

Downing AIM Estate Planning Service and Downing AIM ISA Value Assessment

Downing LLP has undertaken a Customer Fair Value Assessment as the manufacturer of this product, in accordance with our obligations under PRIN 2A.

Date of most recent Customer Fair Value Assessment	July 2024
Date of next Customer Fair Value Assessment to be completed by	Within the next 12 months*

**We continuously monitor our products and apply a risk-based approach to our product governance; the next review and assessment may take place before this date and this document updated accordingly.*

Outcome of the Customer Fair Value Assessment

As a result of the product governance activities undertaken across this product we can confirm:

- 1. The product remains consistent with the needs of the identified target market.**
- 2. The product remains consistent with the fair value assessment.**
- 3. The intended distribution strategy remains appropriate.**

Further information about the Customer Fair Value Assessment

We (Downing LLP) have concluded the assessment of our core manufactured products to determine whether they offer fair value to customers for a reasonably foreseeable period. Our own analysis has been combined with information from our partners' distribution arrangements.

Our Customer Fair Value Assessments consider the performance of our products against pricing, customer experience, complaints & servicing metrics, Target Market alignment and product distribution arrangements including fees in order to understand the impact on the overall value of the product to our customers. Our findings for our latest product reviews are summarised below.

Review / Assessment Area	Key indicators and measures to be considered where available	Summary outputs and actions
Product Description	Downing AIM Estate Planning Service & Downing AIM ISA (the "product" or the "Service")	The product provides full IHT relief after two years by investing in a diversified target portfolio of 25-40 companies that are listed on AIM and carry out a Business Relief qualifying trade.
Product Performance	<ul style="list-style-type: none"> • BR qualification • Performance against benchmarking and peers 	The product's core objective is to provide IHT relief to our clients after two years. We get external tax advice on the ongoing Business Relief qualification of the portfolio companies to ensure that the companies we invest in remain qualifying and thus provide the expected benefits for our clients. Our assessment of these measures has

		<p>confirmed the ongoing good value of this product. While it is not guaranteed, we continuously review and deliver on this objective, ensuring our clients receive the intended IHT relief in line with their expectations.</p> <p>Additionally, the product provides value when the performance achieves a close match or outperforms the FTSE AIM All-Share Total Return and also performs well in comparison to other managers' similar products over a range of time periods.</p> <p>Cumulative Performance (net of fees, %) as at June 2024:</p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td></td> <td style="text-align: center;">1y</td> <td style="text-align: center;">3y</td> <td style="text-align: center;">5y</td> </tr> <tr> <td>The Service</td> <td style="text-align: center;">11.09</td> <td style="text-align: center;">9.44</td> <td style="text-align: center;">36.21</td> </tr> <tr> <td>FTSE AIM All-Share TR</td> <td style="text-align: center;">3.41</td> <td style="text-align: center;">-35.75</td> <td style="text-align: center;">-11.01</td> </tr> </table> <p>The index noted is not considered directly comparable to the performance of this Service. Please refer to the factsheet for additional performance information. Past performance is not a guide to future performance.</p> <p>Over the past 12 months and beyond, the Service significantly outperformed both its comparator as well as many of its peers, which has been evidenced by internal and external data. We are thus of the view that the product continues to provide value and meet with the target market financial objective.</p>		1y	3y	5y	The Service	11.09	9.44	36.21	FTSE AIM All-Share TR	3.41	-35.75	-11.01
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Review / Assessment Area	Key Indicators and Measures	Summary outputs and actions
Price	<ul style="list-style-type: none"> Fees compared to peers 	<p>Our assessment of these measures confirmed the ongoing good value of this product.</p> <p>The product also offers Wealth Guard cover for investors who meet the criteria. Please see the Brochure here for more details.</p> <p>We adopt a simple approach to charges paid by investors: for example, we do not charge performance fees and we do not have entry or exit charges.</p> <p>Downing's Annual Management Charge: 1.5% plus VAT per annum of the value of each</p>

		<p>Portfolio, payable quarterly in arrears. Where annual trail commission is payable to an Intermediary, Downing will charge an annual fee of 2.0% plus VAT.</p> <p>Out of its fees, Downing will pay the custodian and nominee fees. We also facilitate the annual trail commission on behalf of third-party intermediaries, where applicable.</p> <p>Other charges: Bargain charges. A charge of £35 will apply to each bargain made within the investor's portfolio, payable quarterly in arrears. A bargain charge will apply to the acquisition of new shares into the investor's Portfolio or the sale of existing shares from the investor's Portfolio. Bargain charges will be capped on an annual basis, so that the total cost of the bargain charges for the 12-month period (or less where applicable) through to the 31 December will be no more than 0.5% per annum of the value of each Portfolio at that date. Downing believe the bargain charge is a fairer way to administer the transactional costs, compared to charging a 1% dealing fee.</p> <p>We will continue to monitor our fees regularly to ensure that Downing maintains its position of providing good value to investors.</p>
<p>Quality of Service</p>	<ul style="list-style-type: none"> • Complaints • Risk Oversight Committee including annual review of the product • Review of Risks or Incidents associated with this product • Review of client vulnerability 	<p>We use a variety of third parties, to support the operation of the Service and ensure that a high quality of service is provided to investors in the product.</p> <p>Downing review all customer feedback and complaints on a regular basis through the monthly Customer Committee and Consumer Duty meeting.</p> <p>This product is an inheritance tax solution, and therefore the investor base is more likely to be people at the later stage in their life. Although this doesn't necessarily make the investor vulnerable, we understand this group of consumers is more likely than most to experience vulnerability at some point. Therefore, it is important for Downing to be aware of this to deliver good outcomes to all investors. Downing maintains a Vulnerable Customer Policy, all frontline employees are required to undertake 'Vulnerable Customer' training as a new starter, and annually thereafter.</p>

		<p>On an ongoing basis, Vulnerable Customer MI is produced and reviewed by the Customer Services team to ensure regular oversight and adherence to the Vulnerable Customer Policy. Where issues or trends are identified which may suggest the Policy is not being followed, the Customer Services Director will investigate and escalate Compliance where applicable, to ensure adherence. There are also procedures and operational controls within each business function, which are monitored regularly. The Senior Managers have primary responsibility for these controls to ensure adherence to this Policy. Additionally, a programme of oversight from Compliance will provide regular assurance and engagement from an independent perspective. Lastly, the Consumer Duty Committee discusses and takes into account all aspects of vulnerable customers in its quarterly meetings.</p> <p>Investment stewardship. Downing’s listed products benefit from our investment stewardship programme. The programme is framed around four principles of good governance: board composition and effectiveness, oversight of strategy and risk, environmental and social, executive compensation (remuneration) and shareholder rights. It represents shareholders’ long-term interests through industry advocacy, company engagement and proxy voting.</p>
<p>Distribution</p>	<ul style="list-style-type: none"> • Review of Distribution & Marketing Strategy • Education of distributors • Target Market 	<p>Downing has a distribution and marketing strategy, which is reviewed on a quarterly basis.</p> <p>We annually review our target market to ensure this is still correct for this product. We have conducted thorough assessments of our informational materials to ensure they effectively aid in customers’ understanding of the product, and we are satisfied with the positive outcomes of these assessments. We also ensure that all information is presented in clear, accessible language, making it easy for clients to comprehend.</p> <p>Beyond this, we provide supporting educational collateral and materials for our distributors, which they can obtain directly from us on demand, as well as through our newly launched Adviser Centre accessible from our website.</p>

	<p>Given the comprehensiveness of this information, we have concluded that we provide both consumers and distributors with sufficient knowledge to fully understand the product.</p> <p>Target Market:</p> <ul style="list-style-type: none"> • Investors who are typically UK residents • Investors who are either retail or professional clients • Investors who are seeking to shelter UK assets from inheritance tax • Investors who have sufficient risk tolerance to put their full amount of capital invested at risk • For the optional Life Cover, intended investors should be seeking to insure themselves against losses of up to 40% of their gross subscription in the event of death within the first 2 years, subject to a monetary cap <p>Negative Target Market:</p> <ul style="list-style-type: none"> • Investors who may need access to capital to meet their regular financial commitments • Investors who do not want to take any investment risk or do not have a capacity for any loss • Investors who do not have an inheritance tax liability • Investors who cannot handle the volatility of the AIM market • Investors wishing to make their own decisions to trade
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The Service has been categorised as high risk due to the increased volatility and illiquidity of the AIM listed stocks in comparison to larger companies traded on the main market of the London Stock Exchange. This is a high risk investment, and investors are unlikely to be protected if something goes wrong.

Please refer to the product literature for further information on the product and the associated risks.

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