FINELY CRAFTED INVESTMENTS

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Amati Global Investors

FACTSHEET • FEBRUARY 2024

Amati AIM IHT Portfolio Service

Fund Objective

The Service operates on the basis of a Model Portfolio of AIM-quoted stocks, which provides the template for the discretionary management of portfolios held by clients of wealth managers and other intermediaries. The stocks chosen for the Model Portfolio are those that to the best of our knowledge are likely to qualify for Business Property Relief ("BPR"), and as such could potentially provide up to 100% inheritance tax relief after a holding period of two years (subject to the final determination of HMRC). Dividends received from portfolio companies are reinvested.

Contact Details

Investment Manager

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Key Information

Total Assets	£57.5m
Minimum Investment	£50,000
Launch Date	29 August 2014
ISAable	Yes
No. of Holdings	29
Market Cap Range	£59m - £1,306m
Weighted Average Market Cap	£518m

Shares must have been held for at least two years and must continue to be held as shares meeting the requirements of BPR legislation, until the death of the donor, so it is advisable to ensure that the client's will clearly identifies which beneficiary is to inherit the shares.

Standardised portfolio, based on Amati's Model Portfolio template

Tax relief can be restricted where a portfolio company owns 'excepted' assets not used for the purposes of the trade

Shareholdings must be in companies whose businesses are not wholly, or mainly, that of dealing in securities; land & buildings; or the making and holding of investments. For further information, please visit our IHT page here.

Investment Team


Dr Paul Jourdan
CEO & Fund Manager


David Stevenson
Director & Fund Manager


Dr Gareth Blades
Analyst


Scott McKenzie
Fund Manager

Ratings & Signatories

CITYWIRE GOLD

UK STEWARDSHIP CODE

Signatory of: PRI Principles for Responsible Investment

ARC RESEARCH LIMITED

Charges

Investment Management Fee	Annual 1% plus VAT on portfolio value, paid monthly in arrears No initial charges No additional platform or manager fees for dealing
Administration and Custody Charges	Annual 0.3% on portfolio value, subject to a £120 minimum and a £3,000 maximum, paid quarterly in arrears Annual £35 nominee fee No additional charge for the ISA wrapper HMRC-approved probate valuations £25
Other charges	Advisory charges as agreed between the client and their financial adviser

Cumulative Performance

	AIM IHT Return (%)*	Index Return (%)**
1 month	-1.48	-1.98
3 months	3.21	2.90
6 months	3.34	-0.59
1 year	-7.85	-13.30
2 years	-14.47	-28.29
3 years	-18.53	-35.24
5 years	4.15	-13.56
Since Launch#	92.50	6.02

Cumulative performance data as at 29/02/2024

*Amati AIM IHT Model Portfolio dividends reinvested, net of AMC, platform fees and trading costs, excluding advisory charges

**Deutsche Numis Alternative Markets Total Index Return

#29 August 2014

Past performance is not a reliable indicator of future performance.

Discrete Annual Performance

	Fund Return (%)	Benchmark Return (%)
29/02/2024	-7.85	-13.30
28/02/2023	-7.18	-17.29
28/02/2022	-4.75	-9.70
26/02/2021	20.49	36.05
28/02/2020	6.10	-1.88

ARC Peer Group Analysis/Rankings (as at 31/12/2023)

Percentiles and Return %	Last quarter	1 year	3 year	5 years	112 months
25th Percentile	11.51	-0.03	-2.22	21.60	49.70
50th Percentile	9.32	-3.20	-16.26	4.65	36.45
75th Percentile	6.42	-6.13	-23.72	-1.74	24.15
Amati Model Portfolio	9.89	-3.20	-14.73	11.11	96.67

Percentiles and Return %	2023	2022	2021	2020	2019
25th Percentile	-0.03	-22.74	23.06	5.23	27.19
50th Percentile	-3.20	-24.37	18.93	3.74	24.55
75th Percentile	-6.13	-27.91	12.91	-1.16	21.72
Amati Model Portfolio	-3.20	-26.26	19.46	5.88	23.07

Source: ARC Research Ltd PCI as at 31/12/2023

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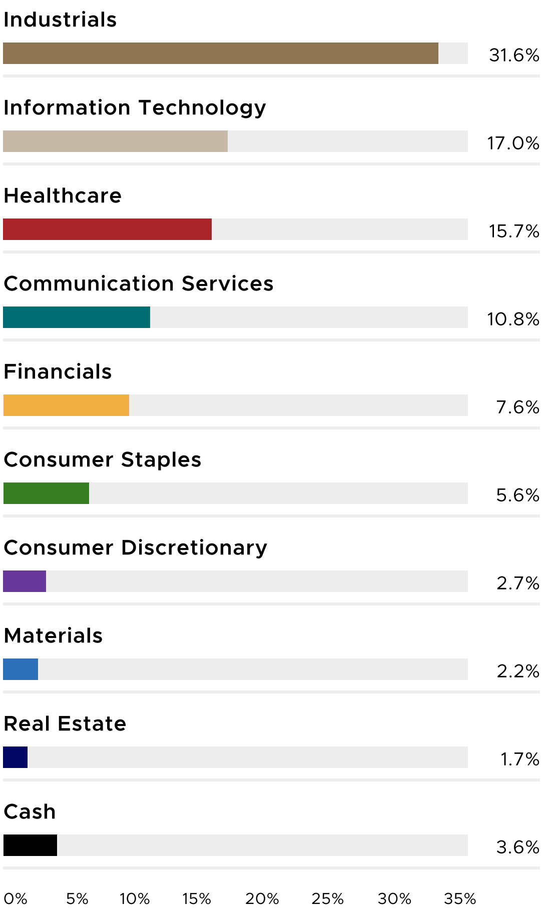
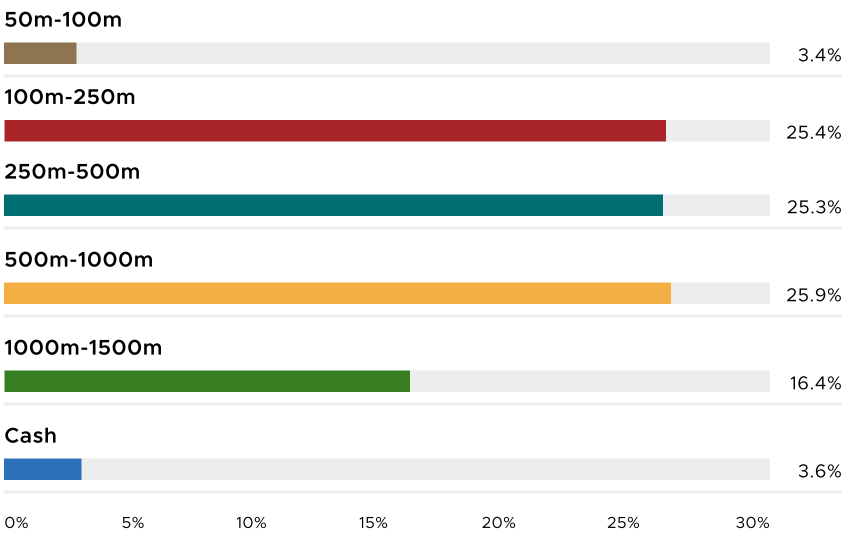
Sector Weightings



Source: Amati Global Investors as at 29/02/2024

Market Cap (£)



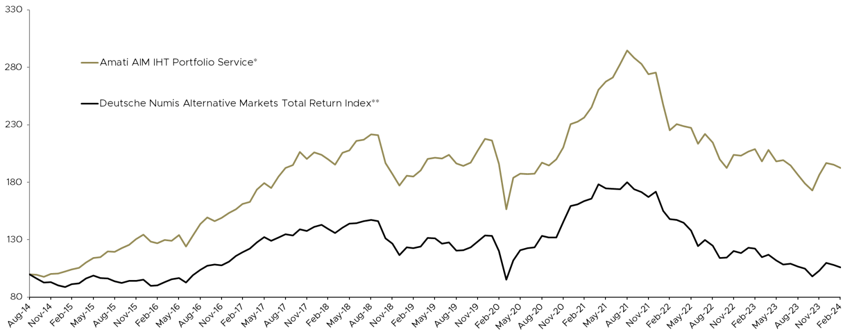
Source: Amati Global Investors as at 29/02/2024

Geographical Distribution by Revenue

United Kingdom	58.3%
Europe (ex UK)	16.9%
North America	17.9%
Rest of the World	6.9%

Source: Amati Global Investors as at 29/02/2024

Performance vs Benchmark



Source: Amati Global Investors as at 29/02/2024

*Amati AIM IHT Model Portfolio dividends reinvested, net of AMC, platform fees and trading costs, excluding advisory charges (re-based to 100).

**The stocks comprising the Index are aligned with the objectives of the Service, and on that basis the Index is considered an appropriate performance comparator for the Service. Please note that the Fund is not constrained by or managed to the Index.

Sources: Amati Global Investors Ltd and Deutsche Numis Securities Ltd.

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Investment Report

Please click here for audio

Global equity markets continued their upward trend in February on the back of positive corporate results (particularly from Big Tech) and an improving economic growth backdrop. Momentum effects were strong with many of the largest index constituents continuing to lead the charge in markets such as the US and Europe. Japan hit a thirty-four year high too. However, the UK equity market remained a laggard, with the large cap index flat and small and midcaps down over the month. Rate cut expectations continued to be tempered across the UK, US and Europe and we saw rising government bond yields, with ten-year gilt yields increasing from 3.75% to 4.2% and US Treasury yields moving from 3.9% to 4.2%. This led to a reversal in some of the more interest-rate sensitive sectors which had recovered well in prior months, as well as smaller companies in general.

UK economic data overall remains mixed and the fourth quarter GDP figures did confirm a shallow recession. Most commentators see this as being relatively short-lived, however, and the recent OBR forecasts suggest some recovery in UK GDP, with +0.8% expected in 2024 and +1.8% in 2025. Services inflation remains stubbornly high, but there appears to be a path towards lower inflation over the next few months. We still expect to see real income growth and low levels of unemployment. There are now signs of better conditions in the mortgage market and improving house prices again. Whilst cuts are not expected immediately, rates should be in a position to start falling in 2024, bringing some respite to mortgage holders, businesses and governments. The outlook remains somewhat muted and volatile ahead of the election later this year but overall the UK economy feels more stable than it has in recent years.

Market sentiment towards UK equities (and smaller companies in particular) remains fragile and it is disappointing to see further outflows from UK equity funds, continuing the weak trend of recent years. It is crucial that action is taken to re-establish the UK as an attractive place for companies to list and raise capital, leading to improved liquidity at the lower end of the UK stock market. There is now a far broader acknowledgement of the issues which have been holding back UK capital markets, with a wide range of possible solutions emerging to incentivise increased investment and listings in UK growth businesses. These initiatives are broadly supported across the political spectrum.

February was a reminder that the path to recovery will not be straight and a number of companies have warned for the year ahead in recent weeks. The forthcoming results season is therefore important. It should not take much for confidence to improve and we have recently seen takeover bids for businesses such as Wincanton, Virgin Money and Spirent as well as significant numbers of quoted companies doing share buybacks. This supports our belief that there is compelling value on offer in UK public markets right now.

Written by
Scott McKenzie

Risk Warnings

Investment in smaller companies can be higher risk than investment in well-established blue chip companies. Portfolios investing significantly in smaller companies can be subject to more volatility due to the limited marketability of the underlying asset. Amati, in its capacity as discretionary investment manager, will select stocks which it expects to qualify for BPR, but it cannot guarantee 100% of the portfolio will be exempt from IHT after 2 years, nor that the qualification rules as set out by HMRC will not change in future in a way that affects the status of individual holdings.

Any investment in equities is subject to risk, and smaller companies can involve more risk than larger companies. Illiquidity means that buying and selling portfolio holdings may take time, and in a worst case scenario companies could be delisted from AIM making them very difficult to deal in. This Investment product places your capital at risk and you may not get back the full amount invested. Tax treatment may be subject to change and depends on the individual circumstances of each investor. The availability of tax reliefs also depends on the investee companies maintaining their qualifying status. Neither past performance or forecasts are reliable indicators of future results and should not be relied upon. Unquoted or smaller company shares quoted on AIM are likely to have higher volatility and liquidity risks than other types of shares on the London Stock Exchange Official List. This content is not intended to constitute investment, tax or legal advice. Investors should consult their professional financial adviser to determine the suitability of this investment before they proceed.