AIM IHT Portfolio

Quarterly Report: Q1 2026

Investment Objective

Mole Valley Asset Management's AIM Inheritance Tax (IHT) Portfolio aims to provide clients with long-term capital appreciation whilst sheltering their investments from Inheritance Tax by investing in AIM listed companies that may qualify for business relief. Risk is diversified by investing in a broad range of companies that have very different business exposures.

Quarterly Commentary

The AIM IHT Portfolio experienced a challenging first quarter of 2026, with the AIM market falling overall despite a strong January, as much of the decline occurred in March when global concerns weighed on sentiment.

The year began on a firmer footing, as UK inflation eased and ongoing takeover activity from larger companies and private equity firms reflected the relatively low valuations across the UK small-cap market.

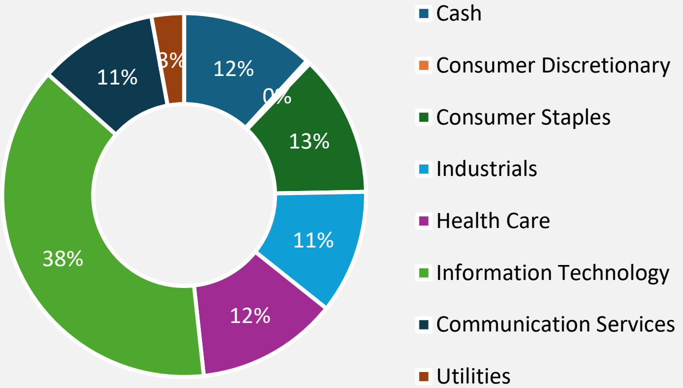
The most significant development was the reduction in Business Relief on qualifying AIM shares from 100% to 50%, effective from April 2026. This change weighed on sentiment towards the sector and was a key driver of weakness towards the end of the quarter.

Despite this, a number of holdings delivered encouraging operational performance. Filtronic continued its strong momentum, benefiting from increased demand for its communications technology as defence spending rises. M P Evans also performed well, supported by strong agricultural commodity prices, particularly palm oil, where tighter global supply and sustained demand have driven prices higher.

Trading activity continued to add value. We sold out of Kitwave following a takeover approach, which sent the shares sharply higher. We also exited Young's Brewery, albeit somewhat disappointingly, after its move to the main market meant it no longer qualified for Business Relief, which underpins the portfolio's inheritance tax benefits.

While the policy changes represent a clear headwind, valuations across the AIM market remain depressed. We believe this creates opportunities to invest in high quality businesses at attractive prices, and we remain focused on identifying companies with strong fundamentals and long-term growth potential.

Sector Weights: January - March 2026



Top 5 Holdings	
Filtronic	6.83%
Gooch & Housego	5.21%
M P Evans Group	4.88%
Corero Networks	4.30%
Quantum Base Holdings	3.90%

WARNING: The value of your investments and income from them may go down as well as up.

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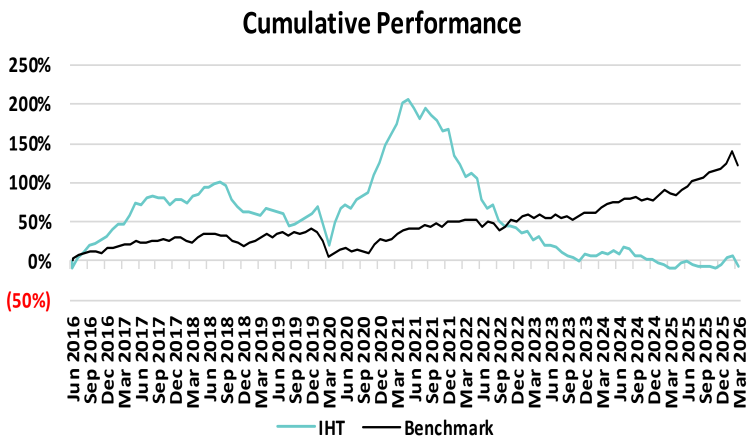
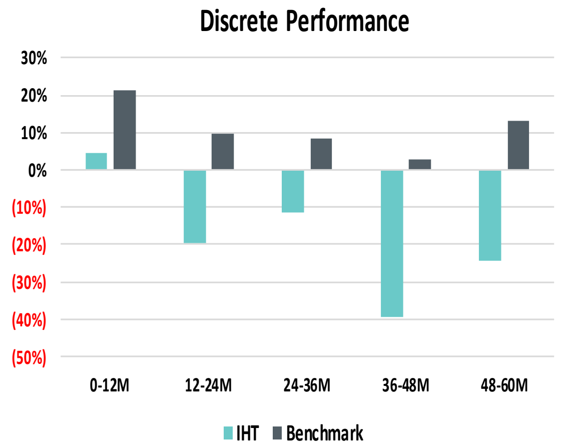
Performance

Cumulative Performance							
	1M	3M	6M	1 Year	3 Year	5 Year	Since Inception (01/06/2016)
IHT	-11.11%	-2.13%	0.66%	4.63%	-25.54%	-65.79%	-6.18%
Benchmark	-6.69%	2.38%	8.91%	21.44%	44.44%	67.95%	124.90%

Discrete Performance					
	0-12M	12-24M	24-36M	36-48M	48-60M
IHT	4.63%	-19.48%	-11.61%	-39.45%	-24.13%
Benchmark	21.44%	9.81%	8.31%	2.91%	13.00%





Performance is a composite made from grouping together each individual client IHT Portfolio. All client portfolios hold identical stocks, but weightings will differ depending on the start date. On the start date, each client has their own individual portfolio, which will begin with an approximate 3.33% weighting in each of the 30 MVAM IHT stocks. Occasionally, the portfolios may hold some cash when we are between investments. Our benchmark is the Vanguard FTSE UK All Share Index Unit Trust. All performance is net of fees.

WARNING: Past Performance is not a guide to future performance.

Benefits

- Experienced, successful team
- Consistent, repeatable strategy
- No leverage and no derivatives

Risks

- Focussed portfolio
- Money invested in equities
- No hedging of currency

Fees

- No entry or exit fees
- Fees of 1.25%
- Dealing fees of 0.4%

About MVAM

Mole Valley Asset Management offers innovative and bespoke investment services to retail clients and intermediaries. We have a highly experienced team, investing client savings directly into the markets, aided by proprietary screening and original research. We always remember that it's your money.

Craig Harper
Managing Director

Duncan Sanford
Director & CIO

Aidan McCormack
Assistant Portfolio Manager

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