

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. The performance figures quoted are taken from across all portfolios as at 31/03/2026 and are post all fees & transaction costs.

	<u>3 Months</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Year</u>	<u>Since Inception (1 May 2018)</u>
RCBIM	-7.57%	-1.02%	-11.31%	-39.37%	- 23.72%
FTSE AIM All Share Index	-6.16%	-1.24%	-6.21%	-35.03%	-23.93%

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EXAMPLE PORTFOLIO

This is an example of the holdings in a client portfolio as at 31st March 2026 (exact stock selection and sector weightings for a new client portfolio may be different from this illustration):

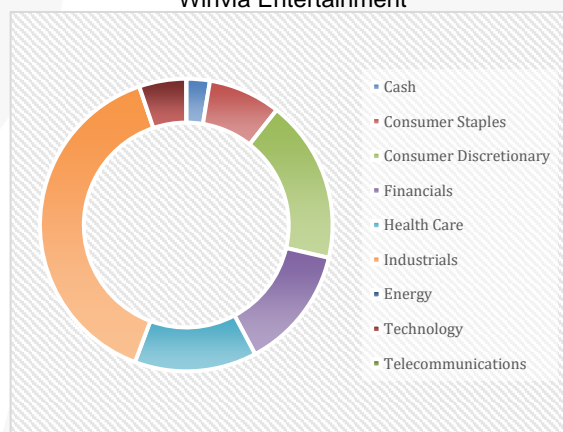
It proved a further disappointing quarter as despite making a strong start to the year, markets sold off sharply in March as a result of the escalating conflict in the Middle East. Smaller companies invariably underperform at times of market turmoil as investors typically sit on the sidelines awaiting greater clarity. It only takes modest selling to have a disproportionate impact on share prices. Smaller companies also typically have less diversified business models than larger companies and so in the event of an economic downturn may prove less resilient. We counteract this by buying into companies that we view as having strong growth prospects, modest debt or cash on the balance sheet and are therefore well positioned to navigate periods of difficult economic activity. Larger UK companies have continued this year to outperform UK mid and smaller companies. Whilst we view this as disappointing and the valuation gap between large UK and smaller UK companies continues to grow, the increased interest in the FTSE 100 by overseas investors, we believe if it remains, will in time filter down to smaller companies. With the lower level of liquidity amongst smaller companies, this we anticipate would produce a marked re-rating and share price gains. It should also be noted that there was again particular strength in resources' companies, particularly those with exposure to oil and 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 were encouraging signs of a pick up in fund raising activity albeit events in the Middle East are likely to act as a brake on major activity until some resolution is reached. Roadside real Estate, an operator of petrol stations and EV charging hubs, and Vulcan Two, a fast growing consolidator of ePharmacy companies, were both added to the portfolio as part of an equity fund raise. Both companies will use the funds for expansion. Young & Co, the pub operator, was sold prior to its move to the main market, making it no longer eligible for an inheritance tax portfolio. We received cash following the takeover of Kitwave.

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| Animalcare | Midwich |
| Brickability | Next 15 |
| Cerillion | Nichols |
| Cohort | Niox |
| Fonix Mobile | Optima Health |
| Franchise Brands | Power Probe |
| FRP Advisory | Roadside Real Estate |
| Jet2 Group | Sigmaroc |
| Fintel | Springfield Properties |
| Hargreaves Services | Supreme |
| Helios Underwriting | Tatton Asset Management |
| Impax Asset Management | Team17 |
| Lords Trading Group | Volex |
| MHA | Vulcan Two |
| Microlise | Winvia Entertainment |

By sector:

Cash	2.6%
Consumer Staples	8.0%
Consumer Discretionary	18.0%
Financials	13.6%
Health Care	13.5%
Industrials	39.1%
Energy	0.0%
Technology	5.2%
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.