AIM Portfolio Service

30 April 2023

evelyn PARTNERS

Key information as at 30/04/2023

Launch date

30 June 2006

Minimum investment

£50,000

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 AIM companies are treated as unquoted for tax purposes, meaning that investors can benefit from Business Relief and obtain 100% 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 service is a relatively simple, cost-effective and quick means of reducing IHT whilst providing growth potential and access to capital.

Investment team

Evelyn Partners Investment Management Services Limited ("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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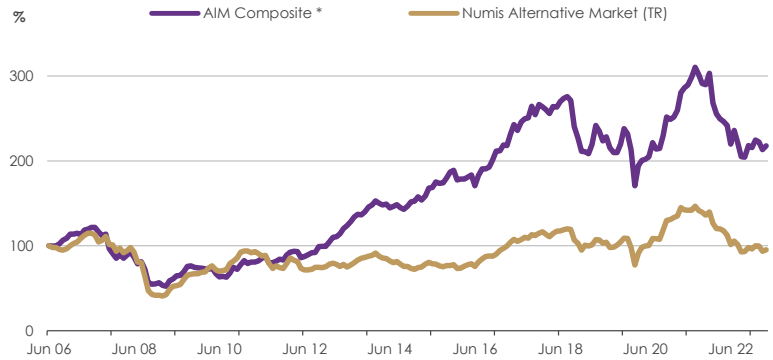
Investment strategy

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.

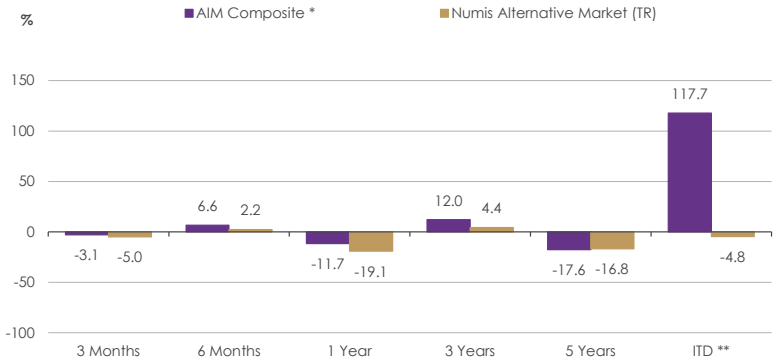
About us

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 30 April 2023 **



Cumulative performance to 30 April 2023



Past performance is not a guide to future performance. Please read the risk warning and important information overleaf.

Key data

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

Average market capitalisation	£496 million
Average PBT	£22 million
Average trading history	49 years
Average PE	16.6 x
Average yield	2.1%

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Largest portfolio holdings

Holding	Sector
Keywords Studios	IT Services
Renew Holdings	Construction & Engineering
CVS Group	Health Care Providers & Services
Impax Asset Management Group	Capital Markets
YouGov	Media
Gamma Communications	Telecommunication Services
Numis Corporation	Capital Markets
Learning Technologies Group	Software & Computer Services
Alpha Finl Mkts Consulting	Professional Services
Advanced Medical Solutions Group	Health Care Equipment & Supplies

Discrete annual performance to 30 April 2023

1 Year (%) to the end of	Apr 23	Apr 22	Apr 21	Apr 20	Apr 19
AIM Composite *	-11.7	-12.2	44.3	-19.6	-8.5
Numis Alternative Market	-19.1	-18.8	59.0	-14.9	-6.4

Investment commentary

April was a mixed, though broadly positive, month for AIM. It was a month that neatly encapsulated the major themes in play within the market, with takeovers, valuation anomalies and extreme reactions to company results-reporting all featuring.
There has been much talk about depressed valuations on AIM leading to a pick-up in takeover activity, and we saw a prime example of that with Deutsche Bank making an opportunistic bid for Numis, the UK smaller companies broker (who are, incidentally, house broker to a number of the stocks within our AIM portfolios). Numis are arguably the best quality operator in a shrinking sector, and can be seen to be a proxy for the market itself. That Deutsche Bank were prepared to pay a 60%+ premium to the previous day's closing price speaks volumes about the perceived value of the AIM market. Whilst this only puts the share-price back to levels seen at the beginning of 2022, it is a welcome vote of confidence in AIM.

On the flipside we have seen sharply negative price reactions to company financial results announcements from Focusrite, RWS and Learning Technologies. In all cases, moderation to their growth forecasts lead to disproportionate price falls. This illustrates the knife-edge of expectation-management that companies are having to walk, and shows how unloved the UK smaller-company markets remain. We retain confidence in these companies, where share prices remain significantly below analyst targets, and hope that a plateauing of UK interest rates will lead to a re-evaluation of the attraction of AIM.

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.

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* The AIM Composite is defined as portfolios managed by the AIM Team, that are discretionary and have an AIM mandate. There are currently 211 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 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 Services Limited / Refinitiv / Numis Alternative Markets Index . Evelyn Partners Investment Management Services Limited is authorised and regulated by the Financial Conduct Authority.