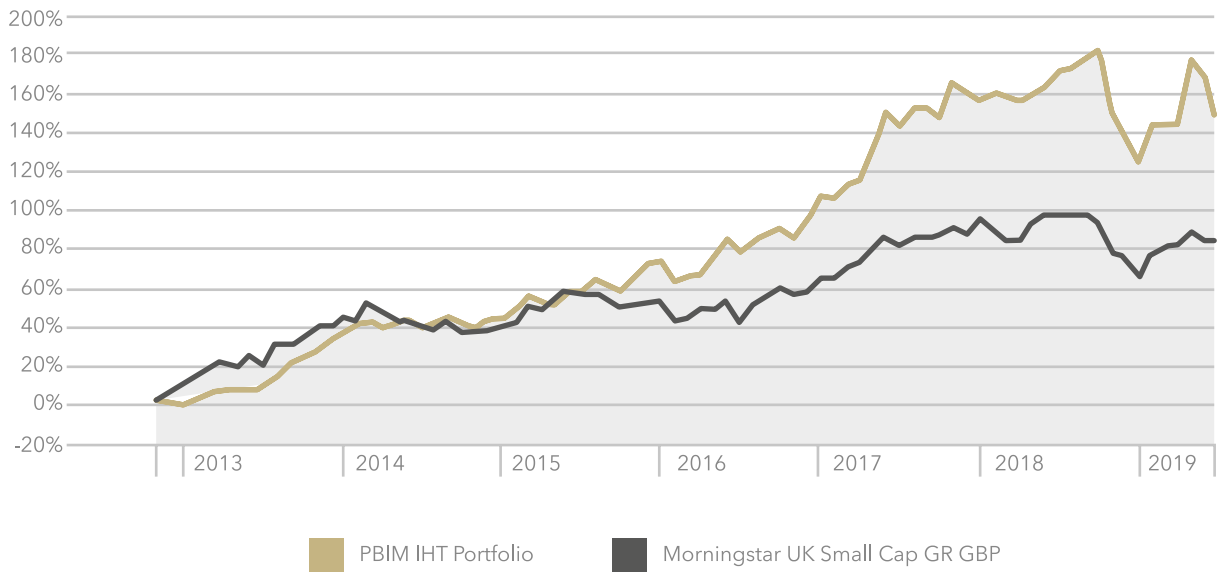
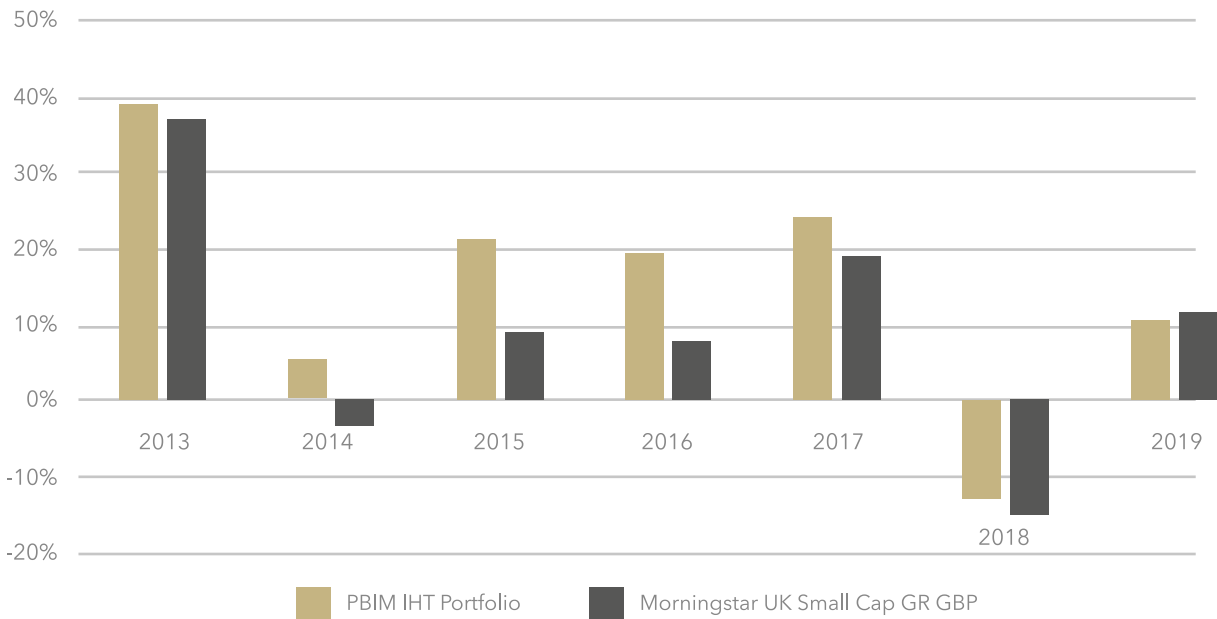


Past performance



Source: Morningstar Advisor Workstation

Peregrine & Black IHT Portfolio



	2013	2014	2015	2016	2017	2018	2019
PBIM IHT Portfolio	38.8%	5.6%	21.2%	19.4%	24.0%	-13.0%	10.7%
Morningstar UK Small Cap GR GBP	37.1%	-3.4%	9.1%	7.8%	19.1%	-15.0%	11.8%

Performance data correct as at 30-06-2019  
Source: Morningstar

Charges

Please speak with your adviser to discuss the charges for this service.

Disclosures

The past performance is based on actual portfolio investments. The returns achieved by any investor will vary according to their tax position and the timing of their investments. The returns shown are before fees.

Peregrine & Black Investment Management Limited is a Company registered in England and Wales (no. 09796196) and is authorised and regulated by the Financial Conduct Authority (FRN 757727).

Investors should note that the value of an investment and the income from it can go down as well as up. Past performance should not be seen as a guide to future performance. This document is not intended and should not be construed as an offer, solicitation or recommendation to buy or sell any specific investments or participate in any investment (or other) strategy. It is recommended that potential investors should seek advice concerning the suitability of any investment from their Financial Advisor. Tax treatment depends on individual circumstances and may be subject to change in the future. Please consult your tax advisor for advice on tax matters.

PEREGRINE & BLACK  
INVESTMENT MANAGEMENT

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Up to 100% Relief from Inheritance Tax

Peregrine & Black Investment Management offer a market leading investment solution for reducing and potentially eliminating inheritance tax on your investments.

Welcome to the Peregrine & Black Investment Management IHT Portfolio.

What is the IHT Portfolio?

HM Revenue and Customs (HMRC) has a keen interest in the taxation of estates. It is natural that people should wish to ensure that as much of their wealth as possible be passed on to their beneficiaries rather than the government. Most ways of mitigating inheritance tax involve loss of or reduced access to the assets, loss of income from the assets or high charges over many years. Inheritance tax reduction schemes are also prone to changes in tax rules which can bring assets back into the tax net. Also, the donor of the assets may have to survive for a lengthy period of time before the full benefit of the planning takes effect.

Unlimited Relief from Inheritance Tax - How Does it Work?

An increasingly popular route for reducing an inheritance tax liability is Business Relief. HMRC currently recognises that beneficiaries can benefit from 100% Business Relief on shares in certain AIM listed companies. AIM is the Alternative Investment Market of the London Stock Exchange. The AIM market was launched in 1995 and nearly 1000 companies valued at more than £100 billion in total are traded through this market. Furthermore the holder only need to have owned the shares for two years before the date of death for the tax benefits to take effect.

The Peregrine & Black Investment Management Solution

Peregrine & Black Investment Management offers a fully managed IHT portfolio which invests in shares in unlisted companies traded on the AIM market. We specialise in seeking out well-established companies with good business track records and sound investment potential. Sometimes these companies are characterised by a large family interest or significant stake retained by the founders. Often such businesses are conservatively managed and have existed for a long time. Here at Peregrine & Black, we have the resources to monitor and analyse the performances of these companies and also monitor their continued eligibility for Business Relief.

If you need further information on anything contained in this document, please contact Chris Redman on 01795 227 100 or email [chris.redman@peregrineblack.com](mailto:chris.redman@peregrineblack.com).

The Primary Advantages of an IHT Portfolio are:

- 1. Business Relief investments can currently be passed on free of tax after two years of ownership as compared with the normal requirements of seven years for other reliefs.
- 2. Business Relief qualifying investments do not use up the nil rate tax free band so any benefits to holding the IHT portfolio do not reduce the relief that might be applied against other assets such as the family home.
- 3. There is no limit to the value of shares qualifying for relief. Business relief can be a very useful tool in large estates, and when the life expectancy of the donor is impaired.

It is important to recognise that tax rules can change over time and that there is no guarantee that business relief will be available at the date of death. Eligibility is determined at the date of death and not at the date of investment.



Financial Planning Aspects

Business relief can be highly effective when combined with other forms of financial planning. Examples might be:

- On the creation of a trust. A client who has held a business relief qualifying investment for two years and then settles it into trust can avoid many of the charges levied on other assets placed into trust.
- Investors with impaired health: because business relief becomes available after just two years, an IHT portfolio can be highly effective for people with serious health issues.
- Because Business Relief qualifying investments are held in the client’s name, they retain control of their wealth.
- There is currently no limit on the amount of Business Relief that can be claimed.
- It is becoming more common place for a power-of-attorney to be appointed to manage elderly clients’ investments. This places very significant restrictions on tax planning for inheritance. An IHT portfolio can be appropriate for an attorney who might wish to reduce an IHT liability.
- A general principal IHT planning is that the donor will cease to benefit from the assets. In such cases the donor may lose all the income from those assets. With an AIM portfolio the donor can legitimately retain all their income from the portfolio.
- For immediate tax efficiency, potential investors in an IHT portfolio should take note that the AIM market is now accessible through ISAs, consequently if the investor has substantial sums held in an ISA, they can access the same inheritance tax exemptions as well as the traditional advantages of tax-free income and capital growth during their lifetime.

How the IHT Portfolio Works in Practice

We will open a discretionary managed portfolio specifically for investing in qualifying shares quoted on AIM. It is important that these shares are kept in a separate account from your other investments so that a proper audit trail can be maintained to HMRCs satisfaction.

We will invest your money in companies that we have selected for having:

- Management with a proven track record
- At least seven years of trading
- Been quoted on AIM for at least three years or the main market prior to that, and
- A strong financial performance.

We typically invest in approximately 15-20 different companies to ensure that no single company has an undue effect on the portfolio as a whole.

Clients have the choice as to whether they receive dividends as income or reinvest the dividends. Any dividends reinvested will begin a new two year qualifying period for those shares purchased. Clients can add further funds to their AIM portfolio at any time they wish. Similarly clients can access their investments if they need to, though of course any IHT benefit will be lost if funds are withdrawn and not reinvested within the qualifying period for reinvestment. On the date of death, the portfolio can be transferred to a spouse retaining the IHT exemption. Alternatively the shares can be sold or transferred to other beneficiaries.



First Class Service

- You have direct access to your investment manager to discuss your portfolio at any time.
- You will receive quarterly valuation reports, and a copy can be sent to other advisors if needed. These reports show the up-to-date value, the individual holdings and the portfolio performance. They detail any income received and any changes made.
- We take care of the administration of your investments through our secure nominee service.
- We provide a comprehensive annual tax report detailing your income and any realised capital gains.
- You have 24 hour Internet access to your portfolio valuation.
- We maintain a full audit trail of any changes to your portfolio to assist with reporting to HMRC and to demonstrate ongoing compliance with the tax requirements.
- Fees are debited to the portfolio so that you do not have to pay directly.

Risks

AIM companies are subject to less regulatory oversight than companies listed on the London stock exchange main market. As such there is greater risk associated with such companies. AIM stocks tend to be smaller companies and as such are considered riskier than larger companies. Not all shares listed on AIM will qualify for business relief. Companies can lose their relief as a result of either changes to the company or changes to the taxation rules. Peregrine & Black cannot guarantee that shares purchased in the IHT portfolio will necessarily qualify for business relief on the date of the holder's death. Changes to the portfolio investments by the managers may result in capital gains being subject to capital gains tax at prevailing rates. The value of shares in a company can be volatile. The value and the income arising from them may go down as well as up. There is a possibility that investors lose a high proportion of their entire investment. Shares in an AIM company may be illiquid and it may be difficult or impossible to sell them. It may also be impossible to obtain a reasonable value for such shares. Any reference to past performance cannot be indicative of future performance.