

## Purpose

This document provides you with information about the intended target market for this investment product. It is not marketing material. The information is required by law to highlight the characteristics of the intended target market selected by the manufacturer of the product.

## Downing AIM Estate Planning Service (& ISA) (“the Service”)

**Product:** Downing at its discretion, place investors directly into a portfolio of AIM-listed businesses. This Service can also be held within an ISA wrapper

**Name of the product manufacturer:** Downing LLP (registered number OC341575)

**Website for the product manufacturer:** [www.downing.co.uk](http://www.downing.co.uk)

**Call this telephone number for more information:** +44(0) 207 4630 3319

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**YOU ARE ABOUT TO PURCHASE A PRODUCT THAT IS NOT SIMPLE AND MAY BE DIFFICULT TO UNDERSTAND.**

## What is this product?

**Type:** Discretionary managed portfolio (inheritance tax solution)

**Objectives:** Downing at its discretion will place investors into a portfolio of 25-40 AIM-listed businesses, which qualify for Business Relief (BR). As the shares are BR qualifying, if they are held for at least two years and at the date of death the shares should receive inheritance tax relief.

## Intended investor

A typical investor will be a UK resident, although they may also be tax resident in other jurisdictions. They are likely to be a retail client, either advised by an FCA authorised adviser or one that is a high net worth or sophisticated client. Professional clients and are also target clients.

**An investor should;**

- be seeking to shelter assets from UK inheritance tax (i.e., have an estate which inheritance tax (IHT) would be payable on).
- have no short-term requirement to withdraw funds, although the shares have a secondary market there is no guarantee that liquidity will be met in the short term.

## Negative target market investors

- Investors who may need access to capital in the short to medium term.
- Investors who do not have capacity for loss.
- Investors who do not have inheritance tax liability.
- Investors who cannot handle the volatility of the AIM market.

## Vulnerable Customers

All customers are at risk of becoming vulnerable, but this risk is increased by having characteristics of vulnerability. These could be poor health, life events, low resilience to cope with financial or emotional shocks and low capability. In the context of this service, vulnerable customers could refer to:

- Customers who lack experience and understanding of high-risk investments and who, as a result, may not fully understand the potential risks of investing which may make them more susceptible to make unsuitable investment decisions.
- Customers facing health issues or diminished cognitive abilities may be susceptible to making investment decisions without fully comprehending the risks involved.
- Customers experiencing major life events may be more susceptible to making unsuitable investment decisions without the appropriate consideration of their circumstances.

To ensure the fair treatment of all customers in our products and services, we have implemented a vulnerable customer framework which includes:

- Training for all front-line staff to ensure that they have the appropriate skill to identify and deal with vulnerable customers.
- Operating and maintaining a Vulnerable Customer Policy.
- Ongoing monitoring of customer interaction to ensure we continue to meet and respond to the needs of customers with characteristics of vulnerability.
- Issuance of customer surveys and reviewing any customer feedback, making changes to our processes where relevant.

## Recommended holding period

It is required for Business Relief to apply that investors hold their shares for a minimum of two years and still hold them at death. If investors sell their shares before death, they will lose the benefits of the tax relief unless they reinvest the proceeds suitably.

## Knowledge and Experience

Investors should have knowledge of how this type of Service works and the likely outcomes from the Service. Investors should have experience in investing in one or more of:

- Tax efficient products (EIS/VCT/BR)
- AIM-listed or unquoted companies
- Smaller quoted companies
- Larger quoted companies

## Financial Situation

Investors should be able to lose all funds invested. There are no additional payment obligations that might exceed the amount invested.

## Risk Tolerance

The Service has been categorised as high risk because of the risks involved and high failure rate of nascent businesses in addition to the illiquidity of the investments. Investors should not invest if they don't have the capacity to lose some of the money they invested. This is classified as a high-risk investment.