



AIM Inheritance Tax Portfolio



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

Having been a super performing strategy for the 5 years + to the end of 2021, the turn in equity markets has been amplified by the smaller companies.

Our overall portfolio continues to be weak as individual companies fall sharply. While the majority of our companies fundamentally continue to perform well, they have not been rewarded in terms of share price recovery.

While the portfolio was down, we did see some positivity towards the end of June. Companies such as Invinity Energy Systems (a battery developer), Corero Network Security (a cyber security company) and Arecor (a healthcare company), all updating the market with positive news.

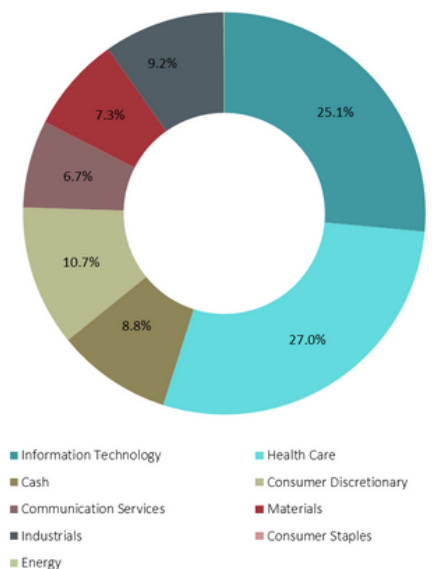
We are adjusting our position a little by adding extra stocks on the portfolio. We are moving the target number of our holdings from 20 to 30. This, in part, reflects current risks in the market but also reflects the fact that as participants have left, the market shares have been more difficult to buy or sell. Therefore, by moving to a higher number of positions, we are able to be more nimble if we want to take profits in a position or buy a new holding, since each position is smaller.

The bottom line is that performance has been poor for 18 months. Valuations in the market appear rock bottom and we have, over the last three months, become much more positive on markets as we see interest rates and inflation peaking. As a result, we see a much stronger second half for UK smaller companies and this portfolio strategy.

Top ten holdings

| Name | Portfolio |
|------------------|-----------|
| INVINITY ENERGY | 9.2% |
| SIGMAROC PLC | 7.3% |
| FEEDBACK PLC | 7.0% |
| GOOCH & HOUSEGO | 6.3% |
| OXFORD METRICS P | 5.9% |
| ARECOR THERAPEUT | 5.8% |
| DIANOMI PLC | 5.4% |
| CREO MEDICAL GRO | 5.2% |
| KOOTH PLC | 5.2% |
| BEEKS FINANCIAL | 5.1% |

Sector Weights



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

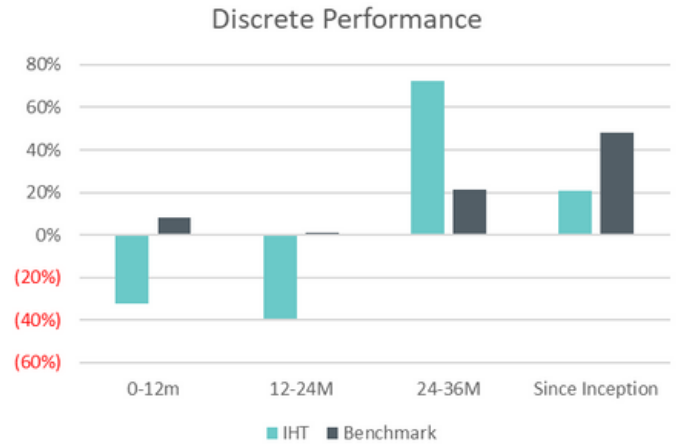
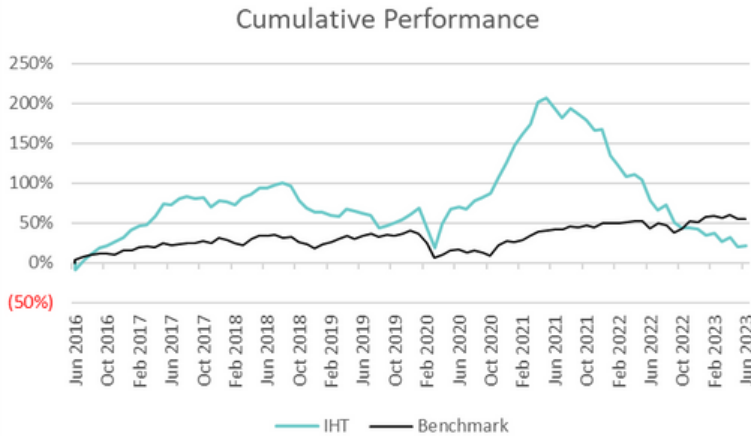
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Performance

| Cumulative Performance | | | | | |
|------------------------|--------|---------|---------|---------|-----------------|
| | 3m | 6m | 1Y | 3Y | Since Inception |
| IHT | -4.23% | -14.81% | -32.14% | -29.29% | 20.62% |
| Benchmark | 0.12% | 3.06% | 8.36% | 21.33% | 48.06% |

| Discrete Performance | | | | |
|----------------------|---------|---------|--------|-----------------|
| | 0-12m | 12-24M | 24-36M | Since Inception |
| IHT | -32.14% | -39.50% | 72.48% | 20.62% |
| Benchmark | 8.36% | 1.12% | 21.33% | 48.06% |



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. Past Performance does not indicate future performance. Our benchmark is the Vanguard FTSE UK All Share Index Unit Trust. All performance is net of fees.

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 feed
- Fees of 1.25% including VAT
- 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.

Portfolio management team



Duncan Sanford



Craig Harper



Aidan McCormack

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Mole Valley Asset Management Limited, 275 High Street, Dorking, RH4 1RY

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