



QUILTER CHEVIOT

# Assessment of Value

*AIM Strategy, an inheritance tax solution*

FOR YEAR ENDED 31 DECEMBER 2025



UK INVESTORS USE ONLY

SPECIALISTS IN INVESTMENT MANAGEMENT

# Welcome to the Quilter Cheviot annual assessment of value report

We produce this report to provide both existing and potential clients with the results of our annual assessment of the value of our services and to provide insight into the activities we have completed during the period. The report has been compiled in line with Quilter Cheviot's current understanding of the requirements set out by our industry regulator, the Financial Conduct Authority (FCA), and we have embraced the ideals it represents and the monitoring required to support our conclusions, as a permanent and ongoing part of our business culture.

It should be noted that this is the fourth year this report has been compiled in this way, and it is expected to develop and be enhanced over time.

Based on the assessment work conducted by Quilter Cheviot, the outcome of the assessment is that the Alternative Investment Market (AIM) Strategy continues to offer our clients good value for money.



**John Goddard**  
Chief Executive

# AIM assessment of value basis

## Overview

This document seeks to demonstrate how the AIM Strategy provides value for a client based on our assessment against the 5 pillars we have chosen, and the methodology explained below.

The five key areas are based on the areas identified in the FCA Consumer Duty rules (Principles for businesses, PRIN, rules) and to avoid being too subjective, most of the areas can be measured. The report is produced internally and has been subjected to challenge by our Governance function, Executive Committee and by our Board, which includes Non-Executive Directors.

## Brand

It is our belief that the perception of value also extends to our clients and their advisers' view on the strength and culture of the firm with which they are dealing. Quilter Cheviot's focus on providing exemplary personal service and our drive to build and preserve the wealth of clients have been more than 250 years in the making. We are proud that this continues today and is demonstrated in the long-standing relationships with c.35,000 clients\*. Quilter Cheviot and our parent company continue to invest in our people, systems and infrastructure to provide services and products to meet our clients' requirements and meet the rules and expectations of our Regulators.

\* as at 31 March 2026



## **Our people**

Clients can have confidence in the level of continuity, stability and expertise they receive. Clients and financial advisers also have direct contact with a dedicated Investment Manager and their team who are responsible for delivering the strategy and managing their portfolio. The AIM investment management team who manage the strategy are available to support advisers and both clients and advisers can rely on being able to contact Quilter Cheviot relationship managers or meet at one of our 11 offices in the UK. The AIM Strategy investment managers support advisers and clients with quarterly factsheets and investment commentaries.

We pride ourselves on the expertise of our Investment Managers, who have an average of over 10 years' service at Quilter Cheviot and 19 years in the financial sector and all undertake continual professional development to keep them abreast of changes in the investment world and in client care, including understanding vulnerability and inclusion.

Research is the cornerstone of our business. Our 19-strong research team work with our Investment Managers to provide access to investment insights and strategies from around the world. Our unbiased and impartial approach means the Investment Manager can build an investment portfolio that is tailored to the client's needs and can evolve with them.

## **Investment process**

For the AIM strategy, there is also a team dedicated to the research and management of AIM portfolios due to the specialist nature of the service. Responsible investment is built into our research and the management of portfolios and this includes consideration of Environmental, Social and Governance (ESG) and stewardship factors in investment selection as well as active engagement with companies including voting.

The AIM strategy requires additional research in this specialised part of the market, including using independent tax review to confirm all stocks qualify for Business Relief. There is an initial charge on investments in the strategy which covers the additional costs related to the research of existing and potential investments.

## **Financial Strength**

Our operational efficiency and processes are key to the smooth running of accounts and provide assurance that our custody arrangements are secure and client's money is kept safe.

Quilter Cheviot is regulated by the FCA and is part of Quilter plc, a leading provider of financial advice, investments and wealth management with over £141.9 billion in client investments (as at 31 March 2026). This comes with financial strength and assurance to give confidence to our clients that Quilter Cheviot is equipped and managed to provide the service and investment outcomes that our clients expect.

# About the AIM Strategy

This strategy is a specialist investment solution of AIM listed companies, suitable for UK retail clients with £100,000 or more of investable assets who are able to accept a high level of risk and have significant ability to accept capital loss. The decisions to trade are taken by the Investment Manager and securities are selected that qualify for business relief. The strategy is suitable for clients seeking to consider AIM investment as part of an inheritance tax mitigation strategy.

## Distribution strategy

The AIM Strategy is only distributed through professional advisers, mainly regulated financial advisers and chartered tax accountants, and is solely available for clients investing in Quilter Cheviot's custody. Aspects of the relationship management with the client can be shared with the adviser.

The service is distributed in line with the Target Market [www.quiltercheviot.com/target-market](http://www.quiltercheviot.com/target-market)



# The Assessment

The assessment is based around five main pillars:



## Product and service design

- How Quilter Cheviot ensures that our products and services are designed and supported to meet the needs of the client including those with vulnerabilities.



## Price and value - performance

- As part of the client outcome, we look at the performance of the portfolios against cash return and the strategy benchmark as well as the expected maximum draw-down.



## Price and value - cost

- The charges for the service and costs of the portfolio including the charges of any funds that are held.



## Client understanding

- How we ensure that our documentation including our cost and charges reports are understood by the client and how we ensure that we meet the needs of vulnerable clients.



## Client service and support

- An assessment of the service we offer, the timely delivery of reporting, the security of data, the client contact, updates for suitability assessments and the interest paid on cash deposits.

For the AIM Strategy, an important part of our assessment is the consideration of performance as well as the potential tax benefits. Please note that this is based on the average return achieved for portfolios aligned to the strategy and is not an individual portfolio value assessment as there can be many reasons for divergence in performance and in the service provided.

It is based on over 30 different metrics that can be measured to provide a summary of our standard or achievement. Each item is RAG rated leading to an overall assessment.

## What our ratings mean:



Provides good value: expected standard achieved















Provides good value: expected standard achieved but improvement needed



Does not provide good value: action needed to improve or change

# Assessment of value - summary of our findings

Assessment of value - summary			AIM 2025	AIM 2024
<p><b>The Quilter Cheviot AIM Strategy (a service that offers clients a portfolio that is intended to be part of estate and inheritance tax (IHT) plan at an accessible entry point) provides value to clients.</b></p>				
<p><b>Product and service design</b></p>	<p>How does Quilter Cheviot design and manage its propositions in the interests of the end clients?</p>	<p>Quilter Cheviot's governance framework, training programmes and resources are all built to promote strong client outcomes. Our culture puts clients at the centre of everything we do, giving them direct, ongoing access to our team. This close partnership helps us understand each client's unique circumstances and stay focused on achieving the best possible results. The current amber rating reflects the government's planned changes to Inheritance Tax (IHT) rules, which are expected to impact the effectiveness of certain IHT planning strategies from April 2026, rather than any concerns about the design or quality of the AIM service itself. Quilter Cheviot remains committed to ensuring our approach continues to deliver meaningful value for clients.*</p>		
<p><b>Price and value - performance</b></p>	<p>How have client portfolios performed?</p>	<p>Over the past five years, the AIM Strategy has delivered negative returns and underperformed both cash and the wider market benchmark. The strategy has also lagged most competitors, ranking in the lowest quartile of its peer group over the same period. Much of the weaker historic performance occurred before the strategy was managed fully in-house. Since bringing the strategy under full internal management, we have broadened diversification, strengthened oversight, and refined portfolio positioning to support improved future outcomes. The strategy has also continued to focus on holdings expected to qualify for Business Relief, and as of 31 December 2025, all eligible investments were assessed as sufficiently liquid and expected to qualify (excluding cash).</p>		
<p><b>Price and value - costs</b></p>	<p>Can clients expect a positive return after costs?</p>	<p>The AIM Strategy is a specialist service designed to support estate and inheritance tax (IHT) planning, underpinned by rigorous in-house research and the expertise of Quilter Cheviot's investment professionals. The associated costs and charges are considered proportionate to the nature of the service and the benefits it provides to clients.*</p>		
<p><b>Client understanding</b></p>	<p>Does the information provided help the client to understand the service and their portfolio?</p>	<p>The information provided continues to be clear, timely, and well-understood by clients, with overall understanding remaining strong. Vulnerable client needs are consistently identified and supported, and client feedback this year reflects improved clarity across our materials. Quilter Cheviot will continue to refine and enhance our communications throughout 2026 to further strengthen client understanding.</p>		
<p><b>Client service and support</b></p>	<p>Have clients received an appropriate level of client service and do we expect to provide good service in the future?</p>	<p>The service provided to clients has continued to perform well, with feedback indicating that overall service levels remain above average. Key processes—including reporting, suitability, and IT reliability—continued to operate effectively, and only minimal client movement was seen over the year</p>		

\*Regulatory update: As of 31 December 2025, the value of an AIM portfolio is exempt from inheritance tax under Business Relief (BR) rules after being held for two years. From 06 April 2026, AIM holdings will be liable for tax, but at a relief rate of 20% rather than the 40% IHT standard rate. Quilter Cheviot will continue to review the foreseeable harm of the rule change in 2026.

A more detailed breakdown of our Assessment of Value is available on request from your Investment Manager or Business Development Manager.



QUILTER CHEVIOT

## SPECIALISTS IN INVESTMENT MANAGEMENT

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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.

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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