

Key information as at 31/12/2024

Launch date

30 June 2006

Minimum investment

£50,000

Investment team

Evelyn Partners Investment Management LLP ("Evelyn Partners") has successfully managed an AIM Portfolio Service since 2006 and has one of the largest and most experienced AIM teams with over 100 years' of combined industry experience.



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AIM portfolio service

The AIM portfolio service is specifically designed to mitigate a potential Inheritance Tax (IHT) liability. This is achieved by investing in a discretionary portfolio of AIM companies, managed by a dedicated and specialist team, that qualify for Business Relief.

Shares in selected AIM companies are treated as unquoted for IHT purposes, meaning that investors can benefit from Business Relief and obtain relief from IHT provided that the shares have been held for a total period of no less than two years at the date of death. The current rate of IHT relief stands at 100%, however, as announced in the October 30th 2024 Budget, this relief will be reduced to 50% with effect from April 2026. The service is a relatively simple, cost-effective and quick means of reducing IHT whilst providing growth potential and maintaining access to

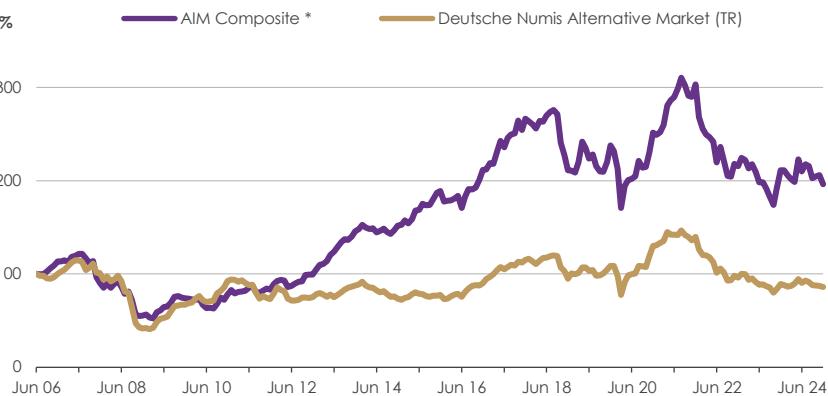
Investment strategy

Evelyn Partners applies a disciplined investment process focusing on high-quality, resilient companies with more defensive characteristics than the wider AIM Index. To reduce stock specific risk, we seek to hold a minimum of 25 companies from a variety of sectors, selected for their long-term potential and target companies with a minimum market capitalisation of £100 million. We carry out our own research and meet the management of each company before investing.

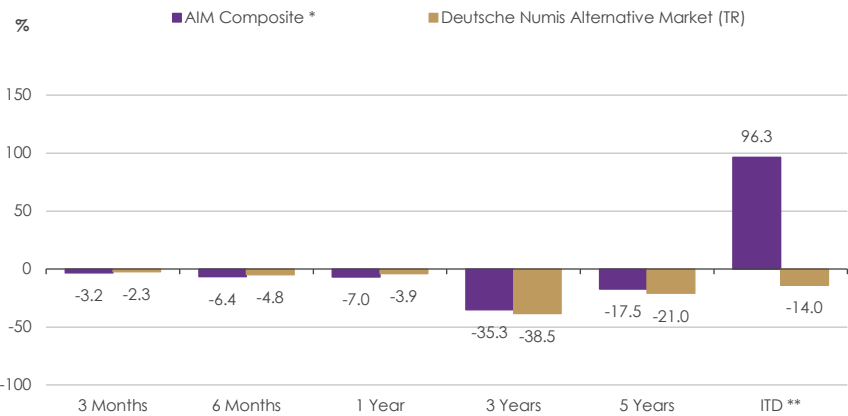
About us

At Evelyn Partners our mission is 'to place the power of good advice into more hands'. As experts in wealth management since 1836, we look after our global clients from offices across the UK, Republic of Ireland and Channel Islands. We're proud that many financial advisers choose us to manage their clients' wealth too. That's because our advice is delivered by people who care, who go further to understand the adviser's needs and those of the client, ensuring that we provide investment solutions that are right for you. That is the power of good advice.

Cumulative performance inception to 31 December 2024 **



Cumulative performance to 31 December 2024



Key data

The data below is based on the current holdings in the AIM portfolio service

Average market capitalisation	£416 million
Average PBT	£20 million
Average trading history	58 years
Average PE	13.7 x
Average yield	2.1%



Largest portfolio holdings

Holding	Sector
Gamma Communications	Telecommunication Services
Renew Holdings	Construction & Materials
Jet2 PLC	Travel & Leisure
Ashtead Technologies Hldgs	Industrials
Johnson Service Group	Industrial Support Services
Learning Technologies Group	Software & Computer Services
AB Dynamics	Industrial Engineering
FRP Advisory Group	Industrial Support Services
Craneware	Health Care Providers
GB Group	Software & Computer Services

Discrete annual performance to 31 December 2024

1 Year (%) to the end of	Dec 24	Dec 23	Dec 22	Dec 21	Dec 20
AIM Composite *	-7.0	-2.1	-28.9	20.5	5.8
Deutsche Numis Alternative Market	-3.9	-7.2	-31.1	7.6	19.3

Investment commentary

In 2024, AIM has faced broader challenges beyond the typical shifts in fortunes of its constituent companies. The economic backdrop in the UK and abroad has been framed by inflation remaining stubbornly above the longer-term trend, though below levels since April 2021. While the inflation-led compression in valuations of growth assets have begun to normalise across other asset classes, the overhang of UK-economy worries has kept prices depressed for UK smaller companies. An immediate catalyst for re-rating is not yet apparent, but valuation anomalies, high or low, do not tend to persist. The continuing positive “green shoot” is that we are not alone in our opinion on attractive valuations: led by Private Equity, a total of 28 AIM companies were acquired in 2024 in comparison to just 11 Initial Public Offerings (data source: Deutsche Numis). Beyond the macro, the potential for review of Business Relief rules by an incoming Labour government haunted AIM for the first 3 quarters of 2024. With the dust now settled, the market has perceived the reduction in IHT relief from 100% to 50% from April 2026, as announced in the October Budget, to have been a compromise splitting the difference of expectations – with neither a positive nor negative reaction to the change from the market. Portfolio performance in December was shaped by our holding of Impax Asset Management. The asset manager specialising in sustainable investments strategies, updated the market with news of termination of its investment mandate with St James's Place, leading to an expected revenue impact of £12.7m – surprising both the market and Impax's management, and a share price fall of 25.94% over the month. The news compounds negative sentiment after a tough year for the company following additional outflows and mixed performance of their investments. Beyond short-term momentum, we emphasise the importance of current valuation on a forward-looking basis – and in this respect Impax is very attractive with a 13.4% dividend yield, and a forward Price/Earnings ratio of just over 8x. However, valuation is not the whole story, and we are not chasing the price down – giving the company time to recover without putting more money on the table.

Investment commentary does not constitute personal advice. If you are in doubts as to the suitability of an investment, please contact your financial adviser.

Important Information

AIM shares are likely to be high risk and volatile. Their value, and the income arising from them, may go down as well as up, and there is the possibility that investors could lose their entire investment. Past performance is not a guide to future performance. The listing requirements and rules for AIM shares are less demanding than those on the main market of the London Stock Exchange. AIM shares can suffer from partial or total illiquidity, which may make it difficult, or impossible, to dispose of a holding. It is not always possible to deal for all clients at the same time or price.

The tax treatment depends on the financial circumstances of each client. The benefits of the service are premised on current tax rules and the tax relief available may change at any time. The AIM Portfolio Service should be regarded as a higher risk, long-term investment and may not be suitable for all investors. You should only invest if you have financial security independent of any investment. We recommend that investors seek independent investment and tax advice. Investments are made on a 'best endeavours' basis, Evelyn Partners cannot guarantee that any investment will qualify, or continue to qualify, for Business Relief and gain exemption from Inheritance Tax. Any cash held at the date of death will not qualify for Business Relief. Evelyn Partners does not guarantee the timescale for fully investing portfolios or that portfolios will be fully invested at all times.

There can be no assurance that any portfolio will achieve its investment objective. This document contains information believed to be reliable but no guarantee, warranty or representation, express or implied, is given as to their accuracy or completeness. This is neither an offer nor a solicitation to buy or sell any investment referred to in this document. Evelyn Partners Investment Management LLP (EPIM LLP) documents may contain future statements which are based on our current opinions, expectations and projections. EPIM LLP does not undertake any obligation to update or revise any future statements. Actual results could differ materially from those anticipated. No responsibility can be accepted for any loss arising from action taken or refrained from based on this publication. In relation to this profile, EPIM LLP is unable to assess or provide advice on the suitability of this profile for individual circumstances. No consideration has been given to the suitability of any investment profile for the particular needs of any recipient. EPIM LLP will not be responsible to any other person for providing the protections afforded to retail investors or for advising on any investment, as a result of using this information. This factsheet does not constitute personal advice and is not promoting the service. Anyone considering using the service should seek financial advice.

* The AIM Composite is defined as portfolios managed by the AIM Team, that are discretionary and have an AIM mandate. There are currently 234 portfolios in the composite. Individual client returns will differ from the Composite depending upon the timing of the investment and the individual stocks selected. The AIM Composite and the Deutsche Numis Alternative Markets Index is calculated on a gross of management fees basis. The effect of fees and charges would be to reduce the overall value of the portfolio. Index data is calculated on a total return basis, i.e. including dividends reinvested. ** Inception date is 30 June 2006. Source: Evelyn Partners Investment Management LLP / Refinitiv / Deutsche Numis Alternative Markets Index . Evelyn Partners Investment Management LLP is authorised and regulated by the Financial Conduct Authority.