

IHT Relief Portfolio

31 March 2024

Walker Crips Investment Management IHT Relief Portfolio Service

The Walker Crips IHT Relief Portfolio Service is a discretionary investment management service designed to provide relief from Inheritance Tax via investment in a portfolio of approximately 25-30 qualifying companies listed on the Alternative Investment Market (AIM) once held for at least two years at the time of death.

About the team

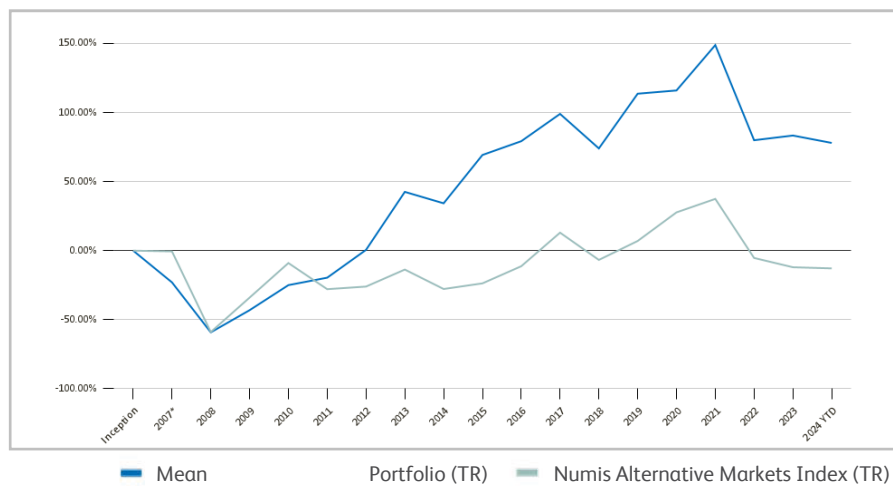
The Walker Crips IHT Relief Portfolio team has combined experience of over 30 years. The York-based team come from a variety of academic and workplace backgrounds bringing a wealth of knowledge to the service. The team includes investment managers Chris Murphy and Rachel Blythe; supported by Stephanie Fox, Samantha Kelly-Beavis and Ben Potter. The investment managers are responsible for portfolio management and day to day dealing.

Investment Process

The team screens the AIM universe for companies which have relatively strong balance sheets, are profitable and are free cash flow positive. They then establish whether the companies qualify for Business Relief before undertaking detailed research which involves meeting with company management where possible. The team looks for companies with the following characteristics:

- A strong market position where there are barriers to entry and pricing power
- A sustainable business model
- Businesses where management team and shareholder interests are aligned
- Attractive share price valuation

Portfolio performance



All years refer to closing price of 31/12/YY.

5 years discrete performance (calendar year)	Since inception* to 31/01/2024	2019	2020	2021	2022	2023	2024 YTD
		Mean IHT Relief Portfolio (TR)	77.97%	22.77%	1.09%	15.21%	-27.68%
Numis Alternative Markets Index (TR)	-12.84%	14.70%	19.34%	7.64%	-31.10%	-7.09%	-0.94%
	cumulative	discrete					

*Inception date: 25/01/2007

Past performance is not a reliable indicator of future results. Portfolio performance is shown with all income re-invested and NET of Walker Crips' annual management charge (AMC) and dealing fees. Median performance is calculated using the median performance of all IHT portfolios managed by Walker Crips IHT Relief Portfolio Team (with the exception of those portfolios where there have been external cashflows both in or out).

Source: Walker Crips Investment Management Limited and FE Analytics 02/04/2024
This portfolio is measured against the Numis Alternative Markets Index (TR).

Key risks

- Your capital is at risk and you may not get back the amount invested. Past performance is not a reliable indicator of future results.
- The benefit of tax relief depends on individual circumstances and may be subject to change.
- Shares in AIM listed companies are considered to be of a higher risk than more conventional equities.
- Investments quoted on AIM are likely to fall and rise in value more than shares listed on the main market of the London Stock Exchange. They may also be harder to sell.
- The availability of tax reliefs depends on investee companies maintaining their qualifying status.
- Shares in AIM listed companies are likely to be more volatile and can often be involved in riskier market sectors such as technology, biotechnology and mining.

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Examples of holdings



Commentary 31 March 2024

Over the month of March, the mean Walker Crips IHT Relief Portfolio underperformed the Numis Alternative Markets Index TR benchmark by 2.36%, returning -1.10% compared to the benchmark's 1.26%. Since its inception in 2007, the portfolio has outperformed the benchmark by 90.81%, returning 77.97% compared to the benchmark's -12.84%.

Top performing holdings for the month of January include Cohort, Churchill China and Big Technologies.

Cohort's shares saw an increase of 24.54% during the period after the company announced it had been awarded a Royal Navy contract which is expected to be worth more than £135 million. Work will commence on the contract immediately and is expected to continue for more than ten years.

Churchill China's shares increased by 12.02% in March, which appeared to be driven by positive market sentiment.

Big Technologies saw its share price increase by 11.38% during the period as the company reported its full year results. One of the key highlights from the results was the firm's continued high profitability and cash generation, resulting in a strong pipeline of potential acquisition opportunities.

Bottom performing holdings for the month included YouGov, Young's and AB Dynamics.

YouGov experienced a share price decline of 12.28% during the period as the company reported its latest half year results which showed lower-than-expected profits, prompting a negative reaction from the market.

The share price for Young & Co.'s Brewery dropped by 10.98% during the period as the company issued more shares in connection with the acquisition of City Pub Group.

AB Dynamics' shares declined 9.41% for the period which appeared to be largely driven by negative market sentiment.

There were no new additions to the portfolio throughout March and we remain happy with the current portfolio constituents.

Commentary by Walker Crips IHT Relief Team

Glossary

Risk preference - is the degree of risk the investor of a portfolio is willing to withstand for investment returns.

Portfolio risk - is the possibility of incurring loss from investments.

Holdings - are the contents of an investment portfolio, such as a stock or a fund.

Benchmarks - can be an index or base rate used as an industry comparator to assess the performance of a portfolio.

Tracking error - indicates how closely a portfolio measures against its benchmark.

Yield - provides an indication of the income that may be generated by the portfolio. This figure is expressed as a percentage based on the value of the portfolio. Yield is not guaranteed and any amounts paid may fluctuate over time.

Important information

The value of any investment and the income arising from it is not guaranteed and can fall as well as rise, so that you may not get back the amount you originally invested. Past performance is not a reliable indicator of future results. This investment is considered to be a high risk investment because it is invested in the shares of companies that are not listed on the main London Stock Exchange. As such it would not typically be expected to appeal to cautious investors who would prefer to take less risk with their wealth. This publication is intended to be Walker Crips Investment Management's own commentary on markets. It is not investment research and should not be construed as an offer or solicitation to buy, sell or trade in any of the investments, sectors or asset classes mentioned. The performance of individual portfolios may differ from the median portfolio due to timing difference in implementing investment decisions, the impact of annual management charges, trading taxes, individual restrictions and taxation constraints. Movements in exchange rates can have an adverse effect on the value. The asset allocations indicated may vary marginally depending on prevailing market conditions. All figures are provided as at the date of this fact sheet, unless otherwise stated. Walker Crips Investment Management Limited is authorised and regulated by the Financial Conduct Authority and is a member of the London Stock Exchange. Registered Office: Old Change House, 128 Queen Victoria Street, London, EC4V 4BJ. Registered in England and Wales number 4774117.