



PILLING & Co

STOCKBROKERS LIMITED

AIM IHT Portfolio Quarterly Factsheet as at 31st January 2025

Portfolio Objectives

The Pilling & Co AiM IHT Portfolio is a discretionary managed portfolio service, designed to provide investors with inheritance tax relief after two years with modest longer-term capital growth. Our portfolio comprises approx. 40 AIM quoted companies, which have been chosen based on factors such as balance sheet strength, market valuation and liquidity, ability to pay dividends, a business model that is likely to survive changing fashions, management equity commitment or quality of shareholder base. We focus on larger and more established AiM quoted companies to help reduce portfolio volatility. We tend to exclude the many mining and energy exploration companies that are available.

Target Market

- Older clients with greater than £30,000 who wish to mitigate IHT liability by utilising BPR via eligible AiM market shares.
- Experienced investors prepared to take a higher risk as this is part of wider wealth and investment portfolios.

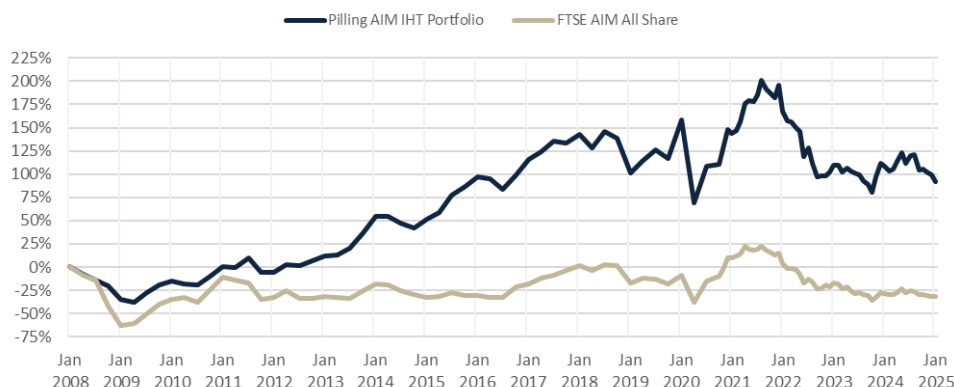
Key Information

Launch Date	2008
Benchmark	FTSE AIM All Share
Holdings	40
Est Dividend Yield	2.7%
Minimum Investment	£20,000
Avg. Market Cap	£500.1mIn
Management fee	1%, plus VAT
	0.5% (min £50, max £180)
Custody fee	£180)
Dealing fee	1.65%, min £10

Key Risks

- AIM portfolios are classes as **HIGH** risk.
- Your capital is at risk and you may not get back the full amount invested.
- Past performance is not a reliable indicator of future returns.
- Tax treatment depends on individual circumstances.
- Business Relief is not guaranteed.
- Investments in companies quoted on AIM may carry greater risk, and the shares may be more volatile than fully-listed companies.

Pilling AIM IHT Portfolio Performance



Cumulative Performance %

	3 months	1 year	3 years	5 years	Launch
Pilling & Co	-7.0%	-8.3%	-28.6%	-25.4%	91.5%
FTSE AIM All Share TR	-2.2%	-3.1%	-30.9%	-19.0%	-15.5%

Discrete Performance %

	2020	2021	2022	2023	2024
Pilling & Co	-3.3%	19.1%	-31.5%	4.3%	-5.7%
FTSE AIM All Share TR	21.8%	6.1%	-30.7%	-6.4%	-4.0%

All performance is calculated net of management and dealing fees.
6 months, 1 year, 3 years, 5 years and Inception calculated to month end, as at 31st January 2025.

Top 10 Holdings

Cohort	7.0%
Jet2	5.1%
James Halstead	3.5%
FRP Advisory	3.5%
Alliance Pharma	3.3%
Polar Capital Holdings	3.2%
Gamma Communications	3.2%
Renew Holdings	3.1%
Warpaint London	3.1%
Johnson Service Group	3.1%

Sector Allocation

Professional & Commercial Services	15.1%
Software & IT Services	8.6%
Investment Banking & Services	7.0%
Machinery, Equipment & Components	8.1%
Passenger Transportation Services	2.3%
Media & Publishing	5.3%
Beverages	3.6%
Homebuilding & Construction Supplies	3.7%
Healthcare Equipment & Supplies	4.4%
Pharmaceuticals	2.7%

Manager Commentary

Over the past three months, our portfolio has seen a mix of outcomes across different sectors, reflecting both challenges and opportunities in today’s market.

Polar Capital Holdings has grown its assets by nearly 9% over nine months, thanks to steady inflows into some of its funds, even though market jitters in the UK led to some outflows in October. Meanwhile, **Gamma Communications** made a big strategic move by acquiring a German software company called Starface. This deal is expected to strengthen its position in the small and medium-sized business market and boost its profits in the coming year.

In the healthcare area, **Advanced Medical Solutions** is performing well after recent acquisitions and the company now expects higher revenues and profits for 2024. **Alliance Pharma**, another healthcare player, has managed to stay profitable despite a slight drop in overall revenue. The company has attracted a bidder at a 31% premium to the prevailing share price, pre- bid.

GlobalData also reported that its revenue and earnings are on track with expectations, thanks to a strong pipeline of projects and steady market demand.

On the consumer and industrial side, **Nichols**, known for its popular soft drink Vimto, continues to perform well, with improved profit margins and steady growth. **Young & Co Brewery** enjoyed record-breaking sales over the festive period, although it remains cautious about future challenges, like rising costs. **Johnson Service Group** is looking forward to over 10% revenue growth in 2024, despite higher expenses expected from taxes and wages.

Other companies in our portfolio experienced mixed results. **Judges Scientific** and **Midwich Group** faced a tougher trading environment that slowed growth, while **Ashtead Technologies** and **Property Franchise Group** recorded strong growth through smart acquisitions and increased market demand. Renew Holdings, however, saw slower performance in its rail business, which impacted its share price, despite the better performance of its water contracting.

Although a challenging period from a relative performance perspective we remain confident in our portfolio constituents to generate positively, as our investment process has demonstrated over time.

Portfolio Managers

Alistair Hodgson has been an investment manager at Pilling & Co since graduating from their dealing room in 1998. Amongst other professional affiliations he is a Chartered Fellow of the CISI and has been active within the institute locally for many years.

Nigel Moore has over 25 years investment experience, commencing his stockbroking career with Brewin Dolphin in 1998. As a Senior Chartered Wealth Manager, Nigel co-Chair’s the firm’s investment committee.

Terry Applegate has nearly 25 years experience within the industry to date. Having joined Pilling & Co from W. H. Ireland in 2002, he has now become a key member of the investment team, looking after private client portfolios.

Michael Talbot has over 15 years of experience, started his career at James Sharp. Having been at Pilling for over ten years, his interest and research into smaller and medium sized listed companies has benefitted the investment committee’s decision making process. During this time, he has also been building solid relationships with private clients and managing their portfolios accordingly.

Company Spotlight



Tracing its roots back to Manchester in 1908, the group has evolved into an international drinks business, selling a range of still, carbonated, post mix and frozen drinks both in the UK and around the world.

The group’s main brands include Slush Puppie and the jewel in its crown, Vimto, which is sold through grocery stores and convenience stores in 60 countries. Two of the biggest markets for Vimto are the Middle East and Africa. The group also provides ‘out of home’ products under licence for Coca Cola, Pepsi and Sunkist where it provides a range of post mix drinks for the leisure, catering and hospitality sectors.

The group provided a trading update on 15th January 2025 stating that group revenue increased by 0.8% to £172.1m during 2024. Gross margins saw an improvement as inflationary pressures eased during the year, with the group now having cash and cash equivalents of £53.7m, even after the payment of a special dividend of £30m during the year.

The outlook from the group was slightly cautious due to the tax changes in the UK budget, but overall felt confident for the year ahead.

Company	Nichols
Sector	Beverages
Market Capitalisation	£478.9mIn
Dividend Yield	2.4%

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