THORNTONS INVESTMENTS

AIM Inheritance Tax Portfolio Service

Investor Factsheet Q1 2025

Portfolio Objectives

This Service is for investors who wish to pass on more of their wealth to their beneficiaries by reducing a potential liability to Inheritance Tax.

The primary aim is to provide a diversified portfolio of AIM-listed stocks that are expected to qualify for Business Relief (BR) if owned for two years and at death.

Investors will be invested in a portfolio of smaller companies, carefully selected for the strength of their business.

The portfolio is constructed to try and minimise the volatility often associated with smaller companies. The portfolio aims to generate long term growth and dividend income sufficient to cover investor costs.

Portfolio information

Service Inception 2006

Platform Launch 31st March 2017

Advised service only

Minimum subscription £20,000

Historic Portfolio Dividend Yield 2.6%

Charges

Investment Management Fee: 1.0% (VAT Exempt)

Platform Charges apply

Platform dealing charges where applicable

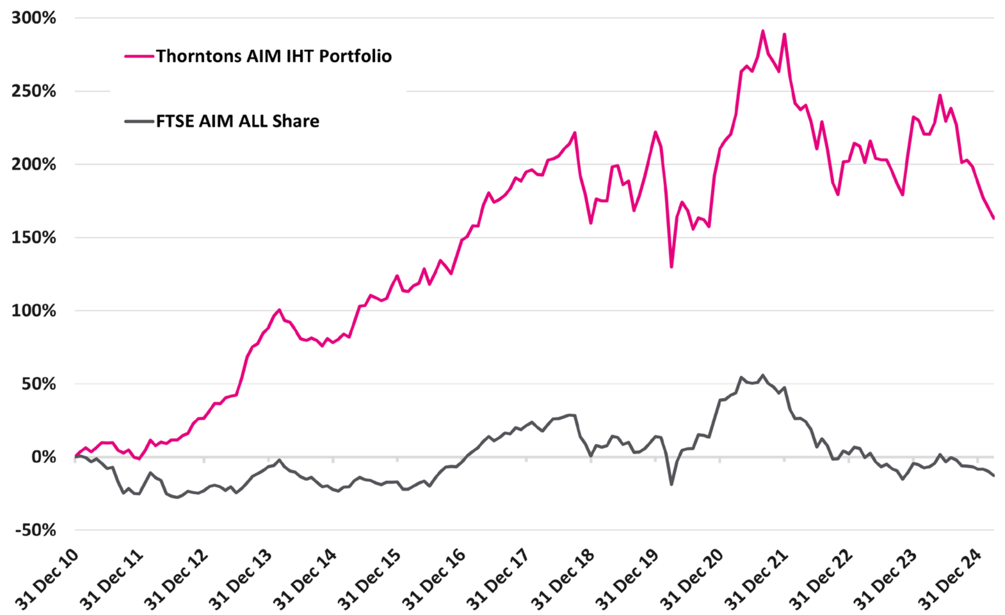
Performance

Cumulative Performance to 31th March 2025	3m	6m	1yr	3yr	5yr	10yr	2010
Thorntons AIM IHT	-8.4%	-12.6%	-17.9%	-22.0%	14.5%	44.3%	162.2%
FTSE AIM All-Share	-4.9%	-7.1%	-6.5%	-31.0%	7.3%	9.6%	-12.7%

Discrete Calendar Year Performance	YTD	2024	2023	2022	2021	2020	CAGR[1]
Thorntons AIM IHT	-8.4%	-13.5%	10.0%	-22.3%	25.2%	-3.5%	7.0%
FTSE AIM All-Share	-4.9%	-4.0%	-6.4%	-30.7%	6.1%	21.8%	-0.9%

[1]CAGR: Compound Annual Growth Rate from 31 December 2010

Performance Since 31 December 2010



Data from FE fundinfo

The performance shown is monthly total return, net of our management fee, but before dealing or platform fees. The Thorntons Investments AIM IHT portfolio reflects the performance of the model available via platform since 31.03.17. Prior to this the performance reflects a portfolio of all the AIM stocks invested in for discretionary clients for the purposes of qualifying for BR. Performance is shown against the FTSE AIM All-Share for comparison. Please note there is no benchmark for the Thorntons Investments AIM IHT model due to the restrictions on stock selection in order to achieve eligibility for BR.

Source: FE Analytics and Thorntons Investments as at 31.03.25.

defaqto AIM BR Service 2025 EXPERT RATED

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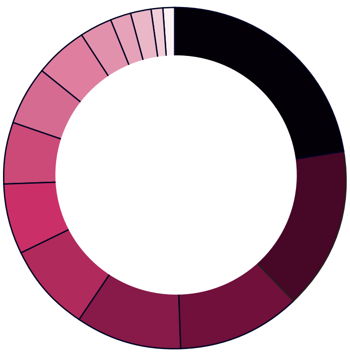
GROWTH INVESTOR 2024 | AWARDS WINNER BEST AIM PORTFOLIO SERVICE

MICAP ALTERNATIVE INVESTMENT RESEARCH

Industry Allocation



Sector %

■	22.5%	- Industrial
■	15.5%	- Software & Services
■	11.5%	- Support Services
■	10.0%	- Building & Materials
■	8.5%	- Travel & Leisure
■	6.5%	- Speciality Finance
■	6.0%	- Retail
■	5.5%	- Media
■	5.0%	- Health
■	3.0%	- Telecoms
■	2.0%	- Electronics
■	2.0%	- Food & Beverages
■	1.0%	- Personal Goods
■	1.0%	- Cash

Portfolio Top 10 Holdings

Jet2 plc	5.5%
Strix Group	5.0%
Vertu Motors	4.0%
SigmaRoc	4.0%
Idox	4.0%
Renew	4.0%
H&T Group	3.5%
Volex	3.5%
Next Fifteen	3.5%
Begbies Traynor	3.5%
	40.5%

Total number of stocks held 34

Stock weightings 1% to 5.5%

Weighted average market cap £456m

Service Features

Our AIM IHT service is a platform service only and a client can only invest through their financial adviser.
Our service helps investors to leave a long-lasting legacy through passing on more of their wealth to their loved ones, and provides foundation capital for small UK growth companies.

Flexible IHT Planning

- 100% relief from IHT after 2 years[+]
- Access to capital if required
- ISA friendly
- Effective for a variety of scenarios
- No medical evidence required

Cost effective

- 1% AMC (VAT Exempt)
- No initial or exit charges
- No withdrawal charges
- Low (or no) dealing charges*
- Platform charges apply

Platform benefits

- Transparent
- No investment delay
- Simple investment process
- Consolidation with other assets
- Full platform functionality

Strong and consistent performance

- Experienced investment team
- Long-established AIM IHT service
- Positive long-term returns
- Healthy dividend yield
- No failed claims for Business Relief

Platform Availability

abrdn · Fidelity International · Fundment · M&G wealth · Morningstar Wealth Platform · nucleus · Scottish Widows · 7IM · transact take control

*Some platforms have no dealing charges. Those that do make a small monetary charge per trade which in all but the smallest of trade sizes is more cost effective compared to a percentage based dealing charge.
[+]The rate of BR is expected to halve to 50% from April 2026 under proposals announced in the 2024 Budget.

Q1 Portfolio Commentary

The FTSE AIM All-Share declined by 4.9% over the first quarter whilst the Thorntons AIM IHT portfolio decreased by 8.4%. We still await clarity to changes on business relief for AIM shares knowing there is a lot of high level discussion going on behind the scenes, but we will probably have to wait until this year's budget for clarification ahead of April 2026. The recent Trump Tariff announcements, that have spooked markets, should have a lesser impact on smaller more domestically focused AIM shares.

Jet2, -21.5%, confirmed in a trading update that it was continuing to see a later booking profile heading into its key trading period of Summer 2025 and that it was facing cost pressures, which may put pressure on its profit margins. Despite these short term headwinds we remain confident in Jet2's growth prospects over the medium term with its market leading package holiday offering. Jet2 has a strong balance sheet and trades on a single digit P/E ratio. Renew, -25.5%, is a specialist engineering services group. The Rail division is the largest part of the group where Renew provide essential maintenance and renewal services in the UK. In a January trading update management confirmed that trading had been impacted by a slow start to Control Period 7, which meant that full year results would come in below expectations. Although this is disappointing, management are confident that Rail activity levels will normalise over time. Next 15, -26.9%, is a data and technology driven consultancy group with a blue chip customer base. Next 15 has been facing difficult end markets, impacted by reduced spending and deferrals by some of its customers. In response to this, Next 15 have restructured the group to deliver net annualised savings of £40m while at the same time it has continued to invest in areas that should support long term growth. In a trading update, management confirmed that full year profits would be at the bottom of analyst expectations. Looking forward, management stated that they have taken a cautious view with their forecasts for the current financial year given macro uncertainties. We see Next 15 as being well placed to capitalise on any uptick in customer demand.

Elsewhere, there were many positive company updates. Watkin Jones, +50.3%, is a property developer specialising in Build to Rent, affordable housing and Student Accommodation. Higher debt costs have weighed on investor demand for its projects in recent years. However, in its full year results the company delivered improved cash generation and stated that the property investment market is gradually showing signs of recovery. It also announced in January that it agreed a development partnership for a 260 unit Aparthotel in London, which is expected to be delivered in 2027. Knights, +31.4%, is a UK legal services provider that is focused on regions outside of London. Knights issued strong interim results over the period and also announced the acquisition of IBB Law LLP in what is expected to be an immediately earnings enhancing deal. Last year, SigmaRoc, +25.3%, completed the transformational acquisition of CRH's lime and limestone assets across Europe, doubling the size of the group. In its full year results, SigmaRoc confirmed that these new assets had been successfully integrated into the group and that it is now targeting €40m of synergies by 2027. SigmaRoc is seeking to reduce leverage post the acquisitions and has also targeted sales of non-core assets in its portfolio. Its Central Europe business is expected to be a beneficiary of the recently announced German fiscal stimulus. Mortgage Advice Bureau (MAB), +23.0%, a leading UK mortgage broker delivered strong full year results, increasing its share in new mortgage lending. Management are confident in the group's outlook with re-financing being a key driver of activity in the second half of this year and into 2026. MAB also held a Capital Markets Day during the period where it set out medium term targets, which included doubling its revenue while delivering an adjusted Profit Before Tax margin of greater than 15%. Global premium beverage brand Fevertree Drinks, +20.4%, announced a strategic partnership with Molson Coors in January, which should accelerate growth in the key US market. Molson Coors have demonstrated their commitment to the partnership acquiring an 8.5% stake in Fevertree. The partnership will provide Fevertree with an improved working capital profile and greater cash generation going forward, allowing the group to invest in its global opportunity and distribute excess cash to shareholders. Alongside its full year results issued during the quarter, Fevertree confirmed that it intends to extend its current share buyback programme by £29m, returning up to £100m to shareholders in 2025.

The frustration of many of the portfolio companies reporting good results and encouraging growth outlooks, but seeing no reflection in their share prices continues. Valuations have now dropped to levels at complete odds with prospects and nearly a third of our companies have engaged in share buybacks, significantly raising the intrinsic value for remaining shareholders. We have also seen renewed interest in takeovers which, given current valuations, is likely to see increased activity this year.

Company spotlight

Begbies Traynor Group

Begbies Traynor is a professional services consultancy group best known for its insolvency practice, which sits within its Business Recovery Division, which is the largest part of the group by revenue. Begbies is the UK market leader in terms of the volume of corporate appointments and are number two in administrations. Market conditions remain supportive for Business Recovery as highlighted by their Q4 Red Flag Report issued earlier this year, which showed a large increase in the number of UK businesses facing critical financial distress. Begbies also have an offering in Advisory and Corporate Finance where services include M&A and debt advisory. In addition, Begbies provide property advisory services including valuations, asset sales and consultancy.

Begbies have grown through a combination of organic growth and acquisitions. Since 2014 group revenue has tripled while there has been a six-fold increase in Profit Before Tax*. Management have also set a medium term revenue target of £200m (FY24 revenue £136.7m) . However, this successful track record and future growth potential is not being reflected in the company's valuation with the shares trading on a forward P/E of 10. Begbies has a progressive dividend policy, delivering a 7% AGR in its dividend per share over the same ten year period and the shares now yield 4%.

*Source: Company, covers period FY15 – FY24

Thorntons Investments Team

Matt Strachan

Chief Investment Officer

Matt has over 35 years' industry experience and as head of our investment management function has overall responsibility for managing our range of MPS portfolios and AIM IHT Portfolio Services. His long-term investment discipline generated strong performance when he managed the Alliance Trust Investments North America Equity Fund, receiving a Morningstar/OBSR Bronze award within one year of fund launch. Matt's considerable international investment experience saw him successfully selling out of Japan at the top of the market (1989/90), a bold move made with analytical and measured judgement.

Ciaran Garvey

Investment Manager

Ciaran joined Thorntons Investments in 2011 and has 14 years industry experience.
As Investment Manager he has joint responsibility for managing our MPS range and AIM IHT Portfolio services. Ciaran chairs our AIM Committee and his primary focus is on the analysis and selection of AIM companies for the portfolio. He is a Chartered Fellow of the CISI.

Catherine Jackson

Equity Analyst

Catherine also joined us in 2011 and is responsible for AIM company research and analysis. As a member of the AIM Committee, she assists with company analysis and portfolio selection.
She is a graduate in Mathematics and Law and holds the Investment Management Certificate.

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Important Information

This is an advised service only. Your Financial Adviser is responsible for the suitability of advice and for explaining the benefits and the risks of investing in this Service. Given the higher volatility of AIM listed-companies, equity investments should usually be held over the medium to long term. Your capital is at risk and past performance is not a reliable indicator of future performance. Shares of AIM-listed companies can be more difficult to sell than those of larger companies meaning you may not be able to sell your shares immediately and accept a price which does not reflect the underlying value.

To achieve business relief qualification, two-year ownership at death is required. Qualification is at the discretion of HMRC and is not guaranteed. Tax reliefs may be subject to future legislative change.

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