

SARASIN AIM STRATEGY

SARASIN
& PARTNERS

Q2 2025 Factsheet: | As at 30 June 2025

PORTFOLIO INFORMATION

Structure	Discretionary Portfolio
Benchmark	Numis Alternative Markets Index
Peer Group	ARC AIP
Net Assets	£52.4m
Dividend Yield	2.48%
Number of Holdings	26
Management Fee	1.5% + VAT
Dealing Fee	0%
Initial Fee	0%

STRATEGY PROFILE

The Sarasin & Partners AIM Portfolio 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 two 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.

KEY RISKS

It is important that investors are aware of the various risks prior to making an investment decision. The primary risks of the AIM Portfolio Service have been outlined below:

- **Capital at risk:** the value of your investments can go down as well as up, and you may not get back the full amount you invested.
- **Market liquidity risk:** AIM shares can be less liquid and more volatile than those listed on the main market. This can make them harder to buy or sell at the desired price or time.
- **Smaller company risk:** many AIM-listed companies are smaller and less mature. They may carry higher business risk, be more sensitive to economic downturns, and have less diversified operations.
- **Valuation risk:** shares in AIM companies may be more difficult to value accurately due to limited research coverage and market inefficiencies.
- **Tax legislation risk:** the availability of tax reliefs (such as Business Relief for Inheritance Tax purposes) depends on current legislation and individual circumstances. Tax rules may change in the future, potentially reducing or eliminated the expected benefits.
- **Concentration risk:** AIM portfolios may be more concentrated in specific sectors individual companies, increasing exposure to adverse events affecting those sectors or companies.
- **Business Relief qualification risk:** not all AIM shares qualify for Business Relief. There is no guarantee that a company will maintain its qualifying status over time.

The risk factors outlined above represent key considerations relevant to the AIM Portfolio Service. This list is not intended to be exhaustive, and advisers should be mindful of additional risk factors that may be relevant depending on client-specific circumstances and prevailing market conditions.

QUARTERLY COMMENTARY

The second quarter produced a very strong rally of c. 12% from the AIM Index after a long period of disappointing performance, the Sarasin AIM portfolio outperformed, returning 12.7% over the same period. As we have commented on a number of occasions, the UK smaller companies' universe has been trading at a significant valuation discount to wider global equity markets, a feature which is now being exploited by a flurry of takeover activity, mostly driven by the private equity world.

A number of companies have contributed to better performance, the most notable being the vet business CVS Group, the defence communications company Solid State, and Everplay, the designer of computer games. CVS Group has been overshadowed for some time by a regulatory enquiry into the whole veterinary sector, which thankfully looks to be coming to a relatively benign conclusion. In addition, Property Franchise Group which we bought last year continues to perform well, driven by ongoing consolidation in the UK estate agency sector.

On the negative side, the digital consultancy group Next15 hampered overall performance after a profits warning. However, the CEO has been replaced which we believe is a positive development, as is private equity interest in some of their assets. This is a very cheap stock trading on c. 6x latest forecast earnings.

We remain optimistic for the future of the AIM portfolio, which contains a well-diversified range of strong and growing companies. We are confident they have robust business models relative to peers, backed by healthy profit margins and cash-rich balance sheets. Furthermore, even after the recent recovery, valuations still look very attractive.

PERFORMANCE STATISTICS

CUMULATIVE PERFORMANCE (%)					
	QTD	1Y	3Y	5Y	Since Inception*
Strategy	12.7	-5.2	-24.5	-31.0	34.1
Benchmark	12.0	0.8	-10.2	-8.8	-10.3

ANNUALISED STATISTICS (%)		
	Returns Since Inception* (Ann)	Volatility 3y (Ann)
Strategy	1.6	16.8
Benchmark	-0.6	13.1

CALENDAR YEAR PERFORMANCE (%)					
	2024	2023	2022	2021	2020
Strategy	-11.0	-13.0	-35.2	9.4	8.9
Peer Group**	-4.7	-2.8	-25.2	18.8	0.3
Quartile	4	4	4	4	1

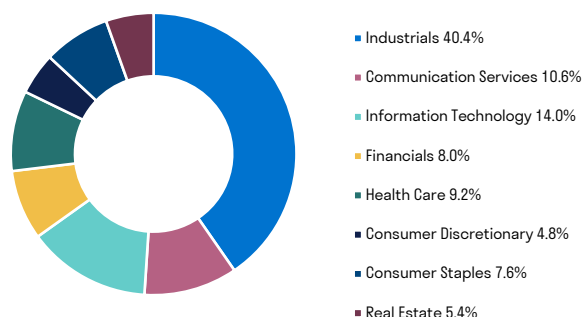
Performance is provided net of fees. Past performance is not a reliable indicator of future results and may not be repeated.

*The benchmark from inception (01.01.2007) to 30.06.2020 was the FTSE AIM All Share Index. From 01.07.2020 the benchmark changed to the Numis Alternative Markets (incl. Investment Companies) Index.

**The Peer Group refers to the ARC IHT Portfolio Indices, which are based on historical information and past performance is not indicative of future performance. Peer Group performance data is available quarterly and the figures shown above illustrate performance to the latest available quarter. Sarasin & Partner'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.

Source: Sarasin & Partners LLP as at 30.06.2025.

SECTOR ALLOCATION



Source: Sarasin & Partners LLP as at 30.06.2025

TOP 5 HOLDINGS

Company	
Jet2	7.2%
Renew	6.5%
Judges Scientific	6.3%
CVS	6.1%
Nichols	5.7%

MANAGER PROFILE

James Verdier

James joined Sarasin in 2024 and is responsible for the management of the Sarasin AIM portfolio service. Prior to joining he spent 13 years at Ruffer LLP as an equity analyst, covering stocks in Europe, the US and Japan.

From 1999 to 2007 James worked for various investment banks, mainly on equity funds. He initially joined the City as a telecoms analyst. He qualified as an accountant with KPMG in 1999.

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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The AIM Portfolio Service should be regarded as a high risk, long-term investment and it may not be suitable for all investors.

Capital at risk. The value of investments and any income derived from them can fall as well as rise and investors may not get back the amount originally invested. If investing in foreign currencies, the return in the investor's reference currency may increase or decrease as a result of currency fluctuations. Past performance is not a reliable indicator of future results and may not be repeated. Forecasts are not a reliable indicator of future performance.

The tax treatment depends on the individual circumstances of each client and may be subject to change in future.

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