



THORNTONS
INVESTMENTS

AIM Inheritance Tax Portfolio Service

Investor Factsheet Q2 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 1.9%

Charges

Investment Management Fee: 1.0%
(VAT Exempt)

Platform Charges apply

Platform dealing charges where applicable

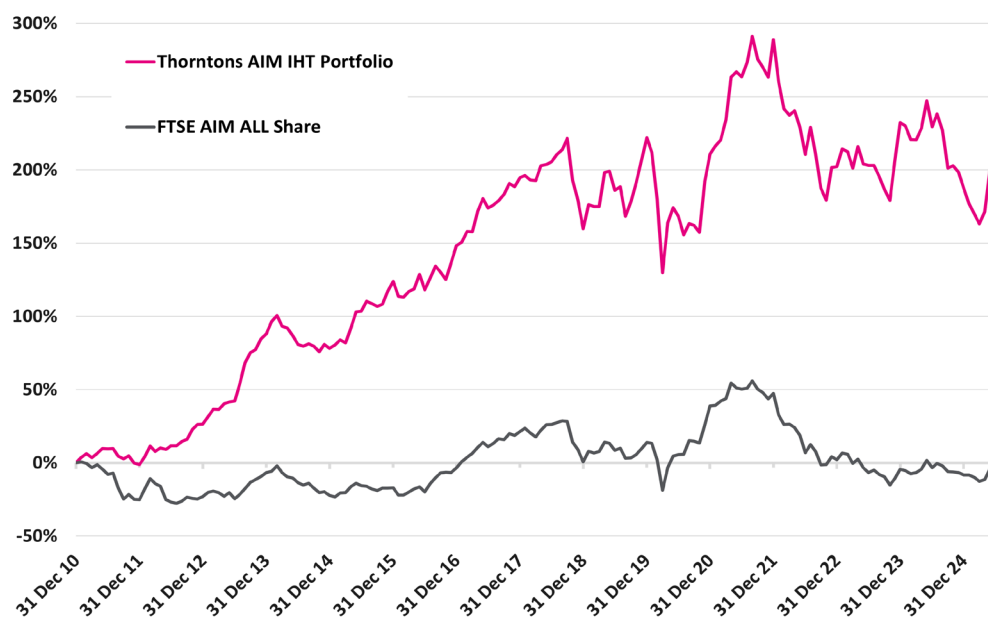
Performance

Cumulative Performance to 30th June 2025	3m	6m	1yr	3yr	5yr	10yr	2010
Thorntons AIM IHT	17.6%	7.7%	-6.0%	-0.3%	15.5%	51.7%	208.4%
FTSE AIM All-Share	13.8%	8.2%	2.8%	-7.0%	-6.0%	17.7%	-0.6%

Discrete Calendar Year Performance	YTD	2024	2023	2022	2021	2020	CAGR ¹
Thorntons AIM IHT	7.7%	-13.5%	10.0%	-22.3%	25.2%	-3.5%	8.1%
FTSE AIM All-Share	8.2%	-4.0%	-6.4%	-30.7%	6.1%	21.8%	0.0%

¹CAGR: 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 30.06.25.

defaqto



AIM BR Service 2025

EXPERT RATED

defaqto



AIM BR Service 2025

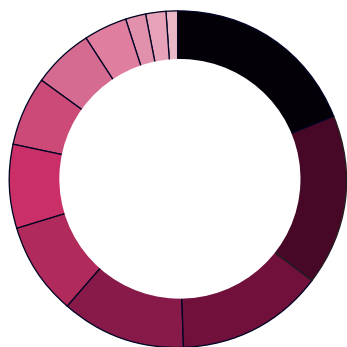
EXPERT RATED

GROWTH
INVESTOR
2024 | AWARDS

WINNER
BEST AIM
PORTFOLIO
SERVICE

MICAP
ALTERNATIVE INVESTMENT RESEARCH

Industry Allocation



Sector %

19.0%	- Industrial
16.5%	- Software & Services
14.0%	- Support Services
12.0%	- Building & Materials
9.0%	- Travel & Leisure
8.0%	- Health
6.5%	- Speciality Finance
6.0%	- Media
4.0%	- Retail
2.0%	- Electronics
2.0%	- Food & Beverages
1.0%	- Cash

Portfolio Top 10 Holdings

Jet2 plc	6.0%
SigmaRoc	6.0%
Idox	4.5%
Renew	4.5%
AB Dynamics	4.0%
Craneware	4.0%
CVS Group	4.0%
Vertu Motors	4.0%
Ashtead Technologies	3.5%
Begbies Traynor	3.5%
	44.0%

Total number of stocks held 34

Stock weightings 1% to 6%

Weighted average market cap £654m

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

Aberdeen

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.

Q2 Portfolio Commentary

The second quarter saw significant volatility in global markets as investors responded to US tariff uncertainty and conflict in the Middle East. However, UK small caps and AIM posted strong returns, outperforming the large cap FTSE 100 Index. The Thorntons AIM IHT portfolio returned 17.6% compared to 13.8% by the FTSE AIM All-Share.

This outperformance was driven by a combination of positive company updates and the return of takeover activity. Jet2, +49%, issued a trading statement, confirming that although it is continuing to see a later booking profile for this Summer, pricing is stable and the group is operationally well placed. In addition, it joined the list of portfolio companies buying back their own shares, launching a £250m buyback program. Volex (power & transmission products), +58%, issued full year results showing double digit organic revenue growth and an adjusted operating margin at the top end of its targeted range. The performance of the Electric Vehicle division was particularly impressive and management confirmed that the group expects limited direct impact from tariffs. H&T (pawnbroker), +70%, announced a recommended offer from US company FirstCash, while the board of FD Technologies (software), +43%, reached an agreement to sell the company to US private equity house TA Associates. There was also takeover interest from private equity in Craneware (software), +20%, and GlobalData (data platform) although both deals failed to progress. In the case of Craneware, its Board confirmed that it rejected a proposal from Bain Capital, valuing the company at £26.50 a share, as it fundamentally undervalued the company.

Elsewhere, Ashtead Technologies (offshore energy), -16%, was negatively impacted by the weak oil price, but issued a trading update confirming that it is trading in line with expectations and also confirmed that following a consultation it is seeking to move its listing to the Main Market in 2025. We will monitor this situation as it develops. Next 15 Group (marketing & PR), -16%, issued a disappointing trading update alongside a statement regarding its Mach49 business (acquired in 2020) where potential serious misconduct had been uncovered. Investigations are ongoing and Next 15 will no longer make deferred consideration payments on Mach49. Following these updates Next 15 responded to press speculation confirming that it is in early-stage discussions to potentially sell some of its brands, to which its share price has responded positively.

It was a busier period than normal for portfolio activity. As well as selling FD Technologies and H&T, Gamma Communications (which has moved to the main market) was sold. We also took the opportunity to make some other adjustments, selling RWS, Boohoo and Character Group, which were small positions, adjusted some other position sizes and added new holdings in Cerillion, Fonix, Niox, Fintel, Ramsdens and Peel Hunt. Cerillion is a provider of mission critical software solutions to the global Telecoms industry, with a strong balance sheet and good growth prospects. Fonix operate a mobile payments and messaging platform that allows businesses and charities to interact and transact with customers. The UK is its core market, but it also operates in Ireland and recently entered Portugal. NIOX is a MedTech company with its key product the NIOX VERO being used in FeNO testing for Asthma. Niox is profitable and cash generative with a capital light business model. Fintel is a support services, technology and product provider in financial services. It completed a number of acquisitions over the last 18 months, and management are focused on generating revenue synergies and upscaling these businesses. Peel Hunt is a UK investment bank focused on small and mid-sized UK corporates. We see Peel Hunt as being well placed to benefit from a pickup in activity in UK equity markets. Ramsdens is a provider of services including pawnbroking, foreign currency, jewellery retail and precious metal purchasing with stores across the UK. Ramsdens has been a beneficiary of the high gold price, but still trades on an attractive valuation.

The AIM market celebrated its 30th anniversary in June and has played a vital role since 1995 in facilitating the growth of many, now leading, UK businesses. More recently it has faced headwinds such as a tougher fundraising environment and proposed changes to Business Relief. However, as this quarter has demonstrated, many companies on AIM offer compelling value and growth. This value is being recognised, both through the number of companies engaging in share buybacks and takeovers. We remain enthusiastic about prospects and continue to see many growing businesses on AIM trading on compelling valuations. If equity market investors do not avail of these opportunities we will likely see continued takeover approaches from private equity and trade buyers.

Company spotlight



SigmaRoc is a leading European Lime and Minerals business, which has grown through a combination of organic growth and acquisitions. In 2024, SigmaRoc completed the transformational acquisition of the CRH European lime business in three tranches, making it one of the top players in the European lime market with operations in countries including the UK & Ireland, Germany, Poland, Finland and Belgium. SigmaRoc benefits from high barriers to entry to the European lime industry and has demonstrated its pricing power, even during recent inflationary times. SigmaRoc serves a diversified range of end markets including construction (infrastructure & homebuilding), steel, agriculture and chemicals. In addition, there are structural growth drivers for lime, one of which is lithium batteries where lime is a key material for production and recycling. We also see Sigma Roc as being a beneficiary of Germany's recently announced fiscal stimulus program. SigmaRoc held its Capital Markets Day in London in May where management set financial targets for the five years to 2030, which include organic revenue growth of 3-5% per annum through a combination of volume growth and pricing while generating a margin of more than 24% and a return on invested capital of greater than 15%.

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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