FOR INVESTMENT PROFESSIONALS ONLY

Fundamental AIM IHT Income Portfolio

Factsheet Q2 2026

Published 1st July 2026

KEY FACTS

Recommended Investment	£100,000
Minimum Investment	£20,000‡
Average No. of Holdings:	30
AUM	£170m
Inception:	Jan 2023

CHARGES FOR ADVISED CLIENTS – PLATFORM

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

CHARGES FOR ADVISED CLIENTS – DIRECT

Initial Fee:	None
Management Fee:	1%
Dealing Fee:	Max £25 per trade

CHARGES FOR NON-ADVISED CLIENTS – DIRECT

Initial Fee:	1% capped at £2,000
Management Fee:	1.5% up to £150k and 1% above £150k
Dealing Fee:	Max £25 per trade

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

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 compelling tax planning method, which after the short 2-year qualification period gains total relief from Inheritance Tax, avoids the costs associated with forming a trust or the risks associated with gifts and assets remain under the control of the holder and easily realisable.

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.

WHY CHOOSE THE AIM IHT INCOME PORTFOLIO?

The fall in the share prices of many cash generative AIM companies, many of which have a long track record of dividend payments, has served to highlight the income potential from AIM, not to mention the modest valuations of many companies previously considered for their growth appeal.

The strong rebound in dividend payments (including many special dividends) and steep decline in share prices in 2022, means that the dividend yields of well-established AIM companies have risen substantially to levels not seen in the 19 years Fundamental has been managing AIM portfolios. Many of these current AIM high yielders also have considerable growth attractions.

There are many aspects to consider when assessing the income appeal of AIM companies, however, just because the dividend yield is high doesn't mean the company no longer has capital growth attractions as well – it's possible to find both from AIM's many excellent companies.

Cumulative Performance*	1m	3m	YTD	1yr	2yr	Incep.**
Fundamental AIM IHT Income Portfolio	2.56%	11.14%	-8.09%	-18.11%	-14.19%	-9.40%

*Net Management Fee (1%) and advice Fee (0.5%) to June 2026 Month-End; **Inception= Dec 2022

Yield Prediction over 12 months***	5.20%

***January 1st 2025 until December 31st 2025 and then projected until end 31st December 2026

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Quarterly Review Q2 2026

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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.

Q2 PORTFOLIO REVIEW

The second quarter of 2026 brought a welcome shift in market sentiment, reversing a significant portion of the geopolitical gloom that dominated the start of the year. While the US-orchestrated conflict in the Middle East initially pushed crude oil prices to an April peak, the subsequent months saw a gradual de-escalation and an influx of alternative oil supplies. This breathing room allowed global stock markets to stage a powerful recovery, driven once again by the unrelenting momentum of the Artificial Intelligence (AI) trade and strong corporate earnings

While the AIM market as a whole struggled to catch the same tailwinds enjoyed by US and Asian large-cap indices, our AIM portfolios delivered a strong performance, helped by continuing takeover activity. We remain resolute in our stance on UK smaller companies. Ditching these assets at historically depressed valuations, especially when lower share prices have pushed their dividend yields to such extraordinarily high levels, is the wrong course of action. The extreme 25% to 30% discount relative to large-cap peers remains firmly in place, keeping the spring coiled tightly for a sharp turnaround once domestic interest rate cuts or a broader market rotation takes hold. The takeover of several portfolio companies at attractive premiums highlights the opportunity.

The FTSE AIM All-Share Index rose 7.7% in the quarter while our AIM Growth Portfolios rose 10.7% on average and AIM Income Portfolios climbed 11.8% on average.

The improved performance reflected positive results and updates from a number of our portfolio companies. An indication of the bargain basement valuations on offer was the agreed takeover of Ramsdens during the quarter, even after a very strong share price performance beforehand.

Balance sheets of our portfolio companies remain in great shape, cash flow strong and dividends more appealing than ever, with well-supported yields of up to 10% currently available, all of which make for a compelling buying opportunity.

During the quarter our portfolios sold out of the position in Animalcare, following its takeover, Rosebank, following its move to the Main Market and Impax Asset Management on trading concerns.

PLATFORM AVAILABILITY

transact

nucleus

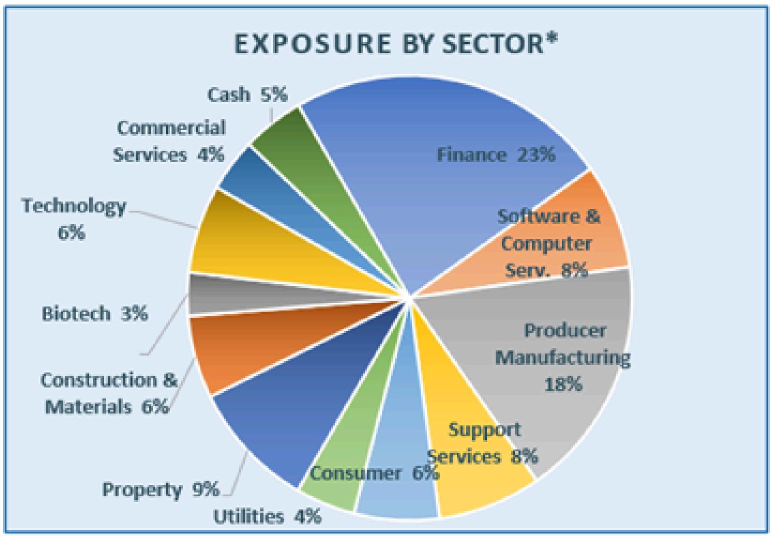
M&G wealth

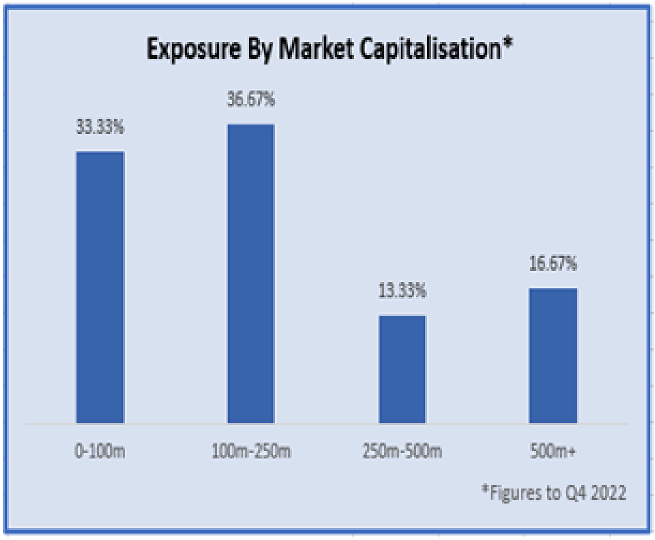
Fidelity INTERNATIONAL

abrdn
Elevate & Wrap

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

- Alumasc
- James Halstead
- M.P. Evans
- Michelmersh Brick
- Premier Miton

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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 January 2023. 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.