

Fundamental AIM IHT Growth Portfolio

Factsheet 31st December 2024



KEY FACTS

Recommended Investment	£100,000
Minimum Investment	£20,000*
Average No. of Holdings:	25
AUM	£160m
Inception:	Sep 2004

INVESTMENT OBJECTIVE

Fundamental Asset Management offers a portfolio service that addresses both the risks and rewards associated with investing in AIM. A dedicated value focused AIM portfolio, investing in AIM quoted companies which have demonstrable earnings, dividend yield and reduced stock volatility. This strategic and compelling tax planning method, which after the short 2 year qualification period gains total relief from Inheritance Tax, has also benefited from continual growth since inception. This method avoids the costs associated with forming a trust or the risks associated with gifts and assets remain under the control of the holder.

CHARGES FOR ADVISED CLIENTS – PLATFORM

Initial Fee:	None
Management Fee:	1% +VAT
Dealing Fee:	Dependent on platform

CHARGES FOR ADVISED CLIENTS – DIRECT

Initial Fee:	None
Management Fee:	1% +VAT
Dealing Fee:	Max £50 per trade

CHARGES FOR NON-ADVISED CLIENTS – DIRECT

Initial Fee:	1% capped at £2,000
Management Fee:	1.5%+VAT up to £150k and 1%+VAT above £150k
Dealing Fee:	Max £50 per trade

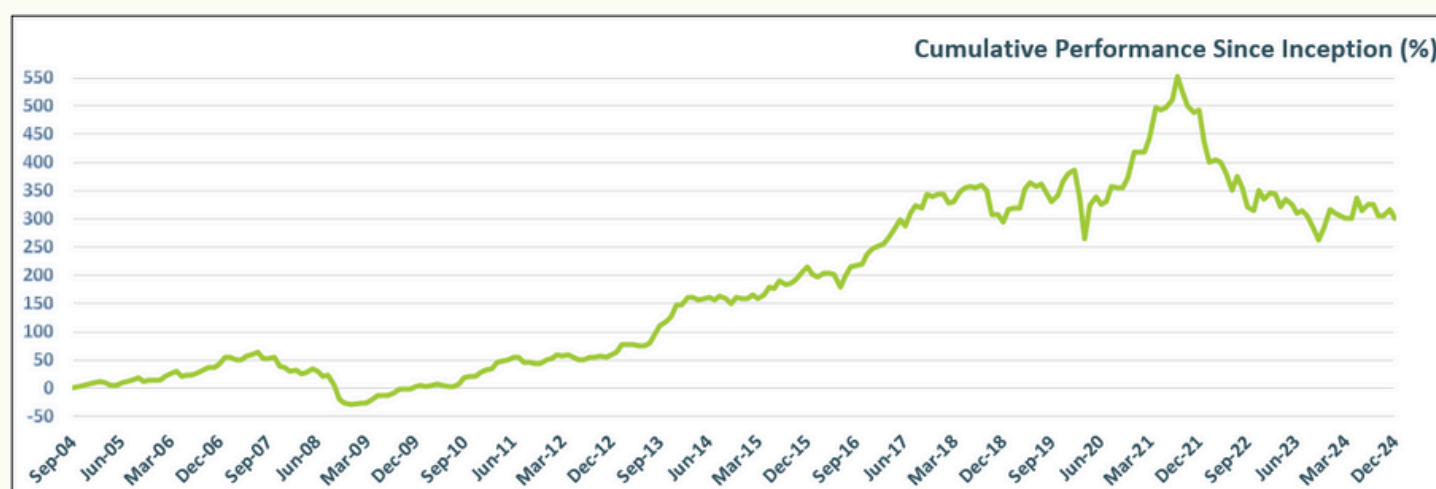
*Minimum investment £20,000 through adviser platforms; or £100,000 if direct (this can be split between spouses)



INVESTMENT TEAM

Stephen and **Chris** are highly experienced fund managers who have built their careers around small cap investing. They have managed the Fundamental Asset Management strategy since 2004 and undertake their own in-depth research. They also edit Investors Champion magazine, which provides specialist news and insight Stephen Drabwell into small cap investing.

CUMULATIVE PERFORMANCE SINCE INCEPTION – AFTER FEES



Cumulative Performance*	1m	3m	6m	YTD	1yr	2yr	3yr	5yr	10yr	15yr	Incep.**
Fundamental AIM IHT	-3.95%	-0.99%	-3.50%	-3.97%	-3.97%	-8.09%	-32.51%	-16.63%	54.66%	289.69%	300.40%
Discrete Performance***	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Fundamental AIM IHT	-3.97%	-4.28%	-26.58%	14.67%	7.73%	21.62%	-10.81%	27.51%	9.94%	21.99%	5.10%

*Performance Net of Management Fee (1%) and advice Fee (0.5%) to December 2024 Month-End; **Inception= Sept 2004; ***Calendar years

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Quarterly Review Q4 2024



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Investor's Champion, a business affiliated to us, continues to publish regular commentaries on AIM companies. This offers an excellent guide to the sort of companies we are looking at.

Q4 PORTFOLIO REVIEW

Once again the pattern of the fourth quarter of 2024 followed a very similar pattern to the previous quarter, which had also followed a similar pattern to the second quarter. After a buoyant first 2 months, much of the momentum fell out of the market in the final month with the AIM index falling another 3% since the end of September. The FTSE AIM All Share has now fallen for 3 years in a row and is 45% off the highs of mid-2021.

Fundamental AIM IHT Growth and Income portfolios fell, on average, 2% in the quarter. There will be some significant variance in performance depending on holdings and size of portfolio.

The much anticipated first Budget of the Labour government and any hope that there would be reassurance for the AIM market were scuppered when it was announced that, from April 2026, the Business Relief on AIM shares would be halved, meaning an effective 20% Inheritance Tax rate on AIM shares. While this is better than some had feared – a withdrawal of the relief entirely – it's not the outcome many had hoped for, although the market still reacted positively to the news for a short while, at least.

From April 2026, the £1m threshold before one pays Inheritance Tax on Business and Agricultural Relief assets will not apply to AIM. We believe this is an oversight as other IHT products, which are not much more than fabricated schemes, as opposed to family-owned companies, will benefit from the £1m threshold, putting AIM at an unfair disadvantage. The UK investment management world is intending to formally lobby the Government and Treasury to review this policy and the anomalies within it.

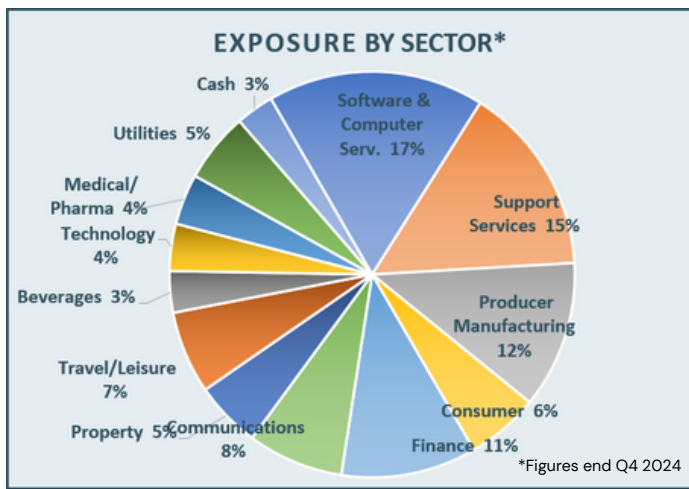
In the meantime, the vast majority of companies in our portfolios remain in good shape, reporting generally positive news and accumulating growing piles of cash. With the latter well in excess of their investment needs, many are committing to big dividend increases with an escalation in share buybacks. Valuations continue to look extremely attractive and the long-term outlook positive, tax reliefs notwithstanding.

PLATFORM AVAILABILITY



BENEFITS

- Low Cost and Low minimum investment amount
- Helpful resources and personalized support
- Client retains control of assets
- Unrivalled Knowledge of AIM
- Proven Investment approach
- Dedicated & Focused Team
- Effective Intergenerational Tax Planning Strategy
- MICAP reviewed and available on Platform



EXAMPLE POSITIONS

- Advanced Medical Solutions
- CVS Group
- dotDigital Group
- Elixirr International
- Fonix Mobile
- Jet2
- Renew Holdings
- RWS Holdings

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IMPORTANT INFORMATION

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This factsheet is for illustration purposes only. The performance shown is based on a real client portfolio managed since 1st March 2007. Individual portfolios differ in terms of holdings and performance depending on the timing of the investment.

Fundamental Asset Management Limited researches a material number of AIM stocks for the IHT Planning Portfolio Service. Our preferred stocks change as news flow and events impact on the companies and accordingly the composition of individual client portfolios may materially differ from another.