ALTERNATIVE INVESTMENT MARKET (AIM) PORTFOLIO

Target Market: Retail Clients

The portfolio continues to achieve its main aim of providing inheritance tax relief after two years via companies that qualify for business relief.

We continue to focus on businesses with solid fundamentals and noteworthy advantages. We believe this will produce satisfactory returns over the long term. We expect there to be periods of time when the performance of the portfolio with be significantly out of line with the benchmark. This is due to both the concentration of our holdings as well as our process of buying further when stocks remain under appreciated.

Q3 Update

Progress in investing is rarely smooth. Markets move in fits and starts—advancing for a while, pausing, sometimes retreating—before moving forward again. What matters is not the noise along the way but the long-term direction of travel. The discipline to stay invested through quieter periods is what allows compounding to do its quiet, powerful work over time.

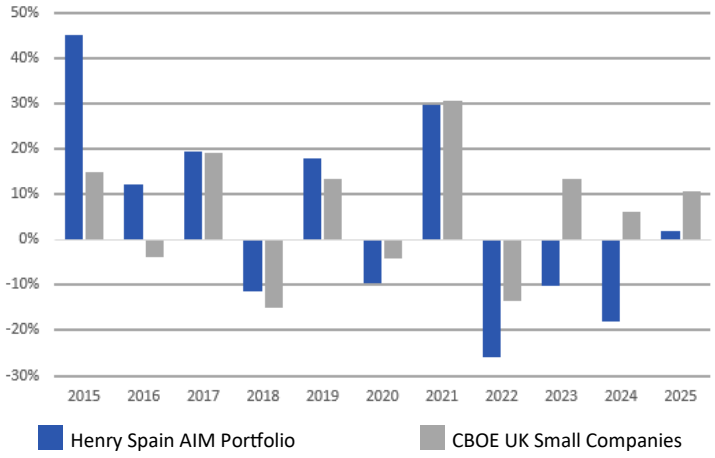
Leading contributors for the third quarter were Cake Box up 10%, Character up 7% and Tandem up 0.5%.

Leading detractors were Shoezone down 27%, Jet2 down 23% and Nichols down 18%.

We remain convinced of the investment cases for all six names mentioned and would encourage clients not to become overly enthusiastic or discouraged by short-term fluctuations in share prices. Our focus remains on long-term value and sound fundamentals.

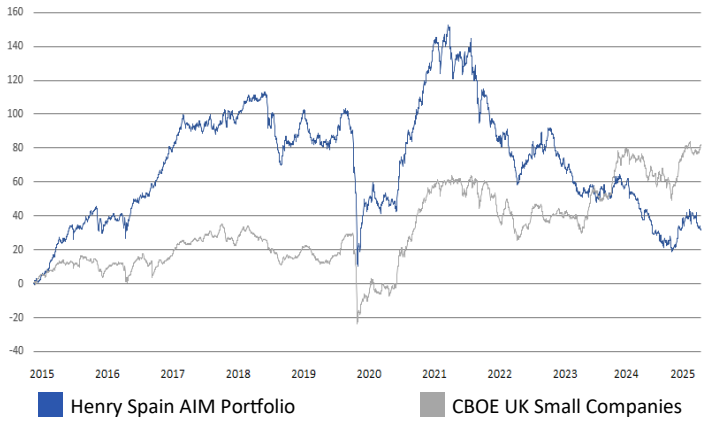
Portfolio Performance

Past performance is not indicative of future results.
There is no guarantee that a positive return will be delivered.



Source: Morningstar and Henry Spain. Data reference points: 01.01.2015 - 30.09.2025.

Performance is net of 1.2% + VAT annual management fee.

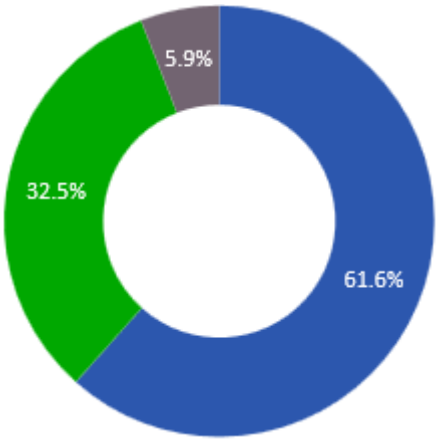


Source: Morningstar and Henry Spain. Data reference points: 01.01.2015 - 30.09.2025.

Performance is net of 1.2% + VAT annual management fee.

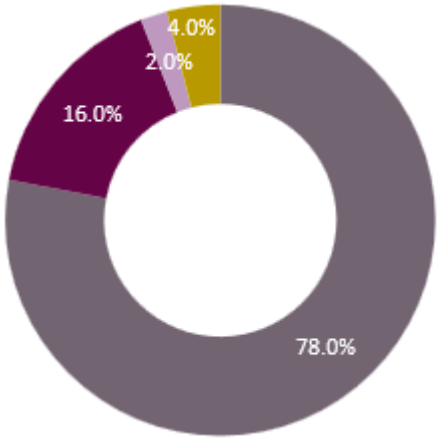
The factsheet should be read in conjunction with a Costs & Charges Illustration.

AIM PORTFOLIO SECTOR HOLDINGS



- CONSUMER CYCLICAL
- INDUSTRIALS
- CONSUMER DEFENSIVE

COMPANY SIZES IN TERMS OF MARKET CAPITALISATION



- SMALL VALUE
- SMALL CORE
- SMALL GROWTH
- MID VALUE

TOP HOLDINGS

Company

Staffline Group
Character Group
Vertu Motors PLC
The Works PLC
Zytronic PLC

PORTFOLIO PERFORMANCE

Cumulative Performance

	Henry Spain AIM Portfolio	CBOE UK Small Companies
1 Year (01/10/2024 to 30/09/2025)	-9.47%	4.84%
5 Year (01/10/2020 to 30/09/2025)	-8.96%	89.55%
Since Inception (01/01/15 to 30/09/25)	31.99%	81.99%

Discrete Annual Performance

	Henry Spain AIM Portfolio	CBOE UK Small Companies
01/01/2016—31/12/2016	12.24%	-3.81%
01/01/2017—31/12/2017	19.40%	19.00%
01/01/2018—31/12/2018	-11.45%	-14.96%
01/01/2019—31/12/2019	17.85%	13.25%
01/01/2020—31/12/2020	-9.70%	-4.21%
01/01/2021—31/12/2021	29.59%	30.50%
01/01/2022—31/12/2022	-25.78%	-13.52%
01/01/2023—31/12/2023	-10.19%	13.29%
01/01/2024—31/12/2024	-18.07%	6.22%
Year to Date (01/01/2025—30/09/2025)	1.91%	10.51%

UNDERSTANDING OUR INVESTMENT PHILOSOPHY

Stock investments are not ticker symbols they are a share of a real business. Many people choose to watch their portfolio on a daily basis and change things regularly, we believe that this can lead to mistakes and is likely to lead to higher costs. As long as the fundamentals remain solid once you have bought a great business the time to sell is rarely ever.

Our preferred approach is to buy businesses with a proven track record of growing their earnings successfully over a long period of time, and whose products are likely to be required in twenty-five years. Companies that succeed in increasing the price of their products above inflation, can give us the basis for a successful long-term holding.

Be objective and dispassionate. We are conscious of behaviour that drives poor investment decisions, which we believe helps to give us an edge over many other investors. While stock markets are a useful reference point they are not our guide to the intrinsic value of a business.

As long as our facts and reasoning are right we are content to go against the herd.

We believe that advantages can be gained by just being rational and endeavouring to avoid mistakes. We believe in only investing in what we can understand and by doing so increases the likelihood of achieving the best results.

Pay attention to risk. Most investors are primarily focused towards returns – how much they can make and pay little attention to risk – how much they can lose. The pay-off from a risk-averse long term portfolio orientation is just that, long-term. Selecting businesses with inherent competitive advantages does not always result in short term gains, but overall it should significantly reduce the risk of an inadequate rate of return.

Never invest short term or emergency money. Prices will vary and any investor should be prepared to weather a downturn. Portfolios should be matched to goals and objectives, not the stock market as a whole.

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TOM SPAIN
INVESTMENT MANAGER

"Most investors are primarily oriented towards return - how much they can make and pay little attention to risk - how much they can lose. My chief concern is the quality of the businesses we buy because when I get that right, returns have been more than satisfactory".

IMPORTANT INFORMATION REGARDING AIM INVESTMENTS: AIM investments can be illiquid in nature and carry a higher degree of risk than other securities and are not, therefore suitable for some investors. The AIM Portfolio should be regarded as a higher risk, long term investment managed on a discretionary basis. Opinions constitute our judgement as of this date and are subject to change without warning. The value of investments and the income from them, can go down as well as up, any you may not recover the amount of your initial investment. Where an investment involved exposure to a foreign currency, changes in rates of exchange may cause the value of the investment and the income from it, to go up or down. Past performance is not a reliable indicator of future results and forecasts are not a reliable indicator of future performance. Small cap stocks have the potential for higher returns than larger cap stocks; however small cap stocks can have larger downside movements, especially over short time periods.

Important Information:

Henry Spain Investment Services ('Henry Spain') brings the following important information to your attention, which you should read closely. If you have any questions on the below please ask your Henry Spain Wealth Manager:

At Henry Spain we hold concentrated positions in companies in which we have the highest degree of conviction. Capital is always allocated to our best ideas while at the same time seeking to avoid outcomes that would result in a permanent loss of capital. This means that upside return benefits and downside risks for the portfolio may be more affected by the returns and market sentiment towards individual companies than in more widely diversified portfolios, which is sometimes referred to as greater 'volatility'.

Where we hold positions for our clients which in aggregate are more than 10% of the shares in issue of a company, our concentration may mean that it will require us more time to sell and realise cash in respect of positions we decide to liquidate. This means that if you were to instruct the liquidation of your entire portfolio, it might take longer to realise cash in respect of such positions than others in your portfolio and that the price might be affected by that liquidation process.

At times, portfolios may have exposure to smaller companies including stocks listed on the Alternative Investment Market (AIM) which are less liquid. Upside returns and downside risks may be greater than those of larger companies. In times of market or company-specific stress, it may be harder to trade stocks than at other times. This includes the possibility that a company (no matter the size) or fund may have had its trading suspended by exchanges or other authorities, or subject to lock up. This means that we may not be able to liquidate a position in part or in whole in order to release cash into your portfolio and/or meet a redemption request due to circumstances beyond our control. Under certain circumstances it may be necessary to transfer an existing position out to you or an alternate provider.

Henry Spain may invest its own money in stocks which are also part of client portfolio holdings. This may include having a material interest in such companies. We will always ensure that client trades are prioritised over any Henry Spain trades. The Personal Dealing Supervision Team acts to ensure that clients will not be disadvantaged and are fairly treated and adheres to our Conflicts of Interest Policy and Aggregation and Allocation Policy. Details of positions will change over time but should be assumed to be any position in client portfolios. Details are available on request, as are details of our conflicts of interest handling process.

We may be appointed as a Board member (such as a Non-Executive Director) in smaller companies where client interest is significant and we believe that it is in the best interests of shareholders and clients for us to be able to exert influence on company management in order to target better returns for shareholders and our clients. A Board member may have access to non-public price sensitive information from time to time. We and the underlying company typically manage this by stringent application of "closed periods" where we and company senior employees are only permitted to trade in specific open windows to ensure that trades are not placed in breach of any Market Abuse or comparable rules.

Risk Warnings:

Past performance is no guarantee of future results. Certain investments carry a higher degree of risk than others and are, therefore, unsuitable for some investors. The value of investments, and the income from them, can go down as well as up, and you may not recover the amount of your initial investment. Where an investment involves exposure to a foreign currency, changes in rates of exchange may cause the value of the investment, and the income from it, to go up or down.

Opinions constitute our judgement as of this date and are subject to change without warning. Neither Henry Spain nor any connected company accepts responsibility for any direct or indirect or on sequential loss suffered by you or any other person as a result of your acting, or deciding not to act, in reliance upon any information contained in this Leaflet.

Before contemplating any transaction, you should consider whether you require any advice from a financial adviser which we would be happy to provide. Tax benefits and allowances described in this Leaflet are based on current legislation and HM Revenue & Customs practice and depend on personal circumstances. These may change from time to time and are not guaranteed. This is a financial promotion.

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