



# AIM Inheritance Tax Managed Stockbroking Service Portfolio

## Terms and Conditions

*These Terms & Conditions (T&C's) provide important information about the Balkerne Asset Management AIM Inheritance Tax Managed Stockbroking Service and are designed to help you make an informed choice about your intended investment. This document does not in itself constitute the provision of advice or make any assumptions as to the suitability of the investment for you.*

***Prior to investing in the Balkerne Asset Management AIM Inheritance Tax Managed Stockbroking Service you should consult with your Financial Adviser.***

*Balkerne Asset Management is a trading style of Capel Court Plc which is authorised and regulated by the Financial Conduct Authority (No. 154146)*



## Important Information

These are the Terms for your Balkerne Asset Management AIM Inheritance Tax Managed Stockbroking Service Portfolio (AIM IHT MSS). You are advised to read them carefully. The terms of the Application Form and Key Features Document also form part of these Terms.

These Terms amend the terms of any agreement which we previously entered into with you in respect of the Investment Portfolio.

### 1 Definitions

In these terms:

**“Administrative Office”** means 1 Balkerne Hill, Colchester, Essex CO3 3FG.

**“Application Form”** means the duly completed application form with which the Portfolio was opened, or such other document or method of application as is acceptable to us.

**“Bank Account”** means an account held with NatWest Bank Plc, administered by the Portfolio Manager, into which subscribed cash will be deposited.

**“Business Day”** means any day on which we are open for business.

**“Business Property Relief”** means Business Property relief (or Business Relief (BPR)) as provided for in Part V, Chapter 1 of the Inheritance Tax Act 1984.

**“Cash Account”** means the component of the AIM IHT MSS, which comprises cash deposits in a Bank Account.

**“Client Money Regulations”** means the Financial Services (Client Money) Regulations 1991 as amended or replaced from time to time.

**“Effective Date”** means the date upon which we receive and accept both your Application Form and initial Investment or, in respect of an application other than in writing, the date on which we receive and accept your initial investment.

**“FCA”** means the Financial Conduct Authority or its successor organisation.

**“HM Revenue & Customs”** means Her Majesty’s Revenue & Customs.

**“Portfolio”** has the same meaning as **“Investment Portfolio”** i.e. the AIM IHT MSS opened in accordance with these Terms, the Key Features document, your Application Form and the Regulations.

**“Portfolio Investments”** has the same meaning as **“Initial Investment and Investments”** and means any amount received from you (or from another portfolio manager on your behalf) in connection with your investment in the Portfolio and any shares and cash held within the portfolio at any time.

**“Portfolio Manager”** has the same meaning as **“Discretionary Manager and Investment Manager”** and along with **“we”**, **“us”** or **“our”** means Balkerne Asset Management (regulated and authorised by the Financial Conduct Authority as a trading style of Capel Court Plc).

**“Receipts”** means any cash balance, income payments, interest and tax reclaims held on your behalf in your Account.

**“Rules”** means the rules of the Financial Conduct Authority or any self-regulating organisation acting within the scope of the Financial Services Act 1986 as amended or replaced from time to time.

**“Terms”** means these Terms and Conditions.

**“You”** or **“Your”** means the person whose name, address and other particulars appear in the relevant Application Form.

## **2 Commencement**

These Terms set out the detail of an agreement between you and us. Such agreement will come into force on the Effective Date. We reserve the right to reject an application.

## **3 Appointment**

- 3.1 You appoint Balkerne Asset Management as the Discretionary Account Manager for your Investment Portfolio with authority to manage it in accordance with these Terms, the Key Features document, your Application Form and the Regulations.
- 3.2 You authorise Balkerne Asset Management to undertake any functions required of a Discretionary Manager under the Regulations on your behalf and to comply with any other legislation or regulation or Government publication which may affect, or be in any way connected with, the Investment Portfolio now or in the future.

## **4 Delegation**

- 4.1 Subject to the Rules and Regulations, we may delegate any of our functions or responsibilities under these Terms to any person provided that before doing so we satisfy ourselves that such person is competent to carry out those functions or responsibilities.
- 4.2 We may appoint an Associated Company duly authorised to act as such to be manager of your Investment Portfolio in our place. In such circumstances, that Associate Company will manage the Portfolio in accordance with these terms.

## **5 Material Interests**

You agree that your investments will be registered in the same name as those of other clients and that, in consequence, from time to time as part of normal settlement procedures where investments are pooled, your investments may be used with those of other clients to settle various transactions. You should be aware that your investments will not necessarily be immediately identifiable, and that, if we were to become insolvent, you might encounter delays in recovering your assets and possibly an increased risk of loss.

## **6 Notices**

- 6.1 All notices and instructions and any other documents relating to these Terms must be sent to us at our Administrative Office.
- 6.2 We will send you all statements, notices and other documents relating to these Terms to your most recent address notified to us. They will be deemed to be received by you on the fifth Business Day after posting.
- 6.3 All cheques, documents of title, etc., may be sent by post to your last known address and at your own risk. The Recorded Delivery service will not normally be used
- 6.4 You will promptly advise us of any change in personal information we hold about you in respect of your Portfolio.

## **7 Management**

- 7.1 The Investment Portfolio is subject to our minimum investment limit. The minimum investment limit is indicated on the Application Form and in the current Key Features Document. We will apply your investment in acquiring Portfolio Investments in accordance with the instructions contained in your Application Form and the Key Features document.
- 7.2 We will review and manage your Portfolio on a discretionary basis. We may take such action as we in our absolute discretion determine regarding all voting and other rights and powers and shall not be under any obligation to inform you of each occasion of the opportunity to vote.
- 7.3 The investments in your AIM IHT MSS will be restricted to qualifying investments which are those that benefit from Business Property Relief (or Business Relief (BPR)) at the time of purchase. We cannot, however, provide any guarantees or assurances that such investments are, or will remain, as qualifying investments.
- 7.4 We or any Associated Company may aggregate any transaction for you with those of other investors although this may result in a less favourable transaction price than might have been achieved had the transaction been effected separately.
- 7.5 You may not create any security over, or transfer your rights in, the Portfolio Investments.

## 8 Custody

- 8.1 You have agreed for your investments to be registered in the name of Winterflood Client Nominees Ltd, The Atrium Building, Cannon Bridge, 25 Dowgate Hill, London, EC4R 2GA. Winterflood Client Nominees Limited is not itself authorised under the Financial Services Act 2000 but we accept responsibility for its acts and omissions.
- 8.2 Eligible securities will be held in the CREST system where appropriate. Other, non-CREST eligible securities will be held either in certificated or uncertificated form by Winterflood Securities Ltd, The Atrium Building, Cannon Bridge, 25 Dowgate Hill, London, EC4R 2GA. We may also arrange for your investments to be held with another custodian where Winterflood Securities Ltd cannot be used. We will use due skill, care and diligence in selecting and appointing custodians and accept responsibility for any loss caused by the acts or omissions of the appointed custodian.
- 8.3 Our appointed CREST custodian is Winterflood Securities Ltd, The Atrium Building, Cannon Bridge, 25 Dowgate Hill, London, EC4R 2GA. **You retain beneficial ownership of the securities held in your Portfolio at all times.**
- 8.4 Balkerne Asset Management and Winterflood Securities Ltd are entitled to retain your assets until any charges due to us in relation to the administration or custody of your assets have been paid in full, but will not exercise any such right for any other purpose.
- 8.5 If you advise that such documents are to be held by yourself or by your nominated custodian without our recommendation, then we accept no responsibility for loss caused by the acts or omissions of your custodian. If we need to obtain the documents for any business which we are arranging for you, you agree to instruct your nominated custodian to make documents available to us or to give us a general authority to give such instructions on your behalf.

## 9 Client Money, Dividends, Interest and Corporate Actions

- 9.1 Subject to compliance with the Rules and the Client Money Regulations, receipts and other monies pending investment will be deposited with the bank as client money in a client account which has statutory trust status. We will not be liable for any default of the Bank. Except as stated in Clause 13, and subject to clause 9.3, interest derived from monies deposited in such account for you will be credited to your Portfolio and will be added to the monies to be invested.
- 9.2 Your AIM IHT MSS must be fully invested into qualifying investments at all times. Any monies in the Cash Account will only be held on a temporary basis pending the purchase of those qualifying investments.
- 9.3 If due and applicable, we will pay you interest at the Bank of England Base rate **less** 2% subject to a minimum rate of 0.01% pa. We will credit your AIM IHT MSS Cash Account quarterly in March, June, September and December with gross interest on the balance standing in your account in accordance with the Financial Services (Client Money) Regulations; however, interest amounting to £2 or less per quarter will not be paid to you and may be retained by the firm.
- 9.4 Winterflood Client Nominees Ltd and / or Balkerne Asset Management will do all that they reasonably can to collect any dividends, interest, or any other entitlements to which you may be entitled, and we will credit these to your Portfolio at the earliest opportunity, subject to the deduction of any taxes which may be levied against such receipts. Neither Winterflood Client Nominees Ltd nor Balkerne Asset Management can be held legally liable if a company fails to inform either party about a corporate action and / or a subsequent non-payment of monies to which you may have been entitled.
- 9.5 Where applicable, it is the firm's policy to accept a 'cash' offer as the default option instead of an additional stock dividend.
- 9.6 Any non-attributable fractional entitlements may be sold, and we will keep the cash for our benefit. This will arise where an entitlement cannot be exactly allocated between portfolio accounts because the units or number of shares cannot be divided exactly between each holder.

## **10 Investment Objectives and Restrictions**

- 10.1 Our policy is to invest in qualifying investments which are those that benefit from Business Property Relief (Business Relief (BPR)) at the time of purchase.
- 10.2 Subject to any restrictions in the Regulations we will have absolute discretion to use the receipts in your Portfolio to acquire Shares which will then be added to your Investment Portfolio.
- 10.3 We will act as an intermediary in making arrangements for the purchase and sale of Shares within your Portfolio.
- 10.4 Investments held within the Portfolio are restricted to Portfolio Investments.
- 10.5 Neither Winterflood Securities Ltd, Winterflood Client Nominees Ltd, nor Balkerne Asset Management will deposit for the purpose of providing collateral for a loan, or use as security to borrow money on your behalf, the documents showing your ownership of your investments, unless you have first given your consent to us in writing.
- 10.6 We are not authorised to act on your behalf in the underwriting of any new issue or offer for sale of securities. We will not advise you on options, warrants or margined transactions.

## **11 Charges**

- 11.1 Fees will be charged for the Investment Portfolio services in accordance with the Schedule of Charges and Costs of our Services in force at the time. The Schedule of Charges and Costs of our Services form part of these Terms and Conditions which may be amended or changed by giving you 1 months' notice in writing. Your attention is particularly directed towards:

The initial charge which is based on the initial and any subsequent investments and / or existing portfolios which are transferred either in cash or in-specie to the Investment Portfolio.

The annual management charge (AMC), which is charged quarterly in arrears, and is based on the value of an individual portfolio as at 31 March, 30 June, 30 September and 31 December.

The annual compliance charge (ACC) which is based on the value of an individual Portfolio as at 31 December.

Dealing and transactional charges which are levied throughout the year as trades are undertaken on your behalf and in the best interest of portfolio management.

Any other reasonable out-of-pocket expenditure and charges incurred during the routine administration and management of your Portfolio subject to prior notice by us in writing.

- 11.2 Upon the death of an investor and where we are requested by the executors or the estate's representatives to issue a valuation of the AIM IHT MSS for probate purposes, a probate valuation fee will be charged to and deducted from the Portfolio. The subsequent sale or transfer of assets will be subject to our normal dealing and transaction charges.

## **12 Statements**

- 12.1 Valuation Statements will be sent to you every quarter within 21 days of 31 March, 30 June, 30 September, and 31 December using our Valuations Online Service which is accessed via our website [www.balkerneassetmanagement.com](http://www.balkerneassetmanagement.com). Login credentials will be sent to you for this purpose.

In addition, you will be sent an annual statement as at 05 April (issued by the end of May), including where applicable, a Consolidated Tax Voucher, full cash, dividend and transaction statements and a Capital Gains Tax report, all via the Valuations Online Service.

- 12.2 We maintain a record of your holding of investments and other assets indicating whether they are subject to any charge. We will send you, or any person nominated by you in writing, annually a statement of the documents held by us or to our order.

## **13 Income Withdrawal Facility**

Where available, you may elect (either on the Application Form or by notifying us in writing) to receive any income received in respect of the Portfolio Investments, whether by way of dividend distribution, tax reclaims thereon or otherwise, or as a fixed amount determined by you. Where you have made such an election, unless otherwise stated in the Key Features Document, all such income will be paid out on 18 of each month or, for quarterly income, 18 January, 18 April, 18 July and 18 October each year. It will be credited direct to your bank or building society account, details of which you will need to have completed on the Application Form or to have notified us for this purpose. Pending its distribution, any income credited will be held for your benefit in the client account referred to in Clause 9.1.

## 14 Termination, Transfer and Withdrawal

- 14.1 You may transfer an AIM investment portfolio held with other Investment Portfolio Manager to your AIM IHT MSS. We will contact the manager(s) concerned on your behalf and effect the necessary transfers.
- 14.2 Subject to any other provisions of this Clause and in accordance with the Regulations, at your written request and within the time stipulated by you, we will transfer all or part of your AIM IHT MSS to another AIM portfolio manager at any time provided they agree to such a transfer. Following receipt of your written request, in the case of a Cash Account we will transfer the cash balance of your account to the AIM portfolio manager of your choice, and, in the case of an AIM IHT MSS portfolio, we will transfer the Portfolio Investments (without first realising the Shares i.e. in specie) to the AIM portfolio manager of your choice. Transferring the portfolio investments in specie are subject to a charge of £25 +VAT per holding, plus Nominee costs as applicable. Any outstanding management fees will be debited to the portfolio up to and inclusive of the date of transfer.
- 14.3 Subject to any other provisions of this Clause, you may withdraw all or part of your Portfolio. At your written request and normally within 10 working days of receipt by our Administrative Office of your request, we will:
- i) pay you the amount of the withdrawal; or
  - ii) transfer to you, Portfolio Investments to the value of the amount requested for withdrawal.
- 14.4 Interest will cease to be payable in respect of the cash within your Portfolio on the day that the principal settlement is made in response to your request under Clauses 14.2, 14.3 and 14.7.
- 14.5 Before we make a payment to you or transfer all or any Portfolio Investments pursuant to these Terms, we shall be entitled to deduct from the Portfolio an amount necessary to discharge any obligations or liabilities (including tax liabilities or amounts representing tax as estimated where necessary by us) which may be due from you.
- 14.6 No withdrawal may be made for an amount of less than our minimum withdrawal limit or which would, if effected, reduce the value remaining in your AIM IHT MSS to less than our minimum investment limit. If the balance of a Portfolio falls below **£50,000** after any such withdrawal, Balkerne Asset Management reserves the right, and at its sole discretion, to close the Investment Portfolio by liquidating the remaining stock and on completion of all sales forward you the proceeds within 10 working days, subject to giving you at least 1 months' notice in writing. We reserve the right to amend these limits at any time without giving you prior notice.
- 14.7 You may terminate your Portfolio at any time by giving us written instructions and normally within 10 working days from receipt of your instructions we will pay to you the value of your Portfolio. However, if you so request in writing we will instead transfer the Portfolio Investments to you without first realising the Shares.
- 14.8 We may terminate the Portfolio after giving you 1 calendar month's written notice if we reasonably believe you have not complied with the Regulations (or if you notify us that you are no longer eligible under the Regulations to keep the Portfolio), or if we are of the opinion that it is impracticable to administer the Portfolio in accordance with the Regulations.
- 14.9 On termination or transfer of the Portfolio any fees due to the date of termination or transfer including a pro rata proportion of any periodic fees will be payable by you and deducted by us from your Portfolio.
- 14.10 On termination, we will continue to operate your Portfolio to facilitate the settlement of all outstanding transactions, for example receipt of income and tax reclaims which may be due. After such transactions have been settled and their value has been paid to you, these Terms will terminate. We shall not be responsible for reclaiming on your behalf any tax which is refundable to you in respect of:
- i) income arising from the Portfolio Investments, the payment date for which occurs after the Portfolio is closed; or
  - ii) Interest credited to the Portfolio after the Portfolio is closed.
- 14.11 Subject to the Regulations, we may at our absolute discretion terminate your Portfolio at any time by giving written notice to you. Such notice will take effect 30 days after posting and as soon as reasonably practicable thereafter we will (subject to Clauses 14.5 and 14.9) transfer the value of your Portfolio to you (or as you otherwise direct).

- 14.12 The Portfolio will terminate on your death, although transactions in respect of Portfolio Investments which have been commenced at the time of your death will be completed. Your personal representatives should provide proof of the date of death and of their appointment. Following receipt of such proof as is acceptable to us, we will deal with the Portfolio Investments in accordance with the instructions of your personal representatives. Any tax refunds claimed on your behalf after your death will be repaid to HM Revenue & Customs.

## **15 Complaints and Compensation Rights**

- 15.1 You should address any complaints in connection with the Portfolio to:

***The Compliance Officer  
Capel Court Plc  
1 Balcerne Hill, Colchester, CO3 3FG***

If you cannot settle your complaint with us, you may be entitled to refer it on to the Financial Ombudsman Service, details of which are:

***The Financial Ombudsman Service  
Exchange Tower, London, E14 9SR***

You may also contact the Ombudsman via phone: 020 7964 1000 (Switchboard), email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk) or visit their website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

The Financial Ombudsman Service is free to use and offers an impartial and mediatory approach to resolving disputes involving financial services and products.

- 15.2 Balcerne Asset Management as a trading style of Capel Court Plc is covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if we cannot meet our obligations. The limits for compensation are set out by the FSCS as follows:

*Investments: 100% of the first £85,000*

- 15.3 Further information about compensation scheme arrangements is available from the Financial Services Compensation Scheme, details of which may be provided to you on request from our Administrative Office or by visiting their website at [www.fscs.org.uk](http://www.fscs.org.uk)

## **16 General**

- 16.1 You or your appointed agent may inspect contract notes, vouchers and entries in our books (manual and electronic) which relate solely to your Portfolio. We reserve the right to provide copies only if to do otherwise would allow access to information relating to other clients. All our transaction records are retained for at least six years.
- 16.2 Information about you and the conduct of your Portfolio may be put onto our database and used by us. This information may also be disclosed to others to provide you with the service applied for, for the purposes of fraud prevention, audit and debt collection, and so that services may be processed for us (in the UK and abroad).
- 16.3 To help improve our service and in the interests of security, we may monitor and/or record your telephone calls with us. Our recordings are and shall remain our sole property.
- 16.4 We will provide HM Revenue & Customs with all the relevant particulars of the Portfolio and its investments and any other information pertaining to the Portfolio that they may reasonably request.
- 16.5 You will be liable to pay any applicable Value Added Tax chargeable in respect of any charges or fees payable by you. If there are insufficient uninvested monies in your Portfolio to pay any charges or fees which become due to us, we shall be entitled to deduct from any future Receipts, or dispose of Portfolio Investments, for the purpose of realising an amount necessary to pay such fees.
- 16.6 Subject to Clause 16.9, we may amend these Terms by giving written notice to you. Any such amendment will come into force 1 month after notice of it is given to you. We may amend these Terms at any time without notice if we are required to do so by the Board of HM Revenue & Customs or by reason of any amendment to the Regulations or the Rules. In such an event we shall inform you as soon as practicably possible.
- 16.7 **The value of the shares and the income from them can go down as well as up.**
- 16.8 We will not be liable for any loss arising from strikes, interruption of power supplies, machinery or computer (hardware or software) failures or causes beyond our control. We will also not be liable for loss arising from your investment in the Portfolio unless caused by our negligence, fraud or wilful default.



16.9 In relation to a Cash Account, we may amend the Terms which apply to such Account by giving you at least 1 months' written notice before any change takes effect.

## **17 Governing Law**

These Terms and Conditions and this investment is governed by the Law of England and Wales.

## **18 Voting and Annual Report & Accounts**

18.1 If you so request in writing, we will arrange for you to receive a copy of the annual report and accounts issued by every Company or other concern in respect of shares, securities or units which are held directly in the Portfolio. A charge will be made for this service.

18.2 If you so request in writing, we will arrange for you to attend and vote at Shareholders, Security holders or Unit holders Annual General Meetings (AGMs). A charge will be made for this service.

18.3 In the absence of any specific instruction we may, subject to the Rules, make arrangements when appropriate to exercise the voting rights of your Portfolio Investments at our discretion.

## **19 Additional Terms**

19.1 If our adherence to these Terms and Conditions is prevented or hindered in whole or in part by reason of any event, omission, accident or other matter beyond our reasonable control, we will be under no liability for any loss, damages or expense (whether special, direct, indirect or consequential) suffered by you as a result. We will use all reasonable endeavours to avoid or overcome the causes affecting performance and shall fulfil all outstanding responsibilities as soon as it becomes practicable to do so.

19.2 Any additional terms will be provided separately and, in the event of any inconsistency with these Terms, the additional terms shall take precedence.

19.3 These Terms and Conditions will come into force upon receipt by Balkerne Asset Management of a duly completed application form, together with funds for investment. You will undertake to transfer the cash and assets to Balkerne Asset Management.

19.4 Cancellation rights do not apply.

### **Investment Risk Health Warning**

**The value of investments can go down as well as up and, as a consequence, the value of your portfolio at any given point in time cannot be guaranteed. Upon withdrawal or transfer of your portfolio you may not realise the sum originally invested. Past performance cannot be relied on and is not necessarily a guide to future returns.**

### **Balkerne Asset Management**

1 Balkerne Hill, Colchester, Essex CO3 3FG  
Freephone 0808 200 0808

[www.balkerneassetmanagement.com](http://www.balkerneassetmanagement.com)

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