

Purpose

This document is designed to help clients (existing and potential) and financial advisers determine whether we can help a client achieve their financial objectives and, if we can, which of our services is most likely to do so. Clearly defining our Target Market is a reasonable step we can take to avoid causing foreseeable harm to clients and ensuring we act in good faith.

Downing Estate Planning Service (“the Service”)

Name of the product manufacturer: Downing LLP (FRN 545025)

Website for the product manufacturer: www.downing.co.uk

Telephone number for more information: +44(0) 207 4630 3319

Competent Authority of the product manufacturer in relation to the Target Market Document: UK Financial Conduct Authority

Date of production of this Target Market Document: March 2024

What is this product?

Type: Discretionary managed portfolio (inheritance tax solution).

Objectives: Downing at its discretion, place investors directly into a portfolio of unquoted companies that they believe will qualify for Business Relief (BR). If BR qualifying shares are held for at least 2 years and at the date of death, the shares should be exempt from inheritance tax. The minimum investment is £25,000.

Target market investors

- 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

Negative target market investors

- 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 not willing to delegate investment decisions or clients wishing to make their own decisions to trade

Recommended holding period

To qualify for inheritance tax relief, shares must be held for a minimum of 2 years and on death.

Knowledge and Experience

Investors should have knowledge of how this type of Service works and/or experience investing in one or more of the below:

- Tax efficient products (EIS/VCT/BR)
- Unquoted companies

Alternatively, investors who have taken financial advice from a regulated financial adviser or suitably qualified professional on their inheritance tax position.

Risk Tolerance

The Service has been categorised as high-risk because the components of the portfolio are unquoted companies, which are typically higher- risk and less liquid than their listed counterparties. Investors should have sufficient risk tolerance to put their full amount of capital invested at risk.

Distribution Strategy

- Retail investors would typically be advised by an FCA regulated adviser
- Unadvised retail investors who access the Service directly will be subject to the FCA's rules on high- risk financial promotions, as this Service is classed a restricted mass market investment
- Professional investors may access the Service directly

As identified within this document, our Target Market is broad and as a result, will contain a demographic of clients that will currently have, or will have in the future, a wide range of characteristics of vulnerability.

Our staff receive regular training on vulnerabilities and are available to help any client understand our services or their portfolio. In addition, we have processes in place to look after our client's interests if they become vulnerable. We can also arrange to provide most documentation in large print or other formats. Notifying us allows us to tailor our support for these clients to meet their needs.