

# IHT Relief Portfolio

Q1 2025

## 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

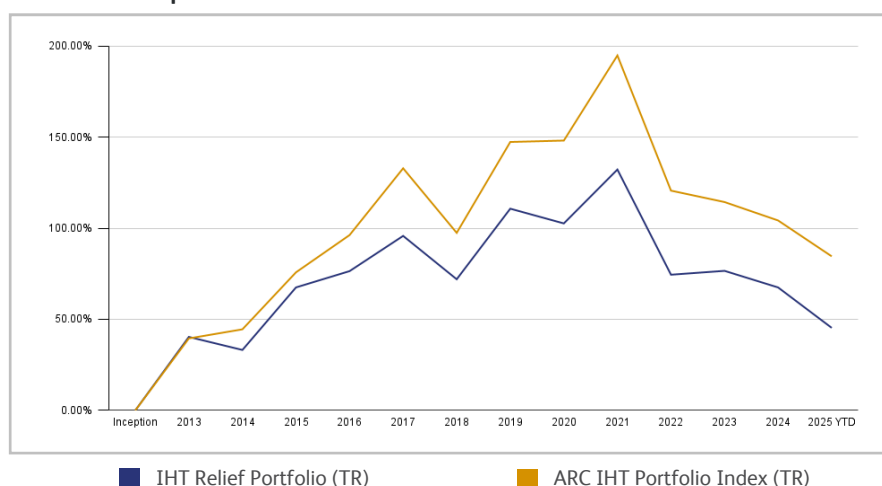
The Walker Crips IHT Relief Portfolio team has combined experience of over 30 years. The York-based team come from a variety of academic and workplace backgrounds bringing a wealth of knowledge to the service. The team includes investment managers Chris Murphy and Rachel Blythe; supported by Stephanie Fox, Head of Customer Support, Samantha Kelly-Beavis, Senior Investment Analyst, and Ben Potter, Investment Manager. 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 31/12/2012* to 31/03/2025	2020	2021	2022	2023	2024	2025 YTD
IHT Relief Portfolio (TR)	45.31%	-3.84%	14.58%	-24.95%	1.21%	-5.16%	-13.23%
ARC IHT Portfolio Index (TR)	84.55%	0.31%	18.82%	-25.16%	-2.84%	-4.72%	-9.63%
	cumulative	discrete					

\*Inception date of ARC Index. Walker Crips IHT Relief Portfolio 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. Mean performance is calculated using the mean 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: 02/05/2025.  
This portfolio is measured against the ARC IHT Portfolio 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.

This factsheet was prepared by

Walker Crips IHT Relief Portfolio team

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## Examples of holdings



## Commentary 31 March 2025

Throughout the quarter, the Walker Crips IHT Relief Portfolio underperformed the ARC IHT Portfolio Index (TR) by 3.6%, returning -13.23% compared to the benchmark's -9.63%. Since ARC IHT Portfolio Index's inception, the portfolio has underperformed the benchmark by 39.24%, returning 45.31% compared to the benchmark's 84.55%.

Top performing holdings for the quarter included Cohort, Fever-Tree and Alliance Pharma.

Cohort's share price rose by 10.14% over the quarter. The company secured a £16.9 million contract and made a successful acquisition early on. This was followed by a contract extension worth over £17.5 million. These wins, alongside increased defence spending across Europe, helped boost market confidence in the business and supported its share price growth.

Fever-Tree gained 20.40% during the quarter. The group announced a long-term US strategic partnership with Molson Coors for exclusive sales, distribution and production. In addition, the company launched share buybacks, which supported investor sentiment. The quarter ended positively with the release of preliminary FY24 results, which showed year-on-year profit and revenue growth.

Alliance Pharma was the portfolio's top performer, up 40.11%. The company agreed to a £362 million takeover bid from its largest shareholder, DBAY Advisors, valuing shares at 64.75 pence each. The news was well-received by the market, driving a strong rise in the share price and resulting in an impressive quarter for the stock.

Bottom-performing holdings for the quarter included Big Technologies, YouGov and RWS.

Big Technologies fell sharply, down 47.10% over the quarter. While its full-year trading update met expectations, results showed a year-on-year decline. Sentiment worsened when the CEO was first suspended and later dismissed for gross misconduct. Legal action has begun, and the combination of weaker results and governance concerns led to a difficult quarter.

YouGov's shares declined 33.73% as the company had an eventful quarter. A new CEO was appointed following calls from an activist investor. First-half results showed modest revenue growth and confirmed FY25 cost savings remain on track. However, profits fell in the latest results, which weighed on the share price despite meeting market expectations.

RWS was down 30.59%. A new CEO started in January, and the AGM update pointed to modest organic revenue growth, briefly lifting the stock. Investor sentiment weakened due to wider concerns in the AI sector, which faced pressure from tariffs and increased volatility due to uncertainty.

Commentary by Walker Crips IHT Relief Team

## Glossary

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

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

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

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

**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

ARC IHT Portfolio Index is a Sterling denominated index compiled by ARC Research (ARC) to be used by investors and their advisers in assessing the performance of a discretionary portfolio within a specialist mandate designed to mitigate IHT liability through investment in stocks that are expected to qualify for Business Property Relief. The ARC IHT Portfolio Indices provide insight into the actual returns being generated by discretionary IHT portfolios, net of fees, based on thousands of Sterling denominated IHT portfolios submitted by participating investment managers. No model or synthetic data used only actual IHT portfolio performance numbers are included in the calculation of the ARC IHT Portfolio Indices.

**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 mean 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 (FRN: 226344) and is a member of the London Stock Exchange. Registered Office: 128 Queen Victoria Street, London EC4V 4BJ. Registered in England and Wales number 4774117.