

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, as companies have used their listing to raise capital in order to grow their businesses. AIM currently has around 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 31/3/2025 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 | -8.67% | -10.27% | -8.34% | -33.73% | -3.36% | -19.48% |
| FTSE AIM All Share Index | -4.89% | -7.09% | -6.50% | -30.95% | 7.32% | -28.96% |

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EXAMPLE PORTFOLIO

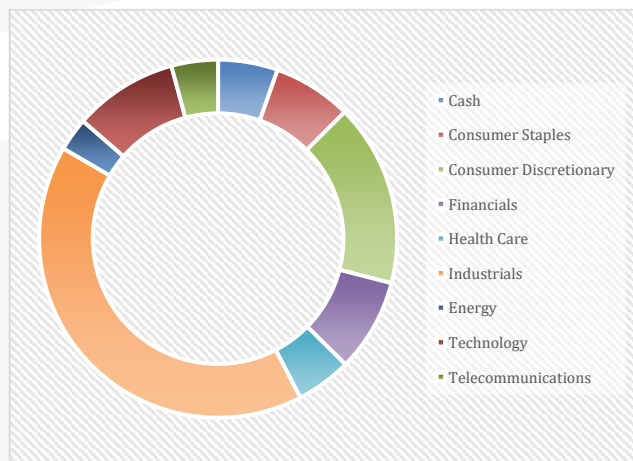
This is an example of the holdings in a client portfolio as at 31st March 2025 (exact stock selection and sector weightings for a new client portfolio may be different from this illustration):

Whilst the large cap FTSE 100 enjoyed strong gains in the quarter, mid and smaller sized companies, including AIM, continued to lag on concerns over the health of the UK economy and limited appetite among investors globally for smaller companies. M&A activity remains a feature of the market as corporates, overseas buyers and private equity take advantage of the modest valuations on offer. We used the cash in the portfolio to add to the holdings in Optima Health, Fintel and Cohort. The latter, a defence company, proved particularly strong on expectations that European countries will markedly increase their defense budgets' following President Trump's rhetoric that the US was no longer willing to subsidise Ukraine in their war with Russia. Underperformer Strix was sold on concerns that a global economic recovery will take longer than anticipated.

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

By sector:

| | |
|------------------------|-------|
| Cash | 5.4% |
| Consumer Staples | 7.1% |
| Consumer Discretionary | 16.5% |
| Financials | 8.4% |
| Health Care | 5.0% |
| Industrials | 41.0% |
| Energy | 3.0% |
| Technology | 9.4% |
| Telecommunications | 4.2% |



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.