

# AIM STRATEGY

## YOUR INHERITANCE TAX SOLUTION



Q1 2026

### 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 21

Minimum Investment £100,000

### Service Charges

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

### Annual Management Charge

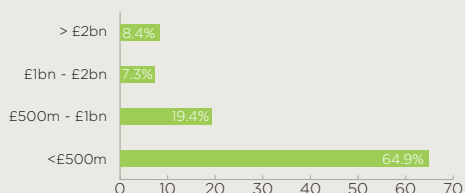
First £1.0m 1.25%  
Next £1.5m 0.50%  
Next £3.0m 0.40%  
Thereafter 0.30%

Dealing Fee 0%

### Top 10 Holdings

- Cohort
- Jet2
- Advanced Medical Solutions
- FRP Advisory
- Craneware
- Renew
- Sigmaroc
- Restore
- BRCK Group
- Nichols

### Market Capitalisation of the Strategy (%)



Quilter Cheviot, Refinitiv/LSEG, March 2026

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.

### Q1 2026

Global markets declined in Q1-26: the MSCI All Country World Index fell 1.2% (£ total return) following the outbreak of war in the Middle East. The effective closure of the Strait of Hormuz - a route for around 20% of global oil and gas supplies - pushed energy prices higher. The UK market rose 2.9% in the quarter, helped by roughly 10% exposure to energy. Europe, as a net energy importer, was more sensitive to higher prices. The US fell 2.1% despite energy independence. The Deutsche Numis Alternative Markets Index returned -4.8%, reflecting sensitivity to potential increases in UK interest rates.

### Performance

The Quilter Cheviot AIM Strategy (an inheritance tax solution) returned -10.5% in Q1 2026, underperforming the benchmark by 532bps. Benchmark returns were boosted by non-business relief qualifying stocks (outside our IHT mandate and therefore uninvestable within the strategy), which contributed around 3.5% of the index's positive return.

17 investee companies reported: 3 exceeded expectations, 12 met, and 2 fell short.

Key positive contributors were **Cohort**, the global defence company, **Young & Co**, the premium pub operator and **Nichols**, the brand owner of Vimto. Rising geopolitical risk continues to support defence spending, and **Cohort** secured over £65m of new contracts, improving forward revenue visibility. **Youngs** confirmed strong trading over Christmas; we have since sold the position ahead of its move to the Main Market in Q2 (and consequent loss of business relief qualification). **Nichols** reassured the market with delivery in line with expectations and a supportive outlook statement.

Key detractors include **Craneware**, a leading software provider enhancing financial efficiencies to US hospitals, **Jet2**, the UK's leading tour operator and **YouGov**, the international research and data analytics firms. **Craneware's** results were in line with expectations and **YouGov** guided lower earnings due to increased investment. Both share prices were pressured by concerns about AI disruption, which we view as unwarranted and overdone. **Craneware** has deep, difficult-to-replicate datasets across the US and rejected a £26.50-per-share proposal from Bain Capital in June-25. We believe **YouGov** retains a differentiated single-source panel, and is a trusted brand. **Jet2** is trading at the lower end of guidance as the group invests in load factor. More recently, the higher oil price has driven a sell off in tour operators and airlines. **Jet2** is c.75% hedged on fuel for this financial year and has over £1.1bn in net cash (nearly 50% of its market capitalisation). We believe **Jet2** is well positioned for the long term.

We initiated a position in **Uniphar**, a diversified healthcare services business supporting multinational pharmaceutical and medical technology manufacturers. The company is resilient to healthcare demand and outsourcing trends; we value the predictability of its recurring gross profits, and bolt-on acquisitions could support earnings upgrades.

**BRCK (previously Brickability)**, a leading distributor and provider of specialist products and services to the UK construction industry, rejected a 65p-per-share offer from Atlas Holdings, citing undervaluation.

### Outlook

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 AIM should abate and subsequently reduce downward pressure on share prices. With more stable flows, our hope is that investors will then be able to recognise the deeply attractive valuations many of these businesses now trade on. M&A activity within UK small and mid-cap is likely to increase as market conditions stabilise.

PERFORMANCE (%)	Q1 2026	Year to 31 Mar 26	Year to 31 Mar 25	Year to 31 Mar 24	Year to 31 Mar 23	Year to 31 Mar 22
**QC AIM Strategy	-10.4%	-11.2%	-12.0%	-3.9%	-18.0%	-10.1%
*Numis Alternative Markets ex Inv Cos index	-5.1%	6.6%	-7.0%	-6.8%	-22.2%	-11.9%

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 March 2026. 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 Equities

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.



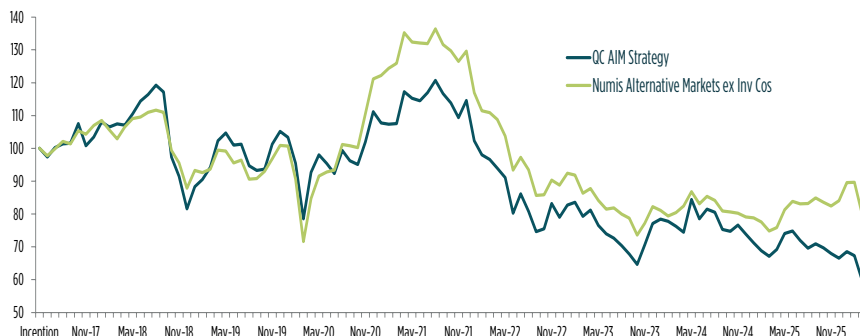
**Richard Mitchell**  
Lead Portfolio Manager

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

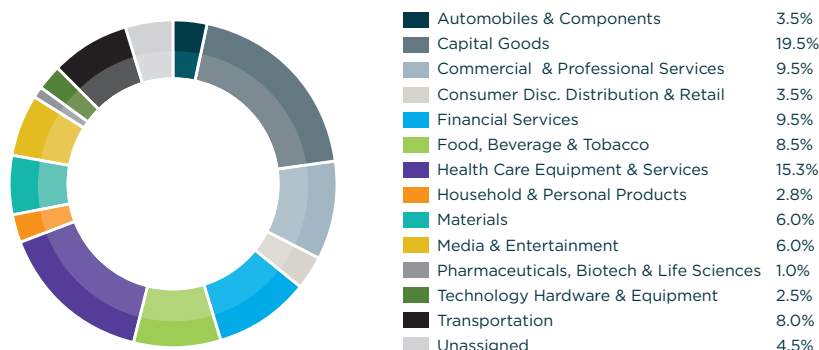
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### STRATEGY PERFORMANCE to 31 March 2026



Source: Quilter Cheviot, Refinitiv Datastream. Past performance is not a guarantee of future returns.

### 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.

**Risk Warning:** This communication does not constitute a recommendation. This material is not tax, legal or accounting advice and should not be relied on for tax, legal or accounting purposes. Quilter Cheviot Limited does not provide tax, legal or accounting advice. You should consult your own tax, legal and accounting adviser(s) before engaging in any transaction. Investors should remember that the value of investments, and the income from them, can go down as well as up and that past performance is no guarantee of future returns. You may not recover what you invest. The securities and investments within this document may not be suitable for all recipients. The appropriateness of a particular strategy will depend on an individual's circumstances and objectives.

This is a marketing communication.

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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