SARASIN AIM STRATEGY

SARASIN & PARTNERS

Data as at: | As at 31 March 2024

PORTFOLIO INFORMATION

Structure	**Discretionary Portfolio**
Benchmark	**Numis Alternative Markets Index**
Peer Group	**ARC AIP**
Net Assets	**£78.3m**
Dividend Yield	**2.00%**
Number of Holdings	**28**
Management Fee	**1.5% + VAT**
Dealing Fee	**0%**
Initial Fee	**0%**

STRATEGY PROFILE

The Sarasin & Partners AIM Service provides investors with a concentrated portfolio of 20-30 stocks listed on the AIM market. These are companies that are capable of generating sustained long term growth, usually driven by themes identified in our investment process. As with all Sarasin investment products we take an active approach, and ESG considerations are incorporated into fundamental and risk analysis.

All stocks are expected to qualify for Business Relief after being held for 2 years, and are checked by a third party before initial investment and annually thereafter.

The strategy seeks to generate a net total return in excess of the Benchmark.

QUARTERLY COMMENTARY

In Q1 2024 the AIM market delivered performance of -2.1%, whilst the Sarasin AIM strategy underperformed, decreasing by -7.0%. Unfortunately, AIM has lagged UK equity markets more broadly, where after an initial sell-off in January, we have seen an improving trend with the FTSE 100, and FTSE 250 up +7.8% and +5.0% respectively from their January lows. The Bank of England decided to leave rates unchanged at their most recent MPC meeting in March, with all members now voting for "no change" or a "cut." With UK inflation (CPI) down to 3.4%, the UK is no longer a global outlier and there appears to be some growing momentum in UK equity markets. Market participants are looking optimistically to H2 for the first rate cut, which should benefit smaller companies.

Positive contributors for the period were Beeks (+75%), Team17 (+27%) and Gamma Communications (+26%). Beeks announced two new contract wins across their Proximity and exchange cloud offering, resulting in a substantial upgrade to 2025 profit expectations. Gamma shares were re-rated on in-line results, and Team17 shares recovered strongly from their Q4 profit warning.

James Cropper (-64%), CVS Group (-42%) and ZOO Digital (-44%) were the most significant detractors in the period. Shares in CVS Group fell sharply on the CMA's decision to launch a formal market investigation into the Veterinary Industry. In a worst-case scenario, we view the likely impact to CVS profits in the region of a 10-15% earnings cut, despite this the equity value has halved since the CMA initially intervened which we think is overdone. James Cropper downgraded profits in January due to project delays in their TFP division, while ZOO Digital revised profits and cash down due to production delays after strikes.

There was higher turnover activity than usual in the quarter, with forced selling of Smart Metering Systems due to their AIM delisting, and small residual positions sold in MadeTech, Strix, and ZOO Digital. New positions include Mercia Asset Management, Nichols, Oxford Metrics, and Accrol.

PERFORMANCE STATISTICS

CUMULATIVE PERFORMANCE (%)

	QTD	1Y	3Y	5Y	Since Launch
Strategy[1]	-7.6	-17.9	-45.2	-28.1	33.9
Benchmark	-2.2	-6.6	-35.3	-14.2	-13.9

ANNUALISED STATISTICS (%)

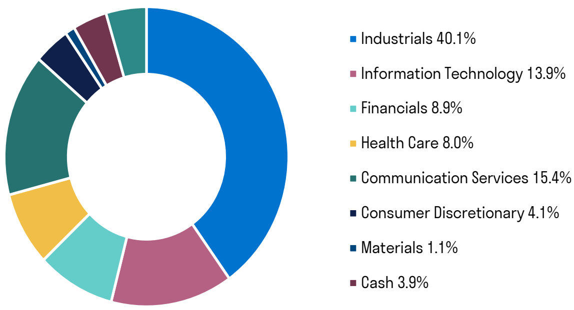
	Returns Since Launch (Ann)	Volatility 3y (Ann)
Strategy	1.7	17.9
Benchmark	-0.9	14.7

CALENDAR YEAR PERFORMANCE (%)

	2023	2022	2021	2020	2019
Strategy[1]	-13.0	-35.2	9.4	8.9	27.3
Peer Group	-2.8	-25.2	18.8	0.3	25.3
Quartile	4	4	4	1	1

Peer group performance data is available quarterly and this figure shows performance to the latest available quarter. Data as at 31.12.23.

SECTOR ALLOCATION



TOP 5 HOLDINGS

Company	
Renew	**6.6%**
YouGov	**6.4%**
Jet2	**5.8%**
Gamma Communications	**5.4%**
CVS Group	**4.8%**

Inception of strategy: 01.01.07.
Source: Sarasin & Partners LLP as at 31.03.2024. Where individual stocks are mentioned these are for informative purposes only. Performance is provided net of fees. Past performance is not a reliable indicator of future results and may not be repeated.
The benchmark from inception to 30.06.2020 was the FTSE AIM All Share Index. From 01.07.2020 the benchmark changed to the Numis Alternative Markets (inc Investment Companies) Index. ARC IHT Portfolio Indices ("AIP") are based on historical information and past performance is not indicative of future performance. [1]S&P's composite performance is measured by the average of all AIM clients weighted by portfolio size whereas ARC's calculation is composed of an average of all AIM clients not weighted by size of portfolio. This difference in methodology could lead to slight discrepancies.

MANAGER PROFILE

Imogen Millington
Imogen is a member of the UK equity team and is responsible for coverage of AIM companies and main market mid- and small-sized UK companies. She is also the manager of the AIM portfolios.

Prior to joining Sarasin & Partners in 2021, Imogen held investment roles at BMO Global Asset Management and Constance Private Asset Management

Edward Campbell-Johnston
Edward is responsible for the management of portfolios for private clients, personal pension funds and charities. He also manages Sarasin & Partners' AIM inheritance tax sheltered portfolio service.

Edward has an MA Hons degree in Management and International Relations from the University of St Andrews, and is a Fellow of the Chartered Institute of Securities & Investments (CISI).

CONTACT US

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IMPORTANT INFORMATION

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The AIM portfolio service should be regarded as a higher risk, long-term investment and it may not be suitable for all investors. You should obtain independent professional advice before you ask Sarasin & Partners LLP to manage your AIM Portfolio.

The investments that will be held in the AIM Portfolio are likely to be smaller UK companies which may qualify for business relief after two years. Such investments will inevitably involve higher risk and may be difficult or even impossible to realise in a reasonable timescale or at an acceptable price. It may be difficult to obtain reliable information about their value or the extent of the risks to which they are exposed.

There is a degree of risk associated with using this service and it should be noted that investment in smaller companies such as those we anticipate holding in the AIM Portfolio has historically been more volatile than medium or large company investment. These risks include, but are not limited to, the loss of a key member of a company's management team and the fact that, due to the relatively thin trading market for many AIM stocks, it can be difficult to sell them at a fair price.

Past performance is not a reliable indicator of future results and there is no guarantee that your AIM Portfolio's objective will be achieved. Forecasts are not a reliable indicator of future performance. We can make no guarantee either of investment performance or the level of capital gains or income that will be generated by your AIM portfolio. The value of qualifying investments and any income derived from them may go down as well as up and you may not get back the full amount you invested. Fluctuations in exchange rates can also affect the value of, and income from investments dominated in foreign currencies.

Please note that qualifying investments carry a higher degree of risk than investing in more liquid shares of larger companies. The share prices of AIM investments are generally more volatile than shares listed on the London Stock Exchange main market. The value of your investments may decline and there is a risk that this may outweigh any IHT saving. You should be aware that the qualifying investments in your AIM Portfolio may be classified under FCA Rules as 'not readily realisable'

Rates of tax, tax benefits and allowances are based on current legislation and HMRC practice. These may change and are not guaranteed. The AIM Portfolio service has been designed with UK-resident taxpayers in mind. If you are not resident or ordinarily resident in the UK for tax purposes, it may not be appropriate or advantageous for you to subscribe to the AIM Portfolio Service.

Qualifying investments in which we invest may cease to qualify for inheritance tax (IHT) exemption. In this case, the relief available on that particular investment will be lost. Investments in particular companies are likely to be sold if Sarasin & Partners LLP believes that the investment rationale outweighs the tax benefits associated with retaining the holding. This may give rise to a capital gains tax charge. If the investment was qualifying at the time of sale and a new qualifying investment is acquired with the proceeds of sale, the two-year holding period can be satisfied by combining these periods of ownership. If not, the relief available on that particular investment will be lost and the two-year holding period will begin afresh.

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