-researched and can, therefore, offer investment opportunities where the market price of a company is less than its fundamental value.

This makes the smaller companies market ripe with opportunities. DFM aims to take advantage of this by using a rigorous due diligence processes, rather than relying on third-party research, to drive investment decisions.

By buying shares at a relatively cheap price and engaging positively with management to add value, the goal is to increase the price of a company's shares over time and reap rewards for investors.

Potential outperformance

Over a medium-long term investment horizon, the combination of these two factors - higher growth potential and favourable pricing – can create the conditions for improved investor returns and aims to lower investment risk.

There is strong evidence that smaller companies tend to outperform larger ones over time.

In the past five years, the AIM All-Share Index has increased by 63% compared to the FTSE 100 Index, which has increased by c.5% over the same period.**

But with smaller size comes higher risk. In particular, you may not get back the full amount you invest.

* London Stock Exchange (August 2021)

** Five years to 7 August 2021 (London Stock Exchange)

Case study

Volex plc

Volex is a heritage British manufacturer of power cords and cable assemblies used in electronics and electrical devices. The company has many attractive attributes: global sourcing, production and scale; significant investment in capital assets; a skilled and global workforce; blue-chip customers; and a long-standing reputation for quality.

The business is selectively investing to increase capacity in its key facilities and leverage its global footprint. It continues to vertically integrate its power cord manufacturing capability and optimise its supply chain and production capacity to reflect economic trends.

Why we invested

- Organic growth bolstered by selective acquisitions
- The company is cash generative, creates healthy profits, and has a strong balance sheet
- A business strategy that provides for significant growth and improvement in profit margins

Case study

James Latham plc

James Latham is a UK importer and distributor of wood-based panel products, natural acrylic stone, hardwoods, high-grade softwoods, flooring, cladding, decking and plastics.

The business has been trading for over 260 years and has recently enjoyed enhanced profit margins, in part due to the 2013 EU timber sustainability ruling which improved public awareness about illegal wood being used in the UK.

The strategy going forward is to increase the amount of legal and sustainable product supplied into its marketplace and continue adding new products for the company's distribution network of customers.

Why we invested

- Dominant market share and long, successful trading history
- The increase in the amount of legal and sustainable product supplied into its marketplace has created high barriers to entry for competitors
- Successful acquisition and integration of Abbey Wood (a leading Irish timber merchant) has provided a platform for further growth

In-built protection for your investment

Downside Protection Cover is designed to reduce the impact of any drop in the value of your investment. Should you pass away before age 90, your investment is automatically covered for any fall in value up to 20% on your net initial investment (i.e. the amount invested after charges).

The cover is provided automatically at no extra cost through a group insurance policy with an A-rated insurer. The rating is provided by AM Best, a global credit rating agency with a sole focus on the insurance industry.

The maximum benefit is £100,000, therefore each person can invest up to approximately £500,000 and benefit in full from Downside Protection Cover.

Below is an example of how important downside protection cover could be in preserving the value of your estate.

Original Investment*	£100,000
Value at date of death (4 years later)	£85,000
Downside protection payment	£15,000
Revised value of investment	£100,000

**after charges*

Note: This example aims to illustrate the potential effect of downside protection and is not a forecast of the likely performance of the service.

At a glance

- Downing pays for the policy from the product fees at no additional cost to investors.
- The minimum term is two years. Thereafter, the policy is renewable each year, although we cannot guarantee that it will always remain in place.
- The policy covers a loss in value of up to 20% of your investment, after all initial charges.
- The maximum benefit is £100,000 per investor (i.e. up to a £500,000 investment with 20% protection), which applies across all Downing's estate planning products, and the feature stops at age 90.

Payment of policy proceeds

As trustee, Downing will pay the proceeds of the policy to members of your family or beneficiaries as Downing selects, taking into account who you nominated on your application form.

This should ensure that any proceeds from the insurance policy fall outside of your estate and would therefore not be subject to IHT. For tax implications, please refer to the terms & conditions.

Life cover - additional protection in the first two years

Life cover is an optional feature that's designed to mitigate the effect of having to pay inheritance tax before your investment has qualified for business relief. If you pass away within two years of acquiring your shares, the insurance could cover any IHT liability.

The policy covers 40% of your original gross investment upon death and the cost of the insurance is 2.25% p.a. of your investment for two years.

The maximum payout is £100,000, which applies to each investor across all Downing estate planning products.

If you are interested, please request a copy of the life cover information sheet, and read pages 11-14 of the terms & conditions, which includes the medical exclusions that apply.

Please note: Downing cannot advise on whether the life cover is a good option for you.

Feature	Details
Term	Maximum of two years
Cover	40% of the original gross investment on death
Maximum pay-out	£100,000
Maximum age	Under 85 years at the investment date
Life Cover charge	2.25% p.a. + VAT
Note: conditions and medical exclusions and apply	

Protecting your investment could lead to more of your estate passing to your beneficiaries

Retain control of your estate

You can top up your investment at any time; and you can take out some or all of your money whenever you need to, free of charge.

Access to your money

This flexibility should be helpful if you need to access your funds in an emergency or to pay for a one-off event. We aim to get the funds to you within 15 business days after the date of your request.

A word of caution: your portfolio will consist of companies that may have limited liquidity, so it can sometimes be difficult to accommodate the sale of large numbers of shares within a short timescale.

Potential tax implications

Withdrawals

Any amount you withdraw from your portfolio will not have the chance of benefitting from IHT relief (unless you later reinvest it in another IHT exempt vehicle).

Dividends

The companies that the service invests in may pay dividends from time to time, although we typically keep these on an investor's account to pay any ongoing fees.

Note: we can't guarantee that the companies in your portfolio will pay dividends or that their value will increase. Like all investments, the value of your shares in the Downing AIM ISA Estate Planning Service and any income derived from them can go down as well as up.

What is 'liquidity'?

Liquidity refers to how easy it is to sell your shares without adversely affecting their market price. Greater liquidity means it's easier to sell shares, and vice versa.

Charges and fees

As with any investment product, there are costs involved in researching businesses, making investments, monitoring performance, and administering the service.

Below are the charges designed to cover these costs when you invest through a financial adviser.

Charges for managing your investment		
Annual management charge	1.5% +VAT	based on the value of your portfolio
Bargain fee	£35 +VAT	per transaction

Further details on charges and fees are set out on page 15 of the terms & conditions, which also includes information on additional charges where and investors has come in directly or where commission is payable on an investment (e.g. by those investing on an 'execution-only' basis).

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.

Key risks

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

The objectives of the Downing AIM ISA Estate Planning Service have been set on the basis that you have the potential to save 40% on the value of your portfolio via IHT relief, and that you are resident and domiciled in the UK.

It's normal for equity investments to carry risk and estate planning investments are considered high risk, so it's important that you know and understand what the main risks are so you can make an informed decision.

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.

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.

Liquidity

There could be a delay in returning cash in the event of significant demand for withdrawals or distributions. Investors may not receive the full amount they request of to withdraw for up to 12 months or more.

The Downside Protection policy 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.

ESG investment strategy

DAISA's ESG strategy may result in investments in companies and sectors that underperform against the market or other services that consider ESG factors in their investment decisions. Also, investments selected may not have positive ESG characteristics or practices at the time of investment or later.

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.

For further details and other risks associated with investing in the Downing AIM ISA Estate Planning Service, please see pages 8-10 of the terms & conditions.

What to do now

Before applying

Please read all of this brochure and the terms & conditions document, paying particular attention to the risks. If you have a financial adviser, we recommend that you speak to them to find out if the service is appropriate for you.

When you're ready to invest

Complete the appropriate application form. If you would like any more information, please call us on 020 7630 3319 and we'll be happy to help. Please note, we cannot provide investment or tax advice.

After you submit your application, we'll send you:

- An acknowledgement (within two business days) that your application has been accepted
- Quarterly valuations and updates on the performance of your investment
- Annual fees and costs statements

Note: If we have your email address we will send you an email to set you up on our online portal, where you can view all these communications online.

We may also send you other communications from time to time, for example when your investment becomes IHT free.

It's our goal to have all your money invested within eight weeks of receiving a fully completed application form and cleared funds. We can't, however, guarantee this and it may take a little longer (e.g up to three months) to get you fully invested.

Finding out more

For more information on our estate planning services, please ask your financial adviser or visit our website at www.downing.co.uk/DAISA.

For more information on business relief, visit the HM Revenue & Customs (HMRC) website hmrc.gov.uk and type 'business relief' in the search box to get to the right place.

Downing

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St Magnus House
3 Lower Thames Street
London EC3R 6HD

020 7630 3319
sales@downing.co.uk
www.downing.co.uk

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