

# AIM STRATEGY

## YOUR INHERITANCE TAX SOLUTION



Q4 2025

### PORTFOLIO CHARACTERISTICS

- High quality and profitable companies
- Operating in a structurally growing market
- Diversified across sectors with a minimum market capitalisation of c.£100m

### Strategy Details

**Launch Date** 31 May 2017

**Product Type** Discretionary portfolio

**Number of stocks** 22

**Minimum Investment** £100,000

### Service Charges

**Initial Charge** 1.00%  
(capped at £5,000)

**Annual Management Charge**

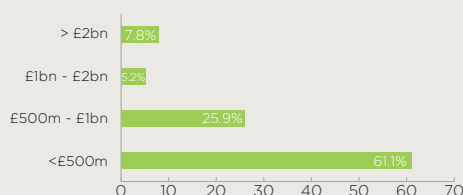
|             |       |
|-------------|-------|
| First £1.0m | 1.25% |
| Next £1.5m  | 0.50% |
| Next £3.0m  | 0.40% |
| Thereafter  | 0.30% |

**Dealing Fee** 0%

### Top 10 Holdings

- Jet2
- FRP Advisory Group
- Craneware
- Cohort
- Advanced Medical Solutions Group
- Renew Holdings
- Young & Co's Brewery
- Sigmaroc
- Restore
- Brickability Group

### Market Capitalisation of the Strategy (%)



Quilter Cheviot, Refinitiv/LSEG, December 2025

Investments in stocks quoted on the Alternative Investment Market are likely to be harder to sell and to fall and rise more than shares listed on the main exchange, accordingly they are considered higher risk. Please see page 2 for more information.

### STRATEGY OBJECTIVE

The Quilter Cheviot AIM Strategy, an inheritance tax solution (IHT), provides a professionally researched and managed portfolio of Business Relief-qualifying Alternative Investment Market (AIM) listed stocks, helping clients protect and share their legacy of wealth with their loved ones.

### 2025 and Q4-25

Global stock markets posted double-digit returns, with the MSCI All Country World Index returning 14.4% in 2025 (total return, in Sterling terms). UK and European stocks were the standout performers, with emerging markets not far behind, and the US trailing. The Deutsche Numis Alternative Markets Index returned +6.4%, helped by strength in metal & mineral extraction businesses, which largely do not qualify for business relief.

### Performance

The Quilter Cheviot AIM Strategy, an inheritance tax solution, returned -5.8% in Q4 2025, 482bps behind the benchmark. Over the year, the Strategy returned -9.9%, significantly underperforming the benchmark. The index benefitted from non-business relief qualifying stocks (companies that we can't invest in under our IHT mandate) adding c.10% of positive return. The late UK Budget was once again a key focus in Q4, seeing weak business and consumer confidence ahead of it. Importantly, the Chancellor made no changes to inheritance tax relief on Business Relief qualifying AIM shares.

In Q4, 14 investee companies reported: 1 exceeded expectations, 11 met expectations and 2 fell short.

The main positive contributors were **Renew**, the UK's specialist engineering and infrastructure maintenance contractor, **Sigmaroc**, a leading European lime producer, and **MHA**, a top 15 UK accountancy firm.

Following **Renew's** Jan-25 profit warning, driven by rail renewals delays, management recently confirmed confidence in their outlook statement with a record order book and trading in line with expectations. The market was reassured by this. **Sigmaroc's** inline trading update showed margin progression. We view the group's 25% exposure to Germany as a key positive over the medium-term. This should be further supported by increased German fiscal stimulus. **MHA** delivered a strong set of interims and announced the acquisition of Moore Stephens UAE. The transaction is immediately earnings accretive and opens a very significant geographic market.

Key detractors include **Cohort**, the global defence company, **Craneware**, a leading software provider enhancing financial efficiencies to c.40% of US hospitals, and **Nichols**, the brand owner of Vimto. **Cohort**, like its defence peers, saw share price weakness in Q4 driven by rumours of a Ukraine/Russia ceasefire. Their interims confirmed the group is trading in line with expectations, with a record order book. **Craneware** confirmed trading was in line with expectations. There was no new newsflow for **Nichols**. We like the group's brand strength and product innovation in a resilient soft drinks market. Their asset light model drives over 70% free cash flow and healthy margins.

### Outlook

The portfolio fundamentals are strong, supported by robust balance sheets and structural tailwinds. However, this strength in corporate fundamentals has not been recognised in recent share price performance, which has been weak across a number of holdings. With the government's changes to inheritance tax relief finally coming into force in April 2026, the outflows we have been seeing from the broader market should abate, and subsequently reduce the downward pressure on share prices. With the flow situation stabilising, our hope is that investors will then be able to recognise the deeply attractive valuations that a lot of these businesses are now trading on. Further interest rate cuts in the UK are anticipated and could drive a re-rating of holdings. M&A activity within the UK small and mid-cap market is likely to persist as market conditions stabilise.

| PERFORMANCE (%)                             | Q4 2025 | Year to 31 Dec 25 | Year to 31 Dec 24 | Year to 31 Dec 23 | Year to 31 Dec 22 | Year to 31 Dec 21 |
|---------------------------------------------|---------|-------------------|-------------------|-------------------|-------------------|-------------------|
| **QC AIM Strategy                           | -6.1%   | -9.9%             | -4.3%             | -2.4%             | -31.0%            | 3.1%              |
| *Numis Alternative Markets ex Inv Cos index | -1.0%   | 6.4%              | -3.9%             | -7.4%             | -31.5%            | 7.0%              |

Source: \*Refinitiv Datastream. \*\*Pricing data source: Interactive Data; Composite returns source: Figaro. The figures are total return and net of fees and charges. All figures to 31 December 2025. A breakdown of the Numis Alternative Markets ex Inv Cos index is available upon request.

**IMPORTANT: The value of investments and the income from them can go down as well as up. You may not recover what you invest. Past performance is no guarantee of future returns.**

\*\*Note: As of Q1 2023, the AIM Strategy performance data shown is a composite of live client AIM portfolios that have been running for longer than 3 months. Prior to Q1 2023, this period was 12 months.

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## PORTFOLIO MANAGERS



**Amisha Chohan**  
Head of Small Cap Strategy

Amisha chairs the Quilter Cheviot AIM Committee. She has over 20 years' experience in investment management and researching small to large cap companies globally. Amisha joined Quilter Cheviot in 2016 from Sanlam. She read Business Finance at the University of Durham and has a MA in Finance and Investment from the University of Nottingham.



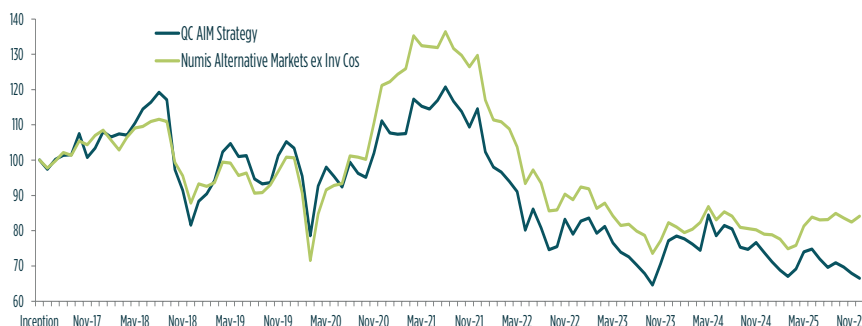
**Richard Mitchell**  
Lead Portfolio Manager

Richard has over 15 years' experience in the discretionary fund management industry, and joined Quilter Cheviot in 2018. He is the Lead Portfolio Manager of the Quilter Cheviot AIM Strategy, and is responsible for the implementation and ongoing management of underlying client portfolios. Richard graduated from the University College London (UCL) with a degree in History and Philosophy of Science.

## TALK TO US TODAY

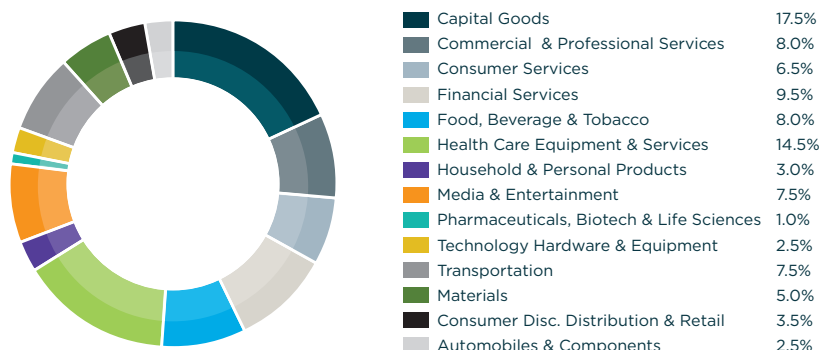
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## STRATEGY PERFORMANCE to 31 December 2025



Source: Quilter Cheviot, Refinitiv Datastream

## SECTOR BREAKDOWN (%)



## AIM-SPECIFIC RISKS

- There is a less readily available market for investments in smaller companies. This can make selling investments more difficult.
- The advantages of investing in a portfolio of AIM stocks depend on the tax rules in force and the investee company maintaining their qualifying status.
- Investing in smaller companies and those involved in niche sectors such as new technology or alternative energy will often see price movements which are above average. Price changes can be greater than those experienced by investments held in companies with a full listing on the London Stock Exchange.
- The AIM Strategy does not take unrealised capital gains into account when making changes to client portfolios. This means there may be occasions when realised gains are in excess of your Annual Exempt Amount (AEA), which may result in you having to pay capital gains tax (CGT).
- Please refer to the AIM Strategy brochure for a full list of risks.

## POSITIVE SCREENING

Quilter Cheviot risk controls are:

- Meet management before we invest
- Avoid loss making businesses
- Avoid "blue sky" companies
- Minimum market cap threshold of c.£100m
- Will not own more than 3% of a company's free float.

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Trusts, Estate planning, Buy to Let Mortgage, Taxation and Inheritance Tax advice are not regulated by the Financial Conduct Authority.

Tax: Tax treatment varies according to individual circumstances and is subject to change.

Business Relief (BR) and the Alternative Investment Market (AIM) are high risk and invest in assets that are high risk and can be difficult to sell such as shares in unlisted companies. The value of the investment and the income from it can fall as well as rise and investors may not get back what they originally invested, even taking into account the tax benefits. You should only consider these products if you are willing to take some risk with your capital. We will consider whether such products are suitable for you before recommending an investment.

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