QUILTER CHEVIOT

FOR INVESTMENT PROFESSIONALS ONLY

Tax-efficient investing

Where we can help you with your tax planning requirements?

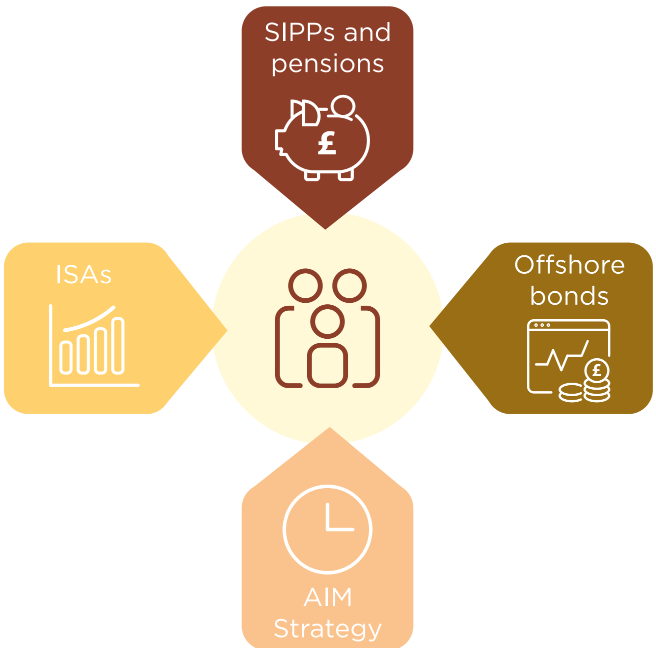
Quilter Cheviot can manage investments inside a number of different tax wrappers. Protecting your clients' assets from tax is not just about choosing the right tax wrapper. Quilter Cheviot provide advisers with the ability to meet most of their clients' tax planning needs, which include managing assets in tax efficient wrappers to ongoing Capital Gains Tax (CGT) management, and use of flexible ISA and JISA allowances. Quilter Cheviot manage investments across most tax wrappers, including ISAs, SIPPs, and offshore bonds. Our AIM investment service is also available for clients concerned about inheritance tax and estate planning.

Ongoing capital gains tax management

Quilter Cheviot's ongoing management of a clients' capital gains position is designed to save you time and simplify the management of capital gains. We provide HRMC compliant tax reporting, help you establish your clients' assets and ownership history, and manage down tax liabilities over time. We have gone one step further to ensure when your client has to report, the information is given in a client-friendly manner in order for them to complete their tax returns.

We work with advisers to understand the clients holdings. Private clients often overlook historic paperwork and investment records which can lead to forgotten assets. Our investment managers talk to clients to ascertain what assets they hold, while our valuation team does the hard work of establishing asset history.

Our valuation team will contact share registrars and review historical records to establish a timeline of events that may affect the CGT management of an investment, such as corporate actions.



Approver: Quilter Cheviot Limited 30 November 2023

ISAs

Our flexible ISA service allows clients to move money in and out of their ISA without it affecting the annual contribution allowance within a given tax year. If you choose to do so, we can automatically move investments from a general investment account to an ISA at the start of each tax year, ensuring the full allowance is used. We are used to managing investments across both ISAs and Junior ISAs, tailoring each portfolio according to the investment objectives of our clients.

SIPPs and pensions

Quilter Cheviot manages the underlying investment within a third party self invested pension. We work with the majority of providers across a wide range of pension structures, including defined benefit, defined contribution, small self-administered schemes (SSAS) and group self-invested personal pensions (group SIPPs).

We know that no two pension schemes are the same, as a result we run investment assets on a bespoke investment basis. This includes:

- A service tailored to meet your client's / the trustees specific instructions.
- Flexible portfolio allocations, adjusted according to your client's life stage.
- Flexible income payments, adjusted to meet changing lifestyle needs.
- Consideration of the opportunity to pass on residual portfolio benefits to surviving family members or other inheritors in most cases.

Our experience means we have a detailed understanding of the unique challenges and goals of each type of pension scheme. Our team is made up of specialist investment managers from across our office network. They regularly draw on substantial resources and knowledge from across Quilter Cheviot.

Trustees, companies, members and their advisers all require confidence when investing, that is why our personalised approach is so effective. As with all our clients, you and your client will receive the same high level of personalised service, regardless of whether your client is an individual investing for retirement or they own a company setting up a small self-administered scheme.

We routinely liaise with third-party providers, such as life companies and pension firms and we are happy to look at a developing new third-party relationship at your request.

Offshore bonds

Quilter Cheviot can manage the underlying investments of offshore bonds through a number of providers.
We have considerable expertise in managing portfolios within offshore bond structures, either the through traditional route of investing via assets such as collective investments, as well as, specific offshore bonds which offer wider investment powers permitting the use of assets such as direct equities and collective investments. As a UK financial adviser using offshore bonds, your local investment manager can discuss the underlying portfolio considerations.

If your client requires investments to be managed in a location or currency other than their country of residence, we can offer a custody service based from our Jersey office. We have international teams based in Jersey and Dublin (Quilter Cheviot Europe), with a DIFC Dubai branch. The Quilter Cheviot International and Quilter Cheviot Europe investment teams have a team of expert investment managers who use our core investment process in conjunction with investing in Dollars, Euro and Sterling portfolios. This means that whatever office you choose to work with, your client can expect the same high levels of service and investment management enjoyed by our UK onshore investors. All investment services for our DIFC Dubai branch are provided from our Jersey office and your relationship will be managed from there in accordance with UK and Channel Island regulations.

Our investment managers based in these locations have specialist expertise in managing portfolios for offshore clients and the specific restraints that are requested for these portfolios. We routinely manage investments in offshore bonds, using collectives or direct investments, trusts or investment companies with restrictions to avoid UK situs assets, or funds with offshore reporting fund requirements. We also can provide investment services to US connected non-US resident clients who require non-PFIC portfolios and 10-99 IRS reporting.

AIM Strategy for business relief

The Quilter Cheviot AIM Strategy is a service available for those clients currently assessing their estate planning. The client has to hold the portfolio for two years for it to qualify for business relief (previously business property relief) and be exempt of tax. Quilter Cheviot AIM Strategy is a discretionary portfolio service that seeks to invest in a diversified portfolio of companies listed on the Alternative Investment Market (AIM) that qualify for business relief.

The main purpose is to make sure, as far as possible, that the overall value of the portfolio is sheltered to provide an inheritance. We consider these requirements ahead of any long-term potential performance when picking stocks to invest in. Investors in the service gain access to a portfolio of 15-25 AIM listed companies (there is flexibility around the number of stocks we might hold) selected by Quilter Cheviot Investment Management with additional research provided by Jupiter (ex-Merian) Asset Management UK Smaller Companies team. Stocks targeted for inclusion in the portfolio will ideally be well-established, profitable and cash-generative companies that operate in a niche sector, or provide a proprietary product or service, supported by a strong balance sheet. The investment team will also be looking for businesses with earnings visibility, backed by assets and paying dividends, as well as management teams with a track record. To benefit from business relief, qualifying securities must have been held for at least two of the last five years and at the time of an investor's death.

The benefits of the AIM Strategy are:

- Clients can hold an AIM portfolio within a flexible ISA wrapper.
- It offers the opportunity to invest in younger businesses with potentially exciting growth prospects.
- Investment can be spread across multiple sectors.
- The client keeps full beneficial ownership and access to the assets.

In addition to the above, provided investors are prepared to accept the higher levels of risk associated with investing in AIM listed companies, business relief qualifying investments can help satisfy a number of different criteria when compared to traditional estate planning options such as gifting assets or using a trust.
Accessibility - A business relief qualifying investment can be passed on at death free from inheritance tax, provided it has been held for at least two years and at the time of death.

Business relief-qualifying investments remain in the investor's name. Subject to the liquidity of the shares held within their AIM portfolio, AIM investors can ask to sell shares from the portfolio and have the proceeds returned to them, or they can set up regular withdrawals to meet changing needs, such as care home fees.

Growth potential - Unlike gifts of cash or cash held in a trust, companies listed on the alternative investment market provide investors with an opportunity to increase the IHT free portion of their estate through capital growth and the payment of dividends by companies held in their AIM portfolio.

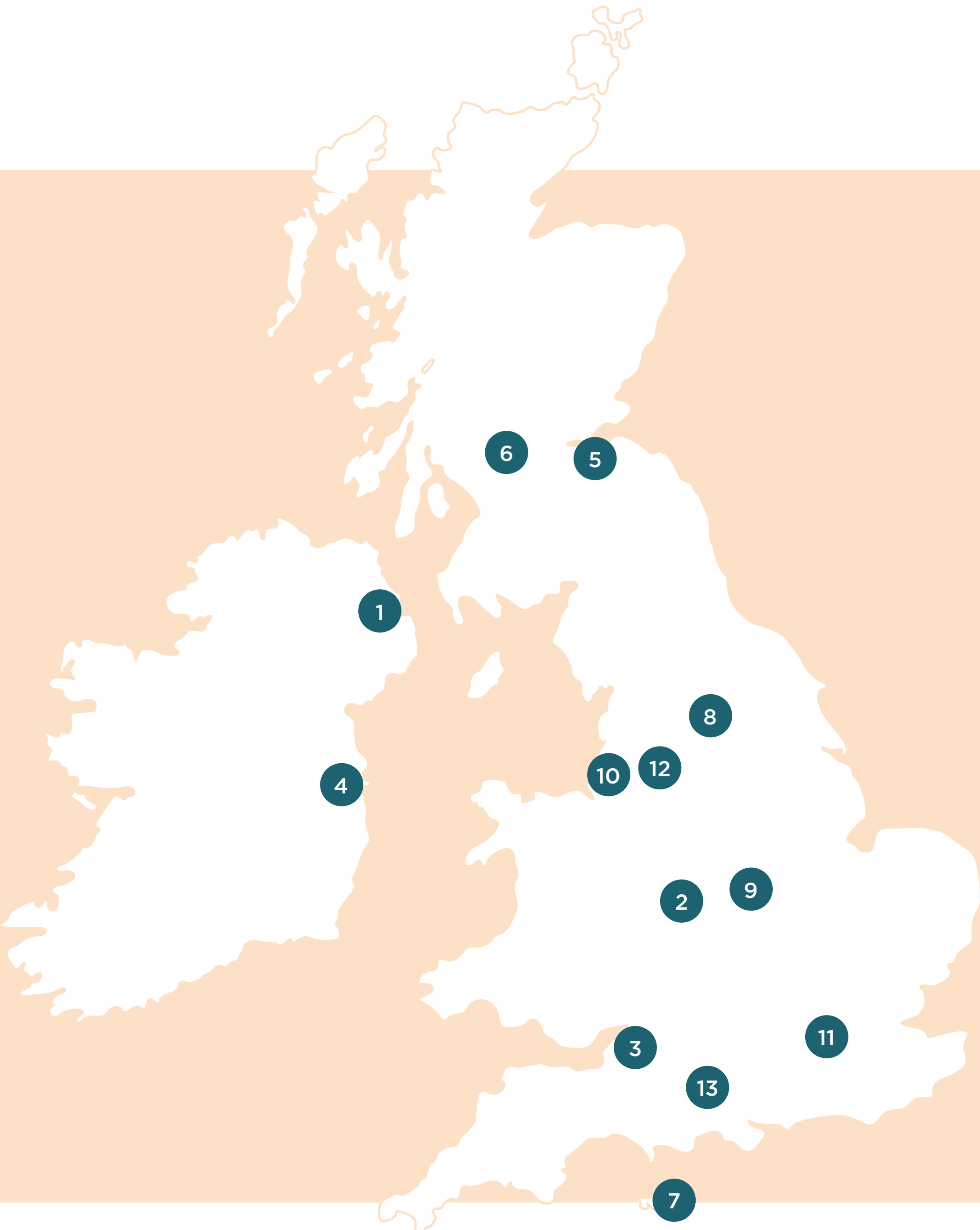
Simplicity - The more traditional forms of estate planning can be complex; whereas an AIM portfolio is simple to establish, it is transparent and accessible.

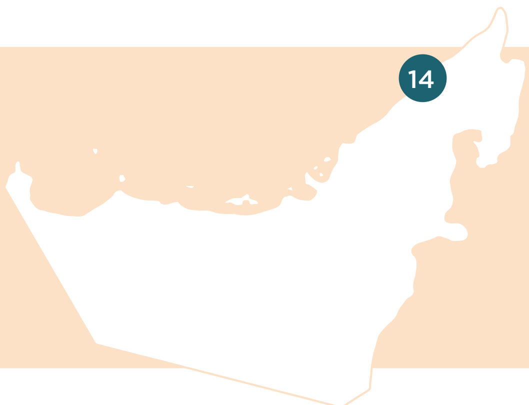
Your client should be aware of the higher levels of risk associated with investing in smaller companies and be willing to adjust their attitude to risk in line with this. The service will only benefit those investors with estates that could be higher than the then current level of IHT-free allowances. The service is not recommended for any purpose other than sheltering assets from inheritance tax. As business relief rules require investments to be held for at least two years, your client must have held investments in a qualifying portfolio for at least two years on death to qualify for IHT relief. There is a less readily available market for investments in smaller companies. This can make selling investments more difficult.

The advantages from investing in a portfolio of AIM stocks depend on the existing tax rules in force. Any benefits gained from maintaining AIM stocks in a portfolio could be negatively affected by any future changes to those tax rules. Your client will need to invest at least £100,000 in the Quilter Cheviot AIM Strategy.

Quilter Cheviot business development team map

1. Belfast
2. Birmingham
3. Bristol
4. Dublin
5. Edinburgh
6. Glasgow
7. Jersey
8. Leeds
9. Leicester
10. Liverpool
11. London
12. Manchester
13. Salisbury
14. Dubai





Quilter Cheviot can help to significantly reduce your workload and even reduce your PI insurance contributions. By outsourcing the trading of direct stocks and shares, you avoid the need for FCA permissions to trade stocks. At the same time, our dedicated in-house dealing team means your clients get the best available price in the market without having to pay trading costs. Contact us to find out more about tax efficient investing.

This communication does not constitute a recommendation. It is for general information for the recipient only. Past performance is not a guide to future performance and may not be repeated. Investment involves risk. The value of investments and the income from them may go down as well as up and investors may not get back the amount originally invested. Because of this, an investor is not certain to make a profit on an investment and may lose money. Exchange rate changes may cause the value of overseas investments to rise or fall.

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Investors should remember that the value of investments, and the income from them, can go down as well as up and that past performance is no guarantee of future returns. You may not recover what you invest. This document is not intended to constitute financial advice; if you are in any doubt as to its contents you should seek independent financial advice.