

4th Quarter 2024

Characteristics

Launch date	April 2005
Minimum investment	£50,000
Via platforms	£10,000

Key Data

Average market capitalisation	£600million
Average profit before tax	£48 million
Average price-earnings ratio	16.2x
Average yield	2.1%

Glossary

Market capitalisation: is the total value of a publicly traded company's outstanding common shares owned by stockholders.

Price-earnings ratio: is the ratio of a company's share (stock) price to the company's earnings per share. The ratio is used for valuing companies and to find out whether they are overvalued or undervalued.

Annualised volatility: risk is measured by the variability of performance. The higher the standard deviation, the greater the variability (and therefore the risk) of the Fund or the index.

Maximum historic loss: is the maximum loss from peak to trough in an investment's history. The figures are indicative and will depend on circumstance.

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The value of investments and any income from them can go down as well as up and you may not get back the amount originally invested.

Past performance is not a guide to future performance.

Levels and bases for taxation may change.

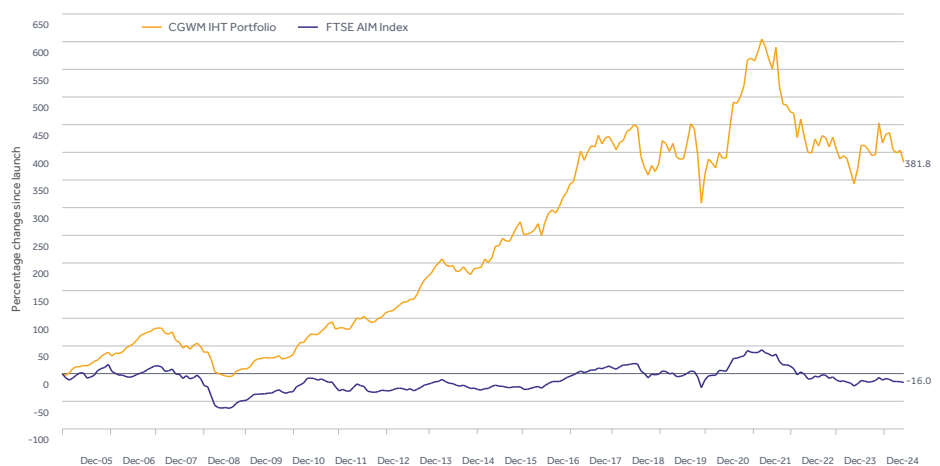
Figures represent the performance of a model portfolio, investors should note that individual account performance may differ.

IHT Model Portfolio

Investment objective

The Canaccord Genuity Wealth Management (CGWM) Inheritance Tax Portfolio Service is designed to reduce a potential inheritance tax liability by investing on the Alternative Investment Market (AIM) of the LSE and was launched on 19 June 1995. The current inheritance tax rules and tax treatment of AIM shares may change in the future. Clients should discuss their financial arrangements with their own tax adviser before applying as the value of any tax reliefs available is subject to individual circumstances.

Performance since inception (01/04/2005)



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Discrete performance (%)

Total return to end of last calendar quarter 31/12/2024.

	2024	2023	2022	2021	2020	2019	2018
IHT Portfolio	-6.0	+0.3	-25.9	+16.9	+7.0	+20.2	-12.7
FTSE AIM All-Share Index Total Return	-4.0	-6.4	-30.7	+6.1	+21.7	+13.3	-17.1

* 2024 YTD is data for year to date from 01 January 2024 to 31 December 2024

Cumulative performance (%)

Total return from inception to 31/12/2024.

	3 Months	1 Year	3 Years	5 Years	Inception to date (01/04/2005)
IHT Portfolio	-4.5	-6.0	-30.2	-12.7	+381.8
FTSE AIM All-Share Index Total Return	-2.3	-4.0	-37.7	-19.5	-16.0

Risk and volatility since inception (%)

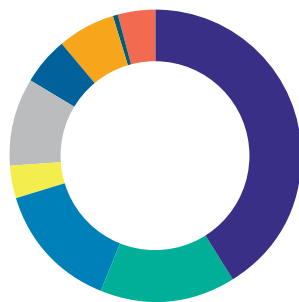
	IHT Model	AIM All-Share
Annualised volatility	+14.8%	+19.1%
Peak to trough loss	-48.1%	-68.0%

Source: Canaccord Genuity Wealth Management (CGWM). Total return, gross of fees and charges.

The historic performance of the CGWM IHT Portfolio Service is derived from a combination of three legacy track records. Between April 2005 and April 2006 the illustrated performance entirely reflects the outcome of Adam & Company's 'ALPS' IHT service from its launch. CGWM launched its equivalent service in April 2006, after which point the illustrated performance track record is taken as 50% of the historic Adam & Company service and 50% of the historic CGWM service. Punter Southall Wealth launched their IHT service in November 2013. After this date the illustrated performance of the CGWM service comprises 1/3 Adam & Company, 1/3 CGWM and 1/3 Punter Southall Wealth. CGWM acquired Adam & Co as at 1 October 2021 and acquired Punter Southall Wealth as at 1 June 2022. The three services, which all have a strong overlap in their historic philosophies and processes, have adopted a common philosophy and process and service offering from 1 October 2022, after which point the illustrated performance track record reflects the outcome of that single offering. There are some minor differences in the performance calculation methodologies between the three historic services, but we are comfortable that the combined track record provides a clear, fair and not misleading indication of the typical client experience that would have been experienced over the long term.



IHT Portfolio suggested asset allocation (%)



	Model
Industrials	41.2
Health Care	15.1
Information Technology	14.1
Financials	3.6
Communication Services	9.6
Consumer Staples	5.3
Consumer Discretionary	6.4
Real Estate	0.6
Cash	4.0

Specific risks of the IHT portfolio service investing in AIM-listed companies include the potential volatility and illiquidity associated with smaller capitalisation companies. There may be a wide spread between buying and selling prices for AIM-listed shares. If investors have to sell these shares immediately they may not get back the full amount invested, due to the wide spread. AIM rules are less demanding than those of the official list of the London Stock Exchange, and companies listed on AIM carry a greater risk than a company with a full listing. The current inheritance tax rules and tax treatment of AIM shares may change in the future. In addition, investors must be prepared to hold their shares in AIM-listed companies for a minimum of two years or these assets will be considered part of their estate in the IHT calculation.

Investment involves risk.

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Top 10 holdings (%)

Renew Holdings	6.1
Gamma Communications	6.0
Craneware	5.6
Johnson Service	5.1
GlobalData	4.2
Idox	4.1
Learning Technologies	3.9
Advanced Medical	3.9
Cohort	3.8
Nichols	3.7

Top ten holdings excluding cash

Source: CGWM

Portfolio Manager commentary

In the fourth quarter of 2024, the Canaccord Genuity AIM portfolio decreased by 4.5% against the FTSE AIM index which fell 2.3% and the FTSE All-Share index which decreased by 0.4%. The long-term performance of the portfolio remains significantly ahead of the AIM and FTSE All-Share indices reassuring us that our methodology continues to meet its' objectives.

The UK government's Budget announcement on 30 October had a continued impact on the performance of the Alternative Investment Market (AIM) in Q4 2024. As we observed during the summer, political uncertainty remained a key factor affecting investor sentiment. UK Chancellor Rachel Reeves outlined plans for tax rises and spending cuts, raising concerns about higher CGT, pension changes, and potential complete removal of Business Relief (BR) for IHT.

This speculation contributed to market unpredictability, as investor activity was influenced by efforts to anticipate potential changes. Many businesses paused investment and hiring while waiting for clarity. Once clearer policies were introduced, the AIM market responded positively. BR remains unchanged until April 2026 when it will be reduced from 100% to 50% for IHT relief. With uncertainty out of the way, businesses are now able to plan more effectively, and investors are more confident.

It's been a challenging few years for smaller company investing and the AIM market. While the risks inherent to investment in AIM remain, it feels like the worst is behind us. Inflation is lower, interest rates are falling, political uncertainty has cleared, and valuations are now extremely attractive. The recent UK Budget introduced several new ways for the government to raise revenue, such as including pensions in an individual's estate, which has reduced the methods available to shelter assets from IHT.

The AIM portfolio continues to offer attractive benefits, including access to some or all of the capital at any time, as well as the ability to shelter from CGT and income tax within an ISA, where the annual subscription limit remains at £20,000. With all these factors in play, an exciting investment opportunity currently exists.