

AIM Inheritance Tax (IHT) Investment Service

As part of their inheritance tax planning, clients can benefit from our AIM IHT Investment Service, which potentially gives exemption from inheritance tax after only two years by investing in companies that qualify for business relief.

About AIM (The Alternative Investment Market)

Launched in 1995 with just ten companies. A less tightly regulated market than the main London Stock Exchange, AIM provides a lower cost alternative for growth companies. It has seen some tremendous successes over the years with the likes of ASOS and Fever-Tree growing into multi billion pound companies, and now boasts 700+ companies (N.B. not all AIM listed companies qualify for business relief and therefore inclusion in an AIM IHT portfolio). It should also be noted that it has seen its fair share of failures too. Investing in AIM carries greater risk than investing in blue chip FTSE stocks but may be advantageous for some clients as part of a broader investment universe.

Why consider R.C.Brown's AIM IHT Investment Service?

Our AIM Expertise – we have been investing in the AIM market for over 25 years. We are aware of the potential for growth but also the pitfalls in the market.

Our unique primary opportunities process – this allows us unrivalled access to IPO's and equity raisings which are typically the preserve of institutional investors. We have been running our UK equities via this process since we were founded in 1990.

Our experienced team – Oliver Brown and Neil Whelan both have over 16 years' experience in the financial services sector. Oliver is also lead manager of the IFSL R.C.Brown UK Primary Opportunities Fund which has a strong long term performance record, and can and does invest in the AIM market.

Competitive & transparent fees – there are no dealing, custody or hidden charges.

Low minimum – we will establish an IHT portfolio from £20,000

Diversification – we look to hold 30-40 companies in a portfolio. This is typically more diversified than our peers, providing the potential for more consistent returns and less damaging to performance should a holding fall sharply.

FEES

Our management charge for an IHT portfolio is 0.95% pa + VAT. This is inclusive of all dealing & administration charges. A flat-rate Custody Fee of 0.30% pa will be charged monthly, at the same time as the management fee. The Custody Fee is exempt from VAT.

Fees are calculated calendar monthly and charged according to the total portfolio value at the month end.

HISTORIC PERFORMANCE

We created our AIM / IHT Investment Service in May 2018, at the specific request of an existing client. The performance figures quoted are taken from that portfolio, as at 30/6/2024 and are post all fees & transaction costs.

	<u>3 Months</u>	<u>6 Months</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Year</u>	<u>Since Inception (1 May 2018)</u>
RCBIM	2.82%	9.99%	8.09%	-38.01%	-10.39%	-9.51%
FTSE AIM All Share Index	3.46%	1.09%	3.41%	-35.75%	-11.01%	-21.39%

All correspondence to Head Office

Head Office:

1 The Square, Temple Quay, Bristol BS1 6DG

tel: 0117 925 6073

email: enquiries@rcbim.co.uk www.rcbim.co.uk

EXAMPLE PORTFOLIO

This is an example of the holdings in a client portfolio as at 30th June 2024 (exact stock selection and sector weightings for a new client portfolio may be different from this illustration):

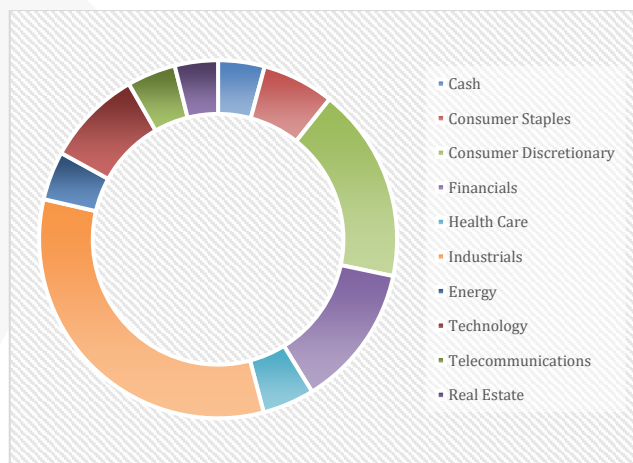
‘The AIM market outperformed its larger UK peers in the second quarter and is now in positive territory year to date. It was a further solid performance from our portfolio, consolidating the particularly strong performance from the first quarter this year. The AIM market, with its growth bias, is likely to benefit from lower interest rates as investors are prepared to put a higher value on future earnings in a falling interest rate environment. We also believe the stability of a new government a potential useful catalyst for overseas investors to consider adding to their holdings in UK equities.

AOTI (Advanced Oxygen Therapy Inc), a medical device company, was added to the portfolio at IPO. The funds raised will further its expansion into the US market. A substantial dividend of approximately 25% of its market capitalisation was received in Marlowe, following the sale of part of its business. We made a number of modest other re-balancing changes to the portfolio to ensure a well diversified portfolio is maintained. Though we did not see any takeover offers of our portfolio companies this quarter, there continued to be higher than normal levels of M&A activity in the small cap arena – reflecting the ongoing modest valuations. Either the AIM market will re-rate or its constituents will continue to be acquired. We will shortly receive the cash proceeds following the takeovers, announced in the previous quarter, of Mattioli Woods and Lok N Store.

- | | |
|------------------------|------------------------|
| Anexo | Learning Technologies |
| Animalcare | Lok N Store |
| AOTI | Lords Trading Group |
| Ashtead Technology | Marlowe |
| Brooks Macdonald | Mattioli Woods |
| Brickability | Microlise |
| Fonix Mobile | Midwich |
| Franchise Brands | Next 15 |
| FRP Advisory | Sigmaroc |
| Jet2 Group | Strix |
| Elixir Consulting | Springfield Properties |
| Gamma Communications | Supreme |
| Hargreaves Services | Team17 |
| Helios Underwriting | Volex |
| Impax Asset Management | Young & Co Brewery |
| Johnson Service Group | |
| Kitwave | |

By sector:

Cash	4.2%
Consumer Staples	6.5%
Consumer Discretionary	17.6%
Financials	12.9%
Health Care	4.7%
Industrials	32.7%
Energy	4.4%
Technology	8.7%
Telecommunications	4.4%
Real Estate	3.9%



RISK DISCLOSURE

Due to the nature of the investments held within the portfolio, clients will be classified as having a growth objective with a high risk tolerance.

Investing in AIM shares traded on the London Stock Exchange will mean that the value of assets, and any income received from them, may go down as well as up and you may not get back all the money invested. There are three main reasons why this might happen:

- 1) The actual or perceived financial standing and trading well-being of the AIM companies involved may change.
- 2) The AIM shares themselves are subject to the laws of supply & demand and are capable of significant price movements irrespective of market and corporate factors. Such movements could be a reflection of the company size and marketability.
- 3) The AIM market itself is capable of large movements due to economic, political and other factors.

AIM is a market designed primarily for emerging smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM shares are not admitted to the official list of the United Kingdom Listing Authority.