

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. 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.

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 30/6/2025 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 | 17.76% | 7.54% | 4.79% | -5.00% | -6.04% | - 5.17% |
| FTSE AIM All Share Index | 13.76% | 8.20% | 2.80% | -6.98% | -5.90% | -19.19% |

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EXAMPLE PORTFOLIO

This is an example of the holdings in a client portfolio as at 30th June 2025 (exact stock selection and sector weightings for a new client portfolio may be different from this illustration):

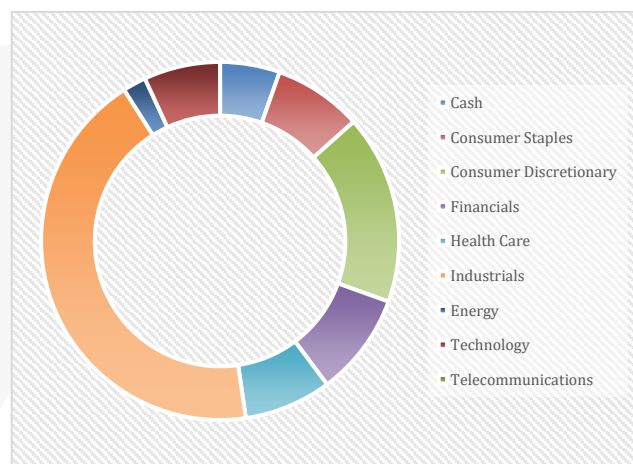
It was finally the turn of UK smaller companies to markedly outperform their larger brethren, as investors finally start to appreciate the significant value available amongst smaller companies. Following a period of strong performance from the FTSE 100, investors are now looking down the market capitalisation spectrum for greater value and AIM is likely to be a beneficiary of this. It proved an active period as we participated in placings in Rosebank Industries, a buy and build industrials company, and Cerillion, a software company. We participated in the only major IPO on AIM in 2025 so far, MHA, an accountancy business. The shares have made a promising start, appreciating by more than 20%. Niox, a healthcare company, was also added to the portfolio. Gamma Communications and Elixirr were both sold prior to their move to the main market which make them ineligible for an AIM inheritance tax portfolio. Marlowe has received a bid at a significant premium to the undisturbed share price and will shortly be sold from the portfolio. We continue to monitor the market for primary opportunities and anticipate an active second half of the year.

Anexo
Animalcare
AOTI
Ashtead Technology
Brickability
Cerillion
Cohort
Fonix Mobile
Franchise Brands
FRP Advisory
Jet2 Group
Fintel
Hargreaves Services
Helios Underwriting
Impax Asset Management

Johnson Service Group
Kitwave
Lords Trading Group
MHA
Microlise
Midwich
Next 15
Niox
Optima Health
Rosebank Industries
Sigmaroc
Springfield Properties
Supreme
Tatton Asset Management
Team17
Volex
Young & Co Brewery

By sector:

| | |
|------------------------|-------|
| Cash | 5.4% |
| Consumer Staples | 8.0% |
| Consumer Discretionary | 17.1% |
| Financials | 9.3% |
| Health Care | 7.9% |
| Industrials | 43.3% |
| Energy | 2.1% |
| Technology | 6.9% |
| Telecommunications | 0.0% |



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.