

30 September 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 100% Business Relief (BR) if owned for two years and at death. The rate of BR is expected to halve to 50% from April 2026 under proposals announced in the 2024 Budget

The portfolio invests in smaller companies, some of whom are not yet profitable, that meet one or more of our sustainable investment themes and offer capital growth prospects over the longer term.

Key Facts

Launch Date 31 March 2022

Number of Holdings 32

Minimum Contribution £20,000

Advised Service Only

Historic Portfolio Dividend Yield: 2.1%

Charges

Investment Management Fee: 1.0%
(VAT Exempt)

- No initial fee
- No performance fee
- No withdrawal fee

Platform charges apply, and platform dealing charges where applicable

Risk Considerations

- The performance of shares in AIM-listed companies tend to be more volatile than those of larger companies and the risks of capital losses are greater
- The value of investment may go down as well as up, and may end up being less than the initial sum invested
- Tax reliefs may be subject to future legislative change
- BR qualification remains at the discretion of HMRC and is not guaranteed
- AIM shares can be illiquid in nature.

Performance



Cumulative Performance	3m	YTD	1 yr	2 yr	3 yr	Incept
Sustainable Future AIM IHT	-1.9%	5.3%	-1.9%	5.7%	5.2%	-15.2%
FTSE AIM All-Share	2.0%	10.4%	7.9%	12.1%	2.8%	-19.8%

The performance shown as total return, net of our management fee, but before dealing or platform fees. Source: FE Analytics and Thorntons Investments as at 30.09.25.



Environment

Holdings 9 Weight 36.5%



Health

Holdings 8 Weight 17.0%



Efficiency

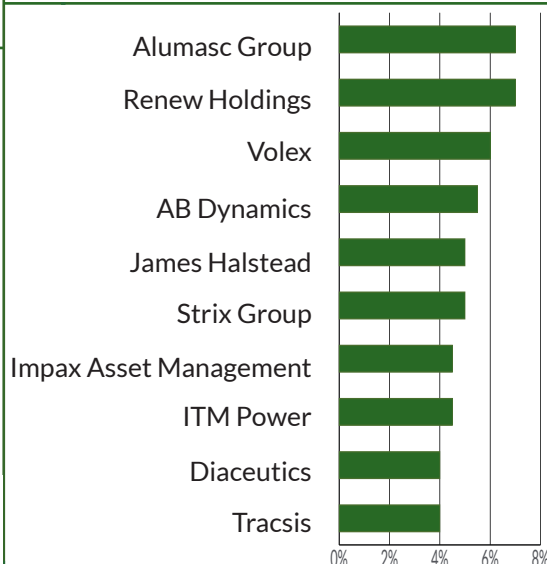
Holdings 8 Weight 25.0%



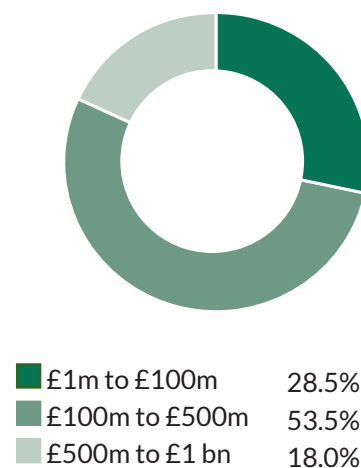
New Energy

Holdings 7 Weight 20.5%

Top Ten Holdings



Market Cap Weights



Q3 Portfolio Commentary

The AIM market delivered a small positive return in the third quarter with the FTSE AIM All-Shares increasing by 2.0%, helped by some very strong performances from junior mining companies, not eligible for business relief. The Thorntons Sustainable Future AIM IHT portfolio decreased by 1.9% over the period, following a strong performance in the previous quarter.

Performance over the period was held back by a few disappointing updates, while continued uncertainty ahead of the Budget weighed on sentiment. Ashtead Technology, -21%, is a provider of equipment to the offshore energy industry, e.g. offshore wind. In its half year trading update, it stated that it expected underlying revenues to decline due to project delays on the back of geopolitical uncertainty and a weaker dollar. The shares were probably also impacted by their decision to move to the Main Market. AB Dynamics, -16%, provides testing products and services for autonomous driving features in new vehicles. The company issued a trading update in September confirming that full year profitability would be slightly ahead of expectations even though the second half of its financial year faced headwinds due to geopolitical uncertainty. Before this, AB Dynamics confirmed that its CEO would be leaving the company after seven years, which may have weighed on the share price over the quarter. MPAC, -28%, is a provider of automation solutions that increase the efficiency of their customers operations. MPAC was impacted by US tariff uncertainty with order intake for its equipment slowing in the second quarter. Given the slower US market, MPAC is consolidating its footprint there, which will lead to cost savings in time. Longer term, we think that US manufacturing onshoring will act as a demand tailwind for MPAC's equipment and services.

Elsewhere, there were a number of positive company updates. Diaceutics, +41%, is a data and technology provider in the field of precision medicine. Pharmaceutical companies accessing its database can target their treatments towards the most suitable patients, ensuring better clinical outcomes. Diaceutics issued interim results during the period delivering double digit revenue growth. It has invested heavily in its business in recent years and is expected to shift to profitability in this financial year. Microlise, +34%, provides transport management software to large fleet providers. Microlise issued strong interim results and confirmed that new customer acquisition remained strong. SRT Marine, +22%, is a developer of maritime surveillance products and systems. In its year end trading update it reported a large increase in revenue and is expected to generate a profit for the year. SRT Marine has been successful in winning contracts for its maritime surveillance systems and is currently sitting on a large order book. Cambridge Cognition (digital health products), +16%, successfully completed a capital raise for £1.1m gross at a premium to the last close price. This will be used for working capital and to strengthen its balance sheet.

Elsewhere, we saw a return of M&A interest in portfolio holdings, with Epwin (building products), +17%, receiving a recommend takeover offer from a trade buyer. This follows on from the previous quarter when Inspired (energy efficiency & procurement) was subject to two competing bids.

There was more portfolio activity than normal during the quarter, with the takeovers of Epwin and Inspired requiring us to sell out of both holdings. In addition, we sold Ashtead Technology ahead of its move to the Main Market. We adjusted some of the portfolio holdings weights and added new holdings in Quartix Technologies and Eleco. Quartix Technologies is a supplier of vehicle tracking systems and software to SMEs in the UK, Europe and USA that allows customers to more effectively manage their vehicle fleet, thereby reducing emissions. Eleco provides software to the construction and property maintenance industries, which increases their operational efficiency. Its Bidcon product, which is used to create price and materials estimates for projects has a Climate Module that allows customers to generate an estimate of the climate impact of their construction method and materials.

Although there have been a couple of short-term company setbacks over the period, we remain encouraged by the progress being made by many of the portfolio companies. Valuations remain very attractive, and at deep discounts to elsewhere, and we continue to expect takeover approaches for portfolio companies. As mentioned before, uncertainty surrounding the proposed changes to Business Relief have weighed on sentiment in recent months, but we are hoping to receive clarity in the upcoming Budget in November.

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Platform Availability

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