

31 August 2023

Key information as at 31/08/2023

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 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.

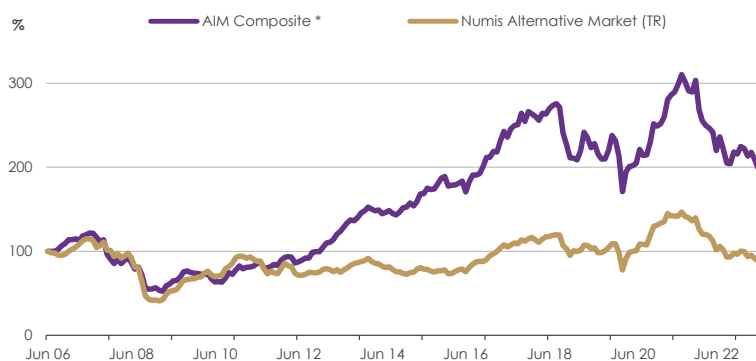
Investment strategy

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.

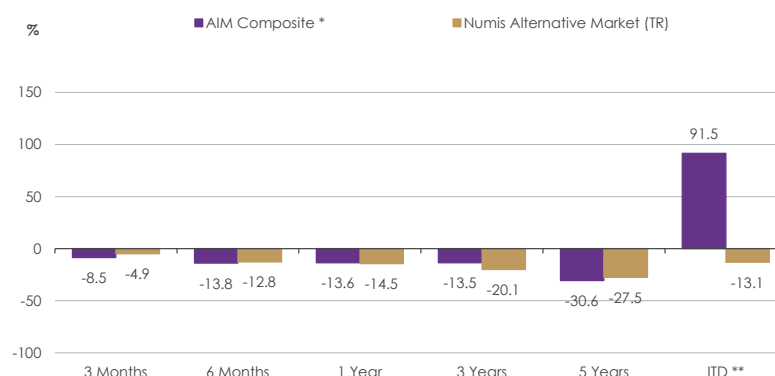
About us

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 August 2023 **



Cumulative performance to 31 August 2023



Key data

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

Average market capitalisation	£495 million
Average PBT	£21 million
Average trading history	47 years
Average PE	15.7 x
Average yield	2.0%



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Largest portfolio holdings

Holding	Sector
Renew Holdings	Construction & Materials
CVS Group	Consumer Services
YouGov	Media
Advanced Medical Solutions Group	Medical Equipment & Services
Gamma Communications	Telecommunication Services
Keywords Studios	Leisure Goods
AB Dynamics	Industrial Engineering
Alpha Finl Mkts Consulting	Industrial Support Services
Impax Asset Management Group	Investment Banking & Broker Services
Learning Technologies Group	Industrial Support Services

Discrete annual performance to 31 August 2023

1 Year (%) to the end of	Aug 23	Aug 22	Aug 21	Aug 20	Aug 19
AIM Composite *	-13.6	-28.6	40.1	2.6	-21.8
Numis Alternative Market	-14.5	-30.7	34.9	10.8	-18.1

Investment commentary

The summer months usually see a decline in market trading volumes as investors and market participants take their holidays. This reduction in volumes can lead to unexpectedly larger share price movements than might otherwise be the case. This summer proved to be no exception, with significant hits to names such as Keywords, Advanced Medical solutions and Alpha Financial Markets Consulting, which appeared to be disproportionate to the specific announcements from the companies. This is symptomatic of the "shoot first, ask questions later" investor mindset that still seems to be pervasive within the small-cap universe. Positive newsflow has been thin in the ground, but one bright spot was the, somewhat unexpected, approval of the takeover of EMIS Group following a Phase 2 investigation by the Competition and Markets Authority (CMA). For it to be approved without any remedial action was a surprise, but allowed us to exit the stock, realising very close to the agreed take-out value. We felt this a prudent course of action as there always remains some risk around, even agreed, takeovers. This has allowed us to introduce a new name to our coverage, Ashtead Technologies, a plant-hire business that leases equipment to the offshore energy industry and is an important cog in the energy transition machine, with its equipment equally relevant to oil and gas producers and renewables.

As we have moved into Autumn, we have seen a growing belief that the central bank interest rate tightening cycle is coming to an end with, perhaps, one more 0.25% hike to come in the UK. This should ultimately be taken well by equity markets as they will begin to discount falling rates (as already seen in the Gilt market), which should be positive for share prices. Small-cap markets, such as AIM with greater interest rate sensitivity often lead the charge.

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 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 LLP / Refinitiv / Numis Alternative Markets Index. Evelyn Partners Investment Management LLP is authorised and regulated by the Financial Conduct Authority.