

AIM STRATEGY

YOUR INHERITANCE TAX SOLUTION



VISION|IFP

Q3 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 23

Minimum Investment £100,000

Service Charges

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

Annual Management Charge

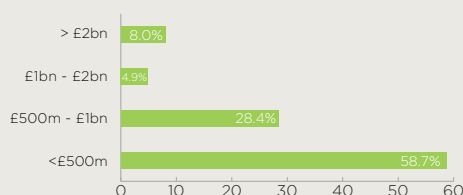
First £1.0m	1.25%
Next £1.5m	0.50%
Next £3.0m	0.40%
Thereafter	0.30%

Dealing Fee 0%

Top 10 Holdings

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

Market Capitalisation of the Strategy (%)



Quilter Cheviot, Refinitiv/LSEG, September 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 strong gains over Q3, boosted by the resurgence in US equities. The MSCI All Country World Index (+9.8% in sterling terms) was stimulated by growing belief that the Federal Reserve will aggressively cut interest rates to support the economy, whilst risks from trade tariffs and international conflict have receded, albeit not disappeared. The Deutsche Numis Alternative Markets Index ended the quarter at +1.2%.

Performance

The Quilter Cheviot AIM Strategy, an inheritance tax solution, returned -5.2% in Q3 2025, 640bps behind the benchmark. The index benefitted from non-business relief qualifying stocks (companies that we can't invest in under our IHT mandate) adding c.300bps of positive return.

In Q3, 21 investee companies reported: 3 exceeded expectations, 17 met expectations and 1 fell short.

The main positive contributors were **FRP Advisory Group**, a business advisory firm specialising in corporate restructuring, **Craneware**, a leading software provider, enhancing financial efficiencies to c.40% of US hospitals and **Next 15**, the integrated marketing communications group. **FRP** delivered a strong set of results with double digit organic revenue and earnings growth. The group is well positioned to benefit from a sluggish UK economic environment. **Craneware's** results were ahead of expectations, highlighting strong customer loyalty via high recurring revenues. **Craneware's** relationship with **Microsoft** coupled with ownership of US patient data is a unique and valuable aspect to their business. **Next 15** has had several issues over the past few years, however a new management team has been installed and is focussed on streamlining the business. Asset disposals should drive a re-rating.

Key detractors include **Warpaint London**, a global distributor of branded quality cosmetics at affordable prices, **Jet 2**, the UK's leading tour operator and **Ashtead Technology**, a leading subsea integrated solutions and equipment rental provider. Cyclical weakness resulted in **Warpaint** downgrading its full year expectations, and **Jet 2** disappointed with profits coming in at the lower end of expectations. **Ashtead Technology's** move to the Main Market created a technical factor depressing the share price, whereby IHT investors were forced to sell ahead of their move. We also observed this trend with **Johnson Services Group** and **GB Group** on their move to the Main Market. These three stocks weighed on portfolio performance by 141bps in the quarter. We disposed of all three holdings, as the stocks would no longer qualify for business relief upon their move to the Main Market.

We added **AB Dynamics (ABD)**. The group is at the forefront of automotive testing, simulation, and measurement, serving global manufacturers, tier 1 suppliers, and regulatory bodies. The company has demonstrated a strong history of double-digit growth, a global footprint, and ambitions to double revenues and triple profits in the medium term. **ABD** is well placed to benefit from regulatory changes, electrification, and increased demand for advanced driver assistance systems (ADAS) and autonomous vehicle (AV) technologies. Short-term tariff concerns provided an attractive entry point for investment.

Outlook

The portfolio fundamentals are strong, supported by robust balance sheets and structural tailwinds. 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. With the upcoming budget in November, efforts are ongoing to lobby the Treasury to address the disparities created among Business Relief strategies.

PERFORMANCE (%)	Q3 2025	Year to 30 Sept 25	Year to 30 Sept 24	Year to 30 Sept 23	Year to 30 Sept 22	Year to 30 Sept 21
**QC AIM Strategy	-5.2%	-5.9%	11.1%	-9.1%	-36.1%	21.3%
*Numis Alternative Markets ex Inv Cos index	1.2%	4.9%	2.8%	-8.1%	-34.9%	30.5%

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 September 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, 13 October 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.



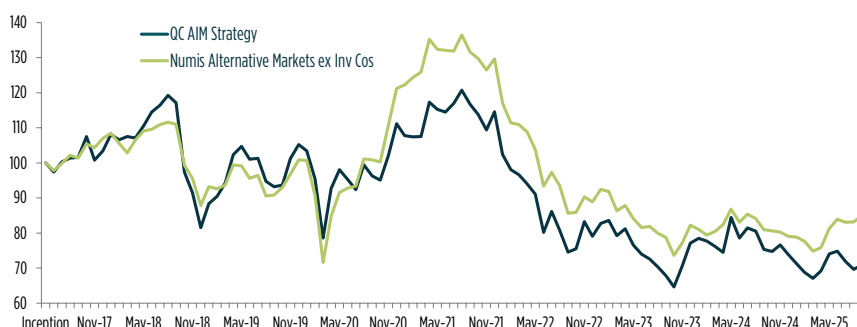
Richard Mitchell
Lead Portfolio Manager

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.

TALK TO US TODAY

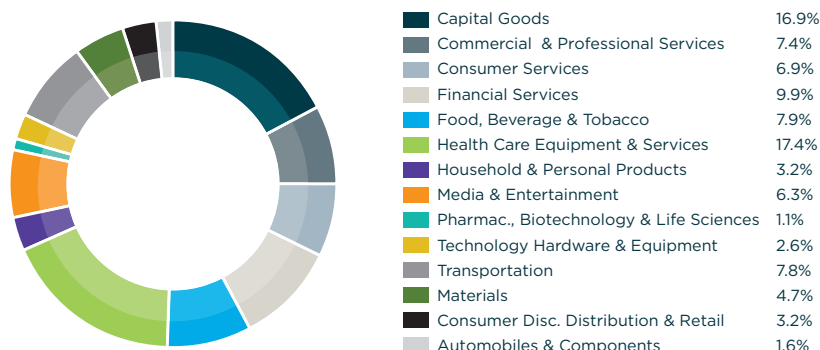
Quilter Cheviot, Senator House,
85 Queen Victoria Street,
London, EC4V 4AB
T. +44 (0)20 7150 4000
E. enquiries@quiltercheviot.com
W. quiltercheviot.com

STRATEGY PERFORMANCE to 30 September 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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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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