

## PRICE & FAIR VALUE ASSESSMENT

**Ingenious Estate Planning  
(IEP) Apex**

July 2025

**ⓘ This document is intended to be used by Distributors only and should not be provided to Retail Customers.**

**Ingenious Capital Management Limited is the manufacturer for this Service. Full details about the Service can be found in the Brochure and Investor Agreement.**

### Service description

Inheritance Tax (IHT) solutions are typically, but not exclusively, more appealing for those in later life. With lower-than-average life expectancy, it is reasonable to conclude that this group is more exposed to the risk of not achieving their objectives due to early death than those in other age groups. We have undertaken research and surveys which have shown that the speed of IHT mitigation is the primary reason business relief qualifying services are selected by those seeking advice in this area. As the risk of early death is a risk that applies to all ages, Ingenious Estate Planning (IEP) Apex has been designed as a comprehensive Service that delivers good outcomes for investors who are undertaking IHT planning with the objective of maximising wealth transfer by mitigating the effects of IHT on their death, whenever that may occur.

There are two core elements within IEP Apex which, together, work to deliver good outcomes for investors:

- 1. Tax-efficient investment**  
IEP Apex investors acquire shares in one or more portfolio companies that are engaged in a BR-qualifying trade, currently focussing on the real estate sector. Any transfer of shares should be free of IHT after two years.
- 2. IHT cover**  
IEP Apex provides investors with complimentary cover under a group life insurance policy which mitigates against the effects of IHT during the initial two-year period, and before they become free from IHT themselves. This gives peace of mind that the initial value of the investor's subscription (up to a limit of £500,000) is protected immediately, removing the risk that the amount of money available for transfer to beneficiaries is reduced due to early death. Providing cover at no additional cost removes a cost consideration and inertia for investors, leading to better outcomes. The maximum benefit under the insurance policy is £200,000.

IEP Apex, therefore, is intended for investors who seek to achieve capital growth whilst mitigating against the potential impact of inheritance tax. However, we also recognise that circumstances and plans change, particularly in later life. Investors may need access to their funds to meet unexpected needs, such as the costs of care, so IEP Apex investors are allotted only new shares which means that should they redeem those shares after they have held them for a period of three years, they may qualify for Investors' Relief, potentially reducing the amount of tax they will pay on any capital gains.

All IEP Apex investors receive complimentary access to the IEP Care Service, which is provided by independent care consultants from a third-party care adviser, Grace Consulting. We identified age to be the main vulnerability that will exist in our target market, and by providing this benefit, at no additional cost to our investors, we can ensure that investors, or direct family members, are able to receive support and guidance on appropriate care options for their circumstances.

Our investments are considered high risk and investment decisions for retail investors must be made on the advice of a regulated financial adviser. Following advice, target clients should have a good understanding of tax efficient investments, as well as an understanding of the risks of unquoted and illiquid investments. IEP Apex is not available for non-advised retail clients.

**In addition, investors will need to satisfy the eligibility criteria before acceptance into IEP Apex. Investors will need to be aged 18 up to 86 years old, reside in the UK, be registered with a UK doctor and complete a health declaration.**

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## Price and value

To assess the overall value of IEP Apex, we considered the three main elements of cost, performance against objectives and the quality of service.

### Cost

We consider whether our charges are reasonable, taking into account the underlying costs we incur for the services provided. The one-off and ongoing charges for an investment in IEP Apex are set out below.

To assess whether the fees are providing overall fair value and supporting good outcomes for investors over time, we compared them with the charges for similar services provided by a variety of firms with similar investment objectives.

When comparing IEP Apex to other services which include some form of IHT Cover, we concluded that IEP Apex has a competitive cost structure, in part due to the fact that other manufacturers levy additional fees to cover the insurance costs. When comparing with those services which do not include any IHT Cover we concluded that IEP Apex continued to evidence a competitive cost structure despite offering additional benefits. It is therefore our assessment that our costs provide overall good value.

### IEP Apex one-off and ongoing charges

#### One-off charges paid to the Manager

One-off charges are paid by the Investor upon allotment and exit

#### Ongoing charges paid to the Manager

Ongoing charges are paid by the Portfolio company, and the value of the Investors' Shares are recalculated accordingly

#### Investment Fee

1.5% of the subscription in the Service

#### Management Fee

1% of the value of the Portfolio per annum\*. This Management Fee accrues on a daily basis and is paid at the end of each quarter or on Redemption

#### Dealing Fee

1% of the Subscription upon investment

#### Administration Fee

0.25% of the value of the Portfolio per annum\* paid to cover administrative costs and expenses of the Manager in relation to the Service. The Administration Fee accrues on a daily basis and is paid at the end of each quarter or on Redemption

Approximately 0.1% of the investment in IEP Apex is paid to the Custodian on a quarterly basis for custodial and nominee services. Unless stated otherwise, all fees are paid to the Manager.

\*Calculated by reference to the applicable Portfolio NAV, prior to deduction of fees for the relevant accrual period.

IEP Apex is not available for non-advised retail clients, and as such, investors may have agreed to an upfront and/or ongoing charge payable to their financial adviser. Upfront adviser charges will be taken from the Subscription before Shares are allotted. Ongoing charges will be paid through realisation of Shares in companies invested in by the Service. We expect that our distribution partners will carry out their own value assessments to ensure that their fees and charges do not have a harmful impact on the overall value experienced by the customer. To help calculate how a customer's investment might perform over time, taking into account investment performance, the impact of fees and charges and potential withdrawals, advisers can make use of our investor illustration tool, which is available on our website, to ensure fair value is achieved and maintained.

As part of our ongoing efforts to deliver good value and investor outcomes, we continually review IEP services for potential issues and opportunities. During the review we identified an area in which we believed we could add better value to investors.

IEP Apex had two different levels of early exit fees depending on whether it was a single-life investor or joint life investor. Single-life investors who need to make a partial or full withdrawal of shares, other than the transfer upon death, could make a cumulative withdrawal of up to 5% per annum of their subscription value over a 5-year period with an exit fee of 0.5%. Should the withdrawal amount be greater than 5% per annum, a sliding scale would apply. Single-life investors would therefore be required to pay an exit fee of 4% in the first 2 years, 3.5% in the third, 2.5% in the fourth and 1.5% in the fifth. Only from year 6 onwards would a standard exit fee of 0.5% apply.

Upon further review, consideration was given regarding the fairness of the differential on early exit fees and whether this might lead to an unnecessary barrier to exit for single-life investors. Although there is a higher cost of insurance, it was found that by removing this additional barrier, we will be able to take a positive step to improve outcomes for investors. In addition, the fee schedule in the brochure will also assist in consumer understanding by removing a potentially confusing sliding scale and reverting to a standard 0.5% exit fee to all investors, bringing it in line with all other IEP services.

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## Performance against objectives

The objectives of IEP Apex are to achieve a long-term return of 3-5% per annum, net of fees, invest in BR-qualifying companies for IHT efficiency and invest in Investors' Relief-qualifying companies to provide tax-efficient access to the investment and returns. While a performance target can be helpful in understanding the potential of the Service and indicate whether the Service achieves that potential over time, in many cases, we do not consider the target to be the sole indicator of whether the Service has provided fair value from a performance perspective. The manner in which returns are produced and the characteristics of the returns are of equal importance. The Service is not intended to be a short-term investment and seeks to provide returns with low volatility and low correlation to listed assets and IHT-qualifying AIM investments.

IEP Apex launched in May 2022 and as such there is no sufficient track record to compare the performance of the Service to the target long-term return of 3-5%. The performance is however being continuously monitored in line with all of the Service's objectives. The management, investment strategy and governance of IEP Apex is closely comparable to IEP Classic and IEP Private Real Estate, both of which have a track record in excess of five years.

Since inception, all BR claims made by IEP investors have been successful and where the share disposals have been chargeable to Capital Gains Tax, the shares have been accepted as qualifying for Investors' Relief.

## Quality of service

We carefully review and challenge the level of service we provide to investors throughout the investment journey, to ensure that it meets the high standard we strive to achieve. We consider our marketing, customer services, client relationship management, investment and taxation strategy, governance and investor communications and we continuously seek to improve the service to add extra value for investors.

All investor and distributor feedback are reviewed in a timely manner and we enact changes to our processes based on this feedback wherever possible.

We have considered the overall quality of the service provided to investors and have concluded that investors have received clear communications and relevant information at appropriate times to enable them to make informed decisions. The service delivered has been timely and of an appropriate quality. We are equipped to assist vulnerable customers with their different needs and provide relevant staff with extensive training to ensure that we provide outcomes to vulnerable customers that are as good as the outcomes being provided to people without vulnerabilities.

## Conclusion

Having objectively looked at all elements, we are confident that IEP Apex offers fair value to investors relative to similar services in the market. Tax benefits are being achieved in line with the stated objectives of IEP Apex and the quality of service to investors and distributors are as expected. We are confident that IEP Apex is delivering fair value to investors and continue to seek ways to improve the performance, risk management and transparency we provide. As part of our ongoing efforts to deliver good value and investor outcomes, we continually review IEP Apex for potential issues and opportunities.

## Management information used for assessment

A broad range of data has been used to compile our price and fair value assessment. Consideration has been given to the following areas to ensure that IEP Apex is performing in the way we expect it to:

1.

The actual price paid by investors

2.

Market comparisons

3.

Feedback from investors and distributors

4.

Root cause analysis pertaining to complaints received

5.

Regular internal Service reviews

6.

Distribution channels through which the Service is being marketed

By performing an in-depth analysis of the above areas, not only are we able to determine whether the operational services we are providing are delivering good outcomes for investors, but it also helps us to be proactive in our approach to identify any systematic issues that might be affecting the intended value of the overall proposition.

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## Robust governance

IEP Apex benefits from a robust governance process, delivered by the Manager. The Manager's Investment Committee is separate from the Manager's Fund Management Team and the Non-Executive Chairman of the Board is independent from the Manager.

The key governance arrangements include:

**1. Board:**  
Oversees strategy, performance, target market assessment, valuations and liquidity.

**3. Investment Committee:**  
Responsible for reviewing and approving opportunities proposed by the Fund Management Team against investment objectives of the Service.

**5. Fund Management Team:**  
Identification of new opportunities and responsible for end-to-end transaction management and NAV preparation.

**7. Net Asset Value (NAV) external audit:**  
The quarterly Net Asset Value (NAV) of the Portfolio that is communicated to Investors is externally audited.

**2. Independent Non-Executive Chairman of the Board:**  
Provides independent judgment and advice on issues of strategy, performance, resources and standards of conduct for IEP Apex.

**4. Fund Management Director:**  
Day to day oversight, reporting, identification of risks and opportunities.

**6. Technical Team:**  
Monitor Business Relief and Investor Relief qualification.

## Linking price and value to target market assessments

IEP Apex is designed to consider the different circumstances and needs of our current and future investors. We conduct regular reviews of our target market assessment to ensure that the price and value considerations remain relevant to the needs of our customers and that we continue to provide services in the way that they need us to.

## Sustainable and responsible investing

We believe investments should be undertaken in a sustainable and responsible way, underlined by robust corporate governance. We define ESG investing as being based on two fundamental investment principles: investing sustainably and investing responsibly. We think of this in terms of what we do and how we do it.

Environmental, social and governance factors provide a framework to explore the principles of sustainable and responsible investing. Using this framework, we can establish best practice in each part of our business and set targets to monitor our progress against agreed objectives. We believe that our investments should deliver not only for our investors, but also create a positive impact for the communities in which we operate.

Each part of our business has established clear principles and metrics which support our company-wide approach to sustainability and responsibility in the broadest sense. These are assessed and reviewed on an annual basis. As a business, we will strive to continually develop these metrics so that we continue to play our part in delivering a better tomorrow for everyone.

As a specialist investor, we select our sectors for investment very carefully having regard for both the macro thesis as well as ensuring our investments are ethical and consistent with the wider themes of ESG. We currently specialise in the real estate, media and infrastructure sectors. If we were to offer specialist investment expertise in further sectors over time, these will be selected very carefully. For the avoidance of any doubt, we do not and will not invest in sectors which we consider are unethical or inconsistent with the wider purpose of ESG.

## Good customer outcomes we seek to achieve

- Mitigate the impact of Inheritance Tax upon the death of the investor, whenever that may be.
- Protect and carefully grow wealth over the long term so the best possible legacy can be passed on to beneficiaries.
- Ensure fees and charges are reasonable while maximising the utility of the service.
- Offer flexibility, for instance, a facility for regular withdrawals or complete withdrawal if necessary.
- Consider any further specific needs of each client. They might be vulnerable and require particular assistance, or they could benefit from a care planning service.

## Poor customer outcomes we seek to avoid

The Manager proactively seeks to avoid foreseeable harm to investors and continuously assesses whether there might be limitations within our services that could impact customers throughout the supply chain. Particular attention is given to the areas of investment performance, volatility and taxation and all risks are considered in the context of vulnerable customers.

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## Fair value assessment and conclusion

Having reviewed our fair value assessment, including consideration of key metrics and findings in our Board Report, we are confident that IEP Apex continues to offer our investors fair value and will be able to continue to do so in the future. We are confident that our product governance policies and procedures are appropriate to satisfy relevant regulatory requirements and enable us to identify effectively whether IEP Apex offers fair value for our investors.

## Ongoing monitoring

A price and fair value assessment, in addition to our regular Service reviews, will be conducted on an annual basis (or as regularly as required) at the end of each financial year which runs from 1 July to 30 June. These reviews will include extensive assessments of service and performance for IEP Apex, with appropriate action taken where necessary throughout the year. If the result of the value assessment is that the charges paid by investors are not considered to be justified based on the level of service we are providing, appropriate action will be taken.

We will also regularly assess the distribution arrangements through which IEP Apex is distributed and, where required, contact our distributors to provide additional information of the services they provide to customers in our target market so we can assess whether IEP Apex remain suitable for the target market.



## Important information

The views presented are as of the date published. Nothing in this document is intended to, or should be, construed as advice. Tax Benefits are not guaranteed and are based on current tax legislation and our interpretation of that legislation. Tax rules could change in the future and the value of any tax relief will depend on an investor's personal circumstances.

Full details of the risk factors and associated mitigation strategies can be found in the Brochure and in the Investor Agreement.