

AIM STRATEGY

YOUR INHERITANCE TAX SOLUTION



VISION|IFP

Q2 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 25

Minimum Investment £40,000

Service Charges

Initial Charge 0

Annual Management Charge

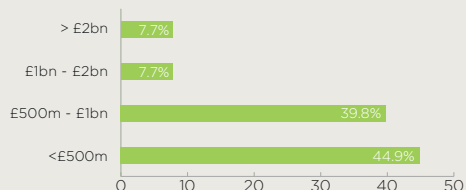
First £1.0m	1.00%
Next £1.5m	0.50%
Next £3.0m	0.40%
Thereafter	0.30%

Dealing Fee 0%

Top 10 Holdings

- FRP Advisory Group
- Jet2
- Cohort
- Advanced Medical Solutions Group
- Craneware
- Ashtead Technology Holdings
- Young & Co's Brewery
- Renew Holdings
- Brickability Group
- Fevertree Drinks

Market Capitalisation of the Strategy (%)



Quilter Cheviot, Refinitiv/LSEG, June 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.

COMMENTARY

Global stock markets posted solid Q2 returns, recouping the losses from Q1 to move into positive territory in H2-25, despite lingering trade tariff concerns and conflicts in the Middle East. The MSCI All Country World Index (+0.7% in Sterling) was boosted by strong gains in the UK and continental Europe, but a notable weakness in the Dollar meant US stocks posted a negative return. The Deutsche Numis Alternative Markets Index ended the quarter up +12.1%.

Performance

The Quilter Cheviot AIM Strategy, an inheritance tax solution, returned +11.5% in Q2-25, 58bps behind the benchmark. We saw broader sentiment improve as tariff concerns eased.

In Q2, 20 investee companies reported: 14 met expectations, 4 fell short and 2 exceeded expectations. Six companies delivered a +20% return in the quarter. Two potential bid offers for **Advanced Medical Solutions (AMS)**, a specialist in tissue-healing technologies and **Craneware**, a leading software provider for US healthcare organisations, did not materialise. Craneware rejected a £26.50 per share bid. However, we still view them as credible M&A targets.

The main positive contributors were **Jet2**, the UK's leading tour operator, **Cohort**, the global defence company, and **Young & Co Brewery**, a premium pub operator. **Jet2** confirmed trading at the top of guidance and Summer-25 pricing trends were encouraging. **Cohort's** trading update was in line with expectations. NATO allies' commitment to a new defence spending target of 3.5% of GDP by 2035, for core defence requirements, should accelerate **Cohort's** growth. **Young's** strong set of results demonstrate its superior sales growth. With a warmer Summer this year so far, we expect the strong sales momentum to continue.

Key detractors include **Ashtead Technology**, a subsea integrated solutions and equipment rental provider, **GB Group**, the leading global identity data intelligence specialist and **AMS**. **Ashtead Technology** delivered a good set of results, alongside with **GB Group**. However, their potential plans to move to the Main Market in Q4-25 will force IHT investors to sell, the technical factor depressing the share price. Following a strong set of results, **AMS's** possible cash offer from Montagu Private Equity, fell through – not surprising given the uncertainty around US tariffs.

We added four new stocks into the portfolio: **Nichols**, the owner of drinks brand Vimto, which is the UK's number two squash brand, **Victorian Plumbing**, one of the UK's leading online bathroom retailers, **MHA**, a top 15 UK accountancy firm, and **CVS Group**, one of the UK's preeminent veterinary services businesses.

We sold **Gamma Communication** and **Elixirr International** as both stocks moved to the Main Market and no longer qualified for business relief.

Outlook

The portfolio has been strategically adjusted to emphasise domestic investments, thereby reducing the effects of US tariffs. Valuations remain attractive. The portfolio fundamentals are strong, supported by robust balance sheets and structural tailwinds. We expect that further UK interest rate cuts should drive re-ratings. M&A activity within the UK small mid-cap market is expected to continue as the market stabilises.

We are pleased to announce our AIM Strategy will now be exempt of VAT.

PERFORMANCE (%)	Q2 2025	Year to 30 Jun 25	Year to 30 Jun 24	Year to 30 Jun 23	Year to 30 Jun 22	Year to 30 Jun 21
**QC AIM Strategy	11.5	-4.8	6.2	-7.8	-29.9	20.0
*Numis Alternative Markets ex Inv Cos index	12.1	1.0	1.9	-12.7	-29.3	42.4

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 30 June 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.

Approver Quilter Cheviot Limited, 8 July 2025.

**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.

STRATEGY PERFORMANCE to 30 June 2025



Source: Quilter Cheviot, Refinitiv Datastream

SECTOR BREAKDOWN (%)



Capital Goods	22.0
Commercial & Professional Services	9.5
Consumer Services	6.5
Financial Services	9.5
Food Beverage & Tobacco	6.0
Health Care Equipment & Services	15.0
Household & Personal Products	3.0
Media & Entertainment	6.0
Pharma, Biotechnology & Life Sciences	1.0
Software & Services	4.0
Technology Hardware & Equipment	2.5
Transportation	7.5
Materials	3.5
Consumer Disc. Distribution & Retail	2.0

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.

TALK TO US TODAY

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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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