

## 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 31/12/2025 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	-5.06%	-8.09%	-1.16%	-2.55%	-33.75%	- 12.85%
FTSE AIM All Share Index	-1.70%	0.31%	8.53%	-2.43%	-28.22%	-18.94%

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**EXAMPLE PORTFOLIO**

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

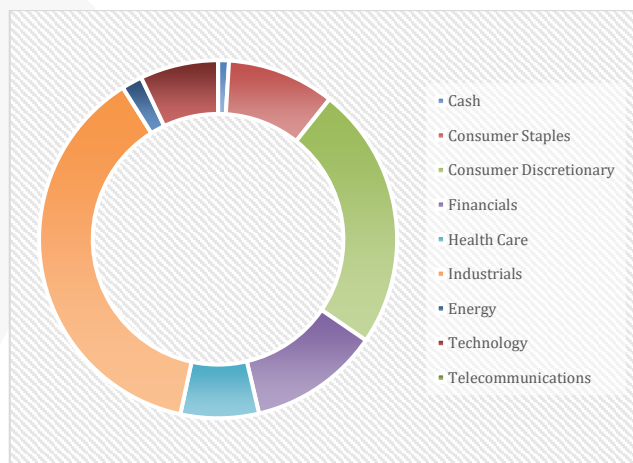
It proved a disappointing quarter as the AIM market failed to join in the rally seen in large caps that has seen the FTSE 100 hit new highs. Whilst the underperformance of our portfolios and AIM is clearly disappointing, we continue to believe that a re-rating of smaller companies will occur and with the valuation gap growing between large and small companies, it is a matter of time in our view, before greater investor focus is given to AIM and smaller companies. It should also be noted that there was particular strength in resources' companies, particularly those with exposure to precious metals. These are not the sort of companies we consider suitable for inheritance tax portfolios, given their often extreme volatility, and in many cases, are not eligible for such portfolios, given a dual listing elsewhere. There was a pick up in fund raising activity following a quiet summer period. Nevertheless, fund raising levels remain below historic levels. With the budget no worse than feared and buoyant equity markets globally, we would expect the AIM market to be a beneficiary of more corporate activity.

Winvia Entertainment, a prize draw and gambling company, and Power Probe, a vehicle diagnostics company, were both added to the portfolio as part of their IPOs. Roadside Real Estate, an owner and operator of petrol stations, was also added to the portfolio. Underperformer AOTI was sold. We are seeing a growing pipeline of fund raising opportunities and anticipate making some new investments over the coming quarter.

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|------------------------|-------------------------|
| Animalcare             | Microlise               |
| Ashtead Technology     | Midwich                 |
| Brickability           | Next 15                 |
| Cerillion              | Nichols                 |
| Cohort                 | Niox                    |
| Fonix Mobile           | Optima Health           |
| Franchise Brands       | Power Probe             |
| FRP Advisory           | Rosebank Industries     |
| Jet2 Group             | Sigmaroc                |
| Fintel                 | Springfield Properties  |
| Hargreaves Services    | Supreme                 |
| Helios Underwriting    | Tatton Asset Management |
| Impax Asset Management | Team17                  |
| Kitwave                | Volox                   |
| Lords Trading Group    | Winvia Entertainment    |
| MHA                    | Young & Co Brewery      |

By sector:

Cash	1.0%
Consumer Staples	9.9%
Consumer Discretionary	24.3%
Financials	12.0%
Health Care	7.2%
Industrials	38.4%
Energy	0.0%
Technology	7.2%
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.