

AIM INHERITANCE TAX PORTFOLIO

Quarterly Factsheet

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 October—December 2020

'What a difference a day makes, twenty-four little hours'

Here at MVAM, what a difference 9 months makes (6,570 hours!). At the end of March, the Covid-19 pandemic had forced a global lockdown with no sign of a solution and equity markets were down -30% from the February high. Fast forward 9 months, several vaccines have provided some light at the end of the tunnel, Central Banks globally have flooded the economy with liquidity, Trump is exiting stage right and a Brexit deal has been signed. The world is not without risks, but it is an improvement on mid-March.

The AIM portfolio witnessed a very strong rebound from the March lows, finishing the year +40.52%.

In a concentrated portfolio of 20 positions, stock selection will always be a key driver. Companies exposed to technology, helping with climate change and biotechnology had a good year. Ceres Power, who presented at MVAM's own event back in early 2018, had the biggest impact on the portfolio. The shares ran up another 400% in 2020. We had to take some profits along the way though.

Avacta rose the most up 560% in the year. However, as this share had been a poor performer in 2019, we had a smaller percentage weighting of this stock in the portfolios at the start of the year. Even so some trading helped returns on this stock. Other notable winners were Mirriad up 190% and Team17 up 110%. We sold out of Team17 as the stock looked more than up with events in December.

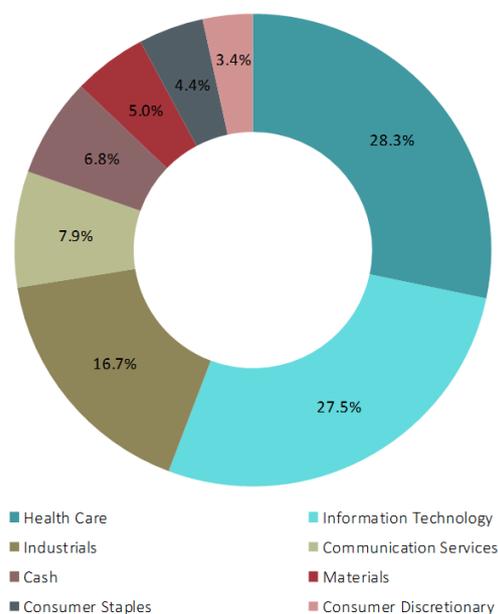
Our December purchase of Trackwise should not go without a mention. Bought early in the month at 200p a share the stock finished December at 322p. This movement highlights the volatility (and opportunity) in the small cap arena. In 2021 we will continue to look for further opportunities to compound on this long-term strong performance. We believe we have found a few.

Top Ten Holdings

| Name | Portfolio |
|------------------------|-----------|
| Ceres Power Holdings | 10.0% |
| Mirriad Advertising | 7.9% |
| Proactis Holdings | 6.7% |
| Diurnal Group PLC | 5.7% |
| Sigmaroc Plc | 5.0% |
| Creo Medical Group | 4.9% |
| Inspiration Healthcare | 4.4% |
| Benchmark Holdings | 4.4% |
| Blackbird PLC | 4.4% |
| Trackwise Design | 4.3% |

Top Ten Holdings 57.7%

Sector Weights



The value of your investments and the income from them may go down as well as up. Existing IHT tax legislation may change to the detriment of your investment. There is no guarantee that individual companies on AIM will continue to qualify for Business Relief and thereby exemption for IHT. Eligibility is determined by HMRC at the point it is claimed.

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PERFORMANCE

| | | | | |
|-------|--------|--------|--------|-----------|
| 1m | 3m | 6m | 1y | Inception |
| 8.21% | 23.84% | 32.33% | 40.52% | 125.73% |

| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
|------|--------|---------|---------|--------|--------|--------|--------|---------|--------|--------|--------|--------|--------|
| 2016 | | | | | | -8.60% | 13.05% | 7.63% | 6.84% | 1.84% | 4.97% | 3.81% | 31.85% |
| 2017 | 6.93% | 3.37% | 1.35% | 6.80% | 9.93% | -0.63% | 4.78% | 1.11% | -0.85% | 0.28% | -6.06% | 4.34% | 34.92% |
| 2018 | -0.45% | -2.43% | 5.30% | 1.85% | 4.75% | -0.21% | 2.28% | 0.87% | -1.51% | -9.79% | -5.32% | -2.91% | -8.25% |
| 2019 | 0.13% | -2.57% | -0.51% | 5.45% | -1.52% | -1.29% | -1.46% | -10.03% | 1.21% | 3.14% | 3.00% | 3.80% | -1.58% |
| 2020 | 4.80% | -14.14% | -17.51% | 24.56% | 12.47% | 2.13% | -2.03% | 6.64% | 2.28% | 2.65% | 11.50% | 8.21% | 40.52% |

Key Facts

| | |
|----------------------------|----------------|
| Inception Date: | 01-Jun-16 |
| Annualised Rate of Return: | 19.06% |
| Best Month: | 24.56% Apr-20 |
| Worst Month: | -17.51% Mar-20 |
| No of Holdings: | 22 |
| Risk Grade: | High |
| Std Dev: | 0.86% |

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 5% weighting in each of the twenty MVAM IHT portfolio stocks. Occasionally the portfolios may hold some cash when we are between investments.

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

BENEFITS

- Inheritance Tax planning
- Clear reporting
- Easy access to your money

RISKS

- Tax rules may change. Inheritance Tax exemption is not guaranteed
- Focussed portfolio
- Money invested in small companies

FEES

- No entry or exit fees
- Fees 1% + VAT
- Dealing fees of 0.3% fee plus £10 admin fee

ABOUT MVAM

Mole Valley Asset Management offer innovative and bespoke investment services to private clients and intermediaries. 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.

PORTFOLIO MANAGEMENT TEAM

CRAIG HARPER



DUNCAN SANFORD



www.mvam.com

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