AIM Inheritance Tax Portfolio Service
Investor Factsheet Q1 2024

THORNTONS INVESTMENTS

Portfolio Objectives

To mitigate potential Inheritance Tax by providing a diversified portfolio of AIM-listed stocks that are expected to qualify for Business Relief (BR) if owned for two years and at death. Clients 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 client costs.

Key Facts

Launch Date: 31st December 2010

Minimum subscription £20,000
ISA available

Advised Service Only

Historic Portfolio Dividend Yield: 2.4%

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

- Your capital is at risk and past performance is not a reliable indicator of future performance
- Tax reliefs may be subject to future legislative change
- To achieve BR qualification two years ownership is required
- BR qualification remains at the discretion of HMRC and is not guaranteed
- AIM shares can be illiquid in nature

defaqto AIM BR Service 2024 EXPERT RATED

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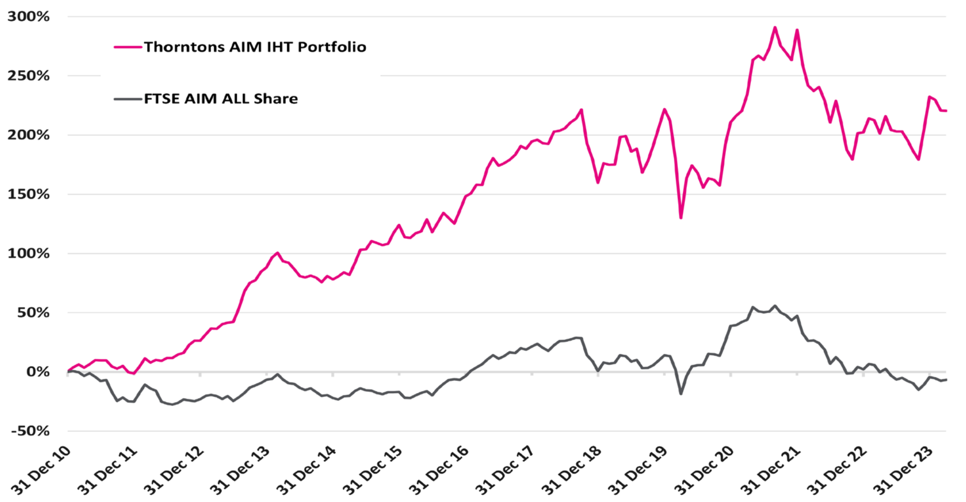
Performance



Data from FE fundinfo

Cumulative Performance	3 months	1 year	3 years	5 years	10 years	2010
Thorntons AIM IHT	-3.6%	6.3%	-4.2%	16.3%	65.2%	231.2%
FTSE AIM All-Share	-2.3%	-6.3%	-35.1%	-13.3%	-0.1%	-4.4%

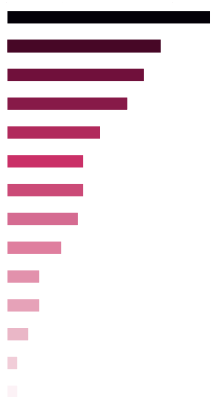
Discrete Calendar Year Performance	2023	2022	2021	2020	2019	CAGR[1]
Thorntons AIM IHT	9.9%	-22.3%	25.2%	-3.5%	23.8%	9.7%
FTSE AIM All-Share	-6.4%	-30.7%	6.1%	21.8%	13.3%	-0.3%

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

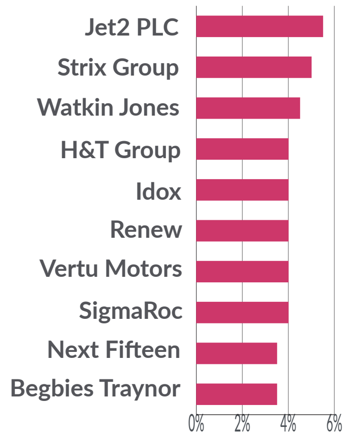
The performance shown is monthly total return, net of our management fee, but before dealing or platform fees. The Thorntons Investments AIM IHT portfolio reflects the performance of the model available via platform since 31.03.17. Prior to this the performance reflects a portfolio of all the AIM stocks 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 that this is not the 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 31.03.24.

Industry Allocation

- 18.5% - Industrial
- 14.0% - Support Services
- 12.5% - Software & Services
- 11.0% - Building & Materials
- 8.5% - Travel & Leisure
- 7.0% - Speciality Finance
- 7.0% - Retail
- 6.5% - Media
- 5.0% - Health
- 3.0% - Electronics
- 3.0% - Telecoms
- 2.0% - Food & Beverages
- 1.0% - Personal Goods
- 1.0% - Cash



Top Ten Holdings



GROWTH INVESTOR 2022 AWARDS ONE TO WATCH BEST AIM PORTFOLIO SERVICE

GROWTH INVESTOR 2019 AWARDS RUNNER-UP BEST AIM PORTFOLIO SERVICE

Q1 Portfolio Commentary

After a strong finish to 2023, the AIM market gave up some of these gains over the first quarter with the FTSE AIM All-Share declining by 2.3%. The portfolio lagged slightly behind the index over the period, declining by 3.6%, with performance held back by a few disappointing company updates.

Recent addition, Bango (alternative payments), -50%, downgraded its profit guidance due to delays in the launch of a customer contract and higher than expected costs associated with the Docomo Digital acquisition. Although disappointing we remain optimistic about the growth potential of Bango's expanded mobile payments platform offering over the medium to long term. CVS (veterinary practices), -42%, shares fell after the Competition and Markets Authority proposed conducting a market investigation into UK vet services. Although this creates uncertainty for CVS and the industry, we think that CVS shares are pricing in a worst case scenario. Interim results published by CVS were robust, whilst they continue to successfully build out an Australian presence. Watkin Jones (property developer), -30%, declined, after being one of the best performing shares in the previous quarter, as borrowing costs rose again. Rental demand for student accommodation and private rental remains strong and the forward sale of a student development in Bristol during the quarter should be followed by others.

Elsewhere, there were many positive company updates. SigmaRoc (building materials), +27%, is in the process of acquiring CRH's European limestone businesses after completing a successful capital raise last quarter. This opens up new markets and significantly increases the size of the business and synergies, with management targeting free cash flow generation of over £100m over the medium term. Craneware, +26%, which is a leading software provider to the US healthcare market, issued strong interim results alongside a positive outlook on the back of an improved market backdrop with management seeing the potential for growth accelerating in the near term. Ashtead Technology, +24%, leases equipment to the global offshore energy industry. The shares were strong over the quarter in the absence of any announcements, but both wind and oil and gas maintenance are generating strong demand. Gamma Communications, +22%, issued strong full year results, increasing the final dividend by 14% and also announced a £35m share buyback programme, demonstrating that its board believes that its shares are undervalued.

With the takeover of Smart Metering Systems, we sold the holding and also took the opportunity to further trim back Character Group, because of limited liquidity. We added new holdings in GlobalData, YouGov and FD Technologies. GlobalData is a data analytics and consulting company with a scalable platform providing data across multiple sectors. It targets 10% organic revenue growth per annum supplemented by acquisitions. YouGov is a global online market research and data analytics company. It recently completed the transformational acquisition of the GfK Consumer Panel business, which will provide YouGov with consumer behavioural data to sit alongside its attitudinal data. FD Technologies, which may be best known for its core financial consulting business First Derivative, also includes the KX business, which has good growth potential over the medium to long term given its leading data analytics technology. We also topped up the existing holdings of Mortgage Advice Bureau and SigmaRoc where we see good value.

Although the opening quarter of 2024 failed to build on the momentum of the previous quarter, we believe this may just be the pause that refreshes! AIM shares have been derated far more than other shares over the last couple of years, leaving highly attractive valuations at odds with the many positive company meetings we've had with portfolio companies. This disconnect is unlikely to remain in place for too long and increasing numbers are engaging in share buybacks to take advantage.

Platform Availability

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

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