

IHT Relief Portfolio

31st October 2023

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

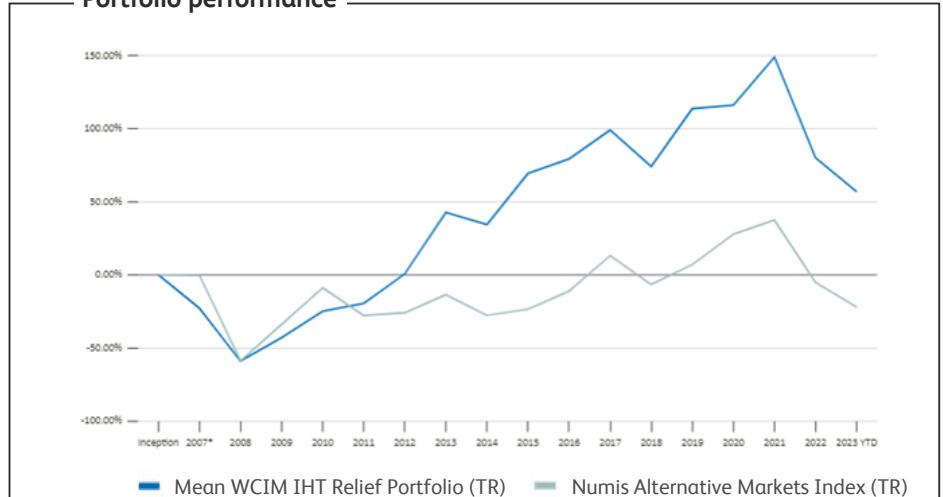
The Walker Crips IHT Relief Portfolio team has combined experience of over 30 years. The York-based team come from a variety of academic and workplace backgrounds bringing a wealth of knowledge to the service. The team includes investment managers Chris Murphy and Rachel Blythe; supported by Stephanie Fox, Samantha Kelly and Abigail Bailey. 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 30/09/2023	2018	2019	2020	2021	2022	2023 YTD
Mean IHT Relief Portfolio (TR)	56.77%	-12.56%	22.77%	1.09%	15.21%	-27.68%	-12.87%
Numis Alternative Markets Index (TR)	-22.22%	-17.46%	14.70%	19.34%	7.64%	-31.10%	-17.87%
	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 05/11/2023
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.

This factsheet was prepared by

Walker Crips IHT Relief Portfolio team

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Examples of holdings



Commentary 31st October 2023

Over the month of October, the mean Walker Crips IHT Relief Portfolio underperformed the Numis Alternative Markets Index TR benchmark by 0.63%, returning -7.08% compared to the benchmark's -6.45%. Since its inception in 2007, the portfolio has outperformed the benchmark by 78.99%, returning 56.77% compared to the benchmark's -22.22%.

Top performing holdings for the month of October include YouGov, GB Group and Smart Metering Systems:

YouGov shares increased 13.3% over the course of the month. The company released full year results which showed an increase in revenues and profits versus the prior year, with earnings per share ahead of consensus expectations by approximately 5%.

GB Group shares increased 11% in October as they released a half-year trading update which was broadly in line with consensus market expectations. The company highlighted that they are seeing stabilising volumes and they are also beginning to reap the benefits of cost efficiencies.

Smart Metering Systems shares increased 2.7% during the month which saw a positive broker note published highlighting several key attractions for the business (including its ability to generate relatively stable recurring cash as well as helping toward the goal of de-carbonisation).

Bottom performing holdings for the month included Big Technologies, FeverTree Drinks and Restore:

Big Technologies' share price fell 14.7% due to ongoing weak market sentiment, perhaps exacerbated by disappointing first half results which were released in mid-September.

FeverTree Drinks' share price dropped 16.3% throughout the month during which a cautious broker note was published highlighting concerns about the UK market potentially being "ex-growth" as well as concerns about a potentially decreasing Total Addressable Market (or "TAM") in the US.

Restore shares fell 18.1% during a month in which the company continued to strengthen its board with the appointment of Dan Baker as the new Chief Financial Officer. The falling share price may in part be attributable to some profit-taking following a 34.3% share price increase in September.

There were no new additions to the portfolio throughout October 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.