
UNICORN AIM IHT & ISA PORTFOLIO SERVICE

HIGHER REBALANCE THRESHOLD SUPPLEMENTARY APPLICATION

Important Information

We recommend that you seek independent investment and tax advice before making decisions relating to our products.

WM Capital Management Ltd is authorised and regulated by the Financial Conduct Authority and recorded in the Register under reference no 601025.

This form can be filled digitally and submitted to unicorn-aim-ih@wmcapitalmanagement.com or it can be printed, completed and returned to Unicorn AIM IHT & ISA Administration Centre, WM Capital Management, 8 Thorpe Road, Norwich, NR1 1RY.

Higher Rebalance Threshold Supplementary Application

Policy Details	
Client Name	
Account Number	
Date of Birth	

Important Information

As part of the active management of the Unicorn AIM IHT & ISA Portfolio Service, portfolio holdings are reviewed each month and the manager typically trims 'overweight' positions, reinvesting the proceeds in smaller holdings.

Rebalancing typically occurs when a single stock allocation exceeds a threshold of 7% of the overall portfolio at the observation point. When this occurs, the manager typically reduces exposure to 5% and uses the proceeds to top up underweight positions. This helps keep the portfolio balanced and reduce portfolio drift. However, this rebalancing also triggers capital gains and potentially therefore, a capital gains tax liability.

Although, the manager cannot take a view on any individual's capital gains tax situation when making investment decisions or provide advice, accommodations can be made within the service for those investors who wish to reduce rebalance activity in order to reduce potential capital gains tax liabilities.

Therefore, for Non-ISA portfolios valued at over £150,000, an option for a Higher Rebalance Threshold of 10% has been introduced. Only when this threshold is exceeded will a rebalance take place and exposure reduced to 8% and subsequently, the proceeds used to top up smaller holdings. This will reduce the value of sales and subsequently, the potential capital gains tax liability.

However, it will increase stock-specific risk within the portfolio as individual stock weightings will be allowed to rise higher and also smaller holdings will not be topped up as regularly, which is likely to result in the growth of your portfolio being more volatile and potentially lower over the longer term.

Client Declaration	
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If you wish to instruct WM Capital Management to apply the Higher Rebalance Threshold to your Non-ISA portfolio, you should sign this form below after reading carefully, the important information above.

By signing this form, I

1. hereby instruct WM Capital Management to apply the Higher Rebalance Threshold to my account.
2. declare that I have read and understood the Terms & Conditions and the Important Information above.
3. declare that I have received independent financial and tax advice in respect of this instruction.

Client Name	
Client / Attorney Signature	
Date Signed	