

IHT Model Portfolio



Paul Parker
Head of Intermediary
Portfolio Management
Team

Paul and his team manage CGWM's MPS models and inheritance tax portfolios. He has been with Canaccord Genuity since 2001 and is a Chartered Fellow of the Chartered Institute for Securities and Investment.



Natalie Howard

Natalie works alongside Paul, specialising in AIM IHT portfolios. She has been with Canaccord Genuity since 2017 and has been involved with

the management and administration of IHT portfolios since 2013. Natalie is an Associate of the Chartered Institute for Securities and Investment.

Contact us

+44 (0)20 7523 4597

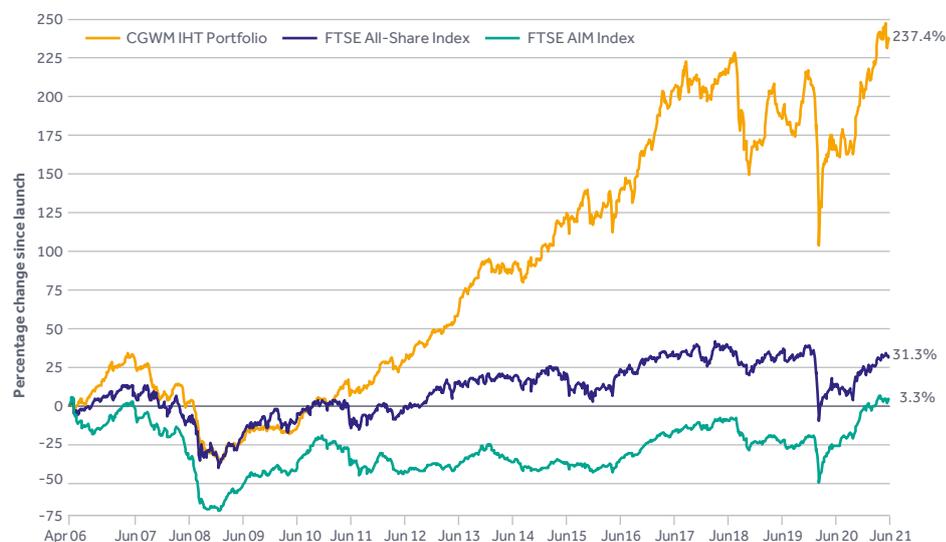
intermediary@canaccord.com

canaccordgenuity.com

Investment objective

The Canaccord Genuity Wealth Management (CGWM) Inheritance Tax Portfolio Service is designed to reduce a potential inheritance tax liability by investing on the Alternative Investment Market (AIM) of the LSE and was launched on 12 April 2006. The current inheritance tax rules and tax treatment of AIM shares may change in the future. Clients should discuss their financial arrangements with their own tax adviser before applying as the value of any tax reliefs available is subject to individual circumstances.

Performance since 12/04/2006



Risk and volatility since inception (%)

	Model	AIM All-Share	FTSE All-Share
Annualised volatility	+12.9%	+15.7%	+16.4%
Peak to trough loss	-52.8%	-70.4%	-48.1%

Source: Canaccord Genuity Wealth Management (CGWM). Capital return, gross of fees and charges.

Peak to trough loss: Peak to trough loss is a measure of the maximum percentage value of a portfolio that an investor could have lost through investing in the portfolio to date. The figures are indicative and will depend on circumstance.

Annualised volatility: Risk is measured by the variability of performance. The higher the standard deviation, the greater the variability (and therefore the risk) of the Fund or the Index.

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The value of investments and any income from them can go down as well as up and you may not get back the amount originally invested.

Past performance is not a guide to future performance.

Levels and bases for taxation may change.

Investors should note that actual portfolio returns may be different to the returns of the model portfolio.

Figures represent performance of a model portfolio, individual account performance may differ.



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Portfolio Manager commentary

In the second quarter of 2021, the Canaccord Genuity IHT portfolio increased 4.8% against the FTSE AIM Index which rose by 4.2% and the FTSE All-Share Index which increased by 4.8%. Over the long term the performance of the portfolio remains significantly ahead of the AIM and FTSE All-Share indices reassuring us that our methodology continues to meet its objectives.

Over the past three months markets have continued to rise spurred by government stimulus as investors look to a possible economic recovery as the vaccine rollout continues.

Since the beginning of the pandemic in March 2020, the value of the AIM has increased significantly from its low and now sits at a 15-year high.

Smaller companies tend to have the ability to adapt quickly. Over the past 18 months we have seen many businesses within our portfolio trade at near 'normal' levels and some have taken advantage of opportunities that have arisen. We have therefore seen a broad recovery from last year's low with many share prices now trading above their pre-pandemic levels. Those that were affected by lockdowns have also recovered, although to a lesser extent, but appear now to be pricing in an economic reawakening.

As we enter the summer months a number of our investee companies have already reported results or provided trading updates. It has been encouraging how positive they have been under the circumstances, however caution remains. We now need to see the recovery come through in the form of increased revenue and profits to push share prices further. We are on the verge of a full re-opening of the economy in July, having been postponed once already - this could have a positive impact although things can change quickly with the emergence of new variants.

Our investment philosophy has always focused on profitable companies with strong cash generation and solid balance sheets. We are confident that our investment approach will help to mitigate the effects of this turbulence over the longer term.