AIM QUARTERLY REVIEW

QUARTER ONE | TWO THOUSAND AND TWENTY THREE

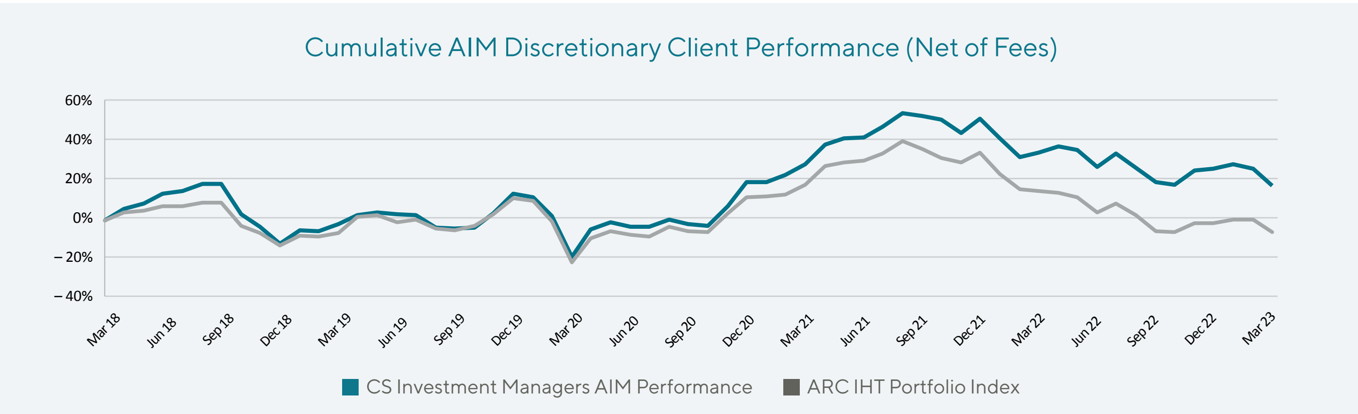
CS INVESTMENT MANAGERS

The first quarter of 2023 started well with the prospect of inflation and interest rates near a peak. However, the UK had already seen the problems that the sharp increase in bank rates had created in the insurance industry, where management had sought marginal gains by seeking to leverage returns when interest rates were very low. As rates surged, the Bank of England had to step in to produce liquidity for overstretched insurance companies. Whilst the increase in interest rates initially looked positive for the global banking sector, by early March it again exposed those banks, this time in the US, shortly followed by Switzerland, that had flighty deposit bases and had reinvested at low rates for longer dated maturities. Confidence slumped; taking equity markets with it, although the worst fears of contagion and a systemic crisis seemed to have stabilised by the end of March. Our AIM IHT service fell by 6.2% compared to the ARC IHT Portfolio Index which slipped by 4%.

In periods of near crisis, small companies tend to underperform large ones, although it has been encouraging to see some mild improvement after the Quarter end. Craneware, a provider of administrative services to US hospitals, found the market unforgiving when labour costs surged before new systems had fully bedded in. Having given credit to Alpha Financial last quarter, the fear factor took over and it was heavily sold as investors sold to raise liquidity and reinvest in more lowly rated companies.

The attraction of companies growing rapidly in a niche sector were demonstrated by Jet2 whose careful passenger friendly policies were rewarded with a sharply positive rerating. Similar influences occurred with Ramsdens as travelers appreciated their keen foreign exchange rates, and their lending side benefiting from steady rises in the Gold price.

Marlowe began an encouraging recovery – having seemingly blemished their strong and positive acquisition record through using too much short term borrowing as interest rates rose sharply. Addressing matters head on with investor meetings and market updates confidence has been partially restored. Another positive contributor was Breedon Group, the aggregates company, but we were less happy with them as the reason for the rating improvement was an imminent move to a full listing on the main market. As with Crestchic last year, we feel that growth story has a long way to go, but this time we have been denied long term access to a good company with its move away from the AIM market (that qualified it for Inheritance Tax Relief).

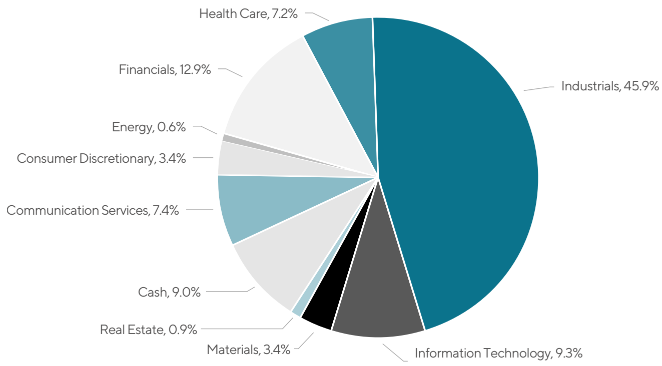


Total Return	CS Investment Managers Discretionary AIM Clients	ARC IHT Portfolio Index
3 Months	-6.2%	-4.0%
1 Year	-11.7%	-16.7%
3 Years	40.4%	17.9%
5 Years	16.3%	-5.4%

CS Investment Managers Discretionary AIM Clients	ARC IHT Portfolio Index
Monthly Volatility 5.6%	Monthly Volatility 5.2%

Top 10 Holdings	%	Sector
Alpha Financial Markets	6.8%	Industrials
Sureserve Group	6.6%	Industrials
Begbies Traynor	5.7%	Industrials
Renew Holdings	5.5%	Industrials
Ramsdens Holdings	5.1%	Financials
Smart Metering Systems	4.8%	Industrials
Gresham House	4.4%	Financials
Gamma Communications	3.9%	Communication Services
Marlowe	3.9%	Industrials
Beeks Financial Cloud	3.8%	Information Technology

Overall Sector Breakdown as at 31 March 2023



Source: CS Managers Ltd and ARC Research as at 31 March 2023.

Performance from 31 Dec 2010 – 30 Sept 2022 is drawn from stylised aggregate portfolios constructed from the discretionary portfolios managed by CS Investment Managers. The figures were calculated on a monthly basis, net of fees and other charges and adjusted for contributions and withdrawals. From 1 October 2022, performance figures are drawn from a composite group of non-constrained discretionary portfolios managed by CS Investment Managers under an AIM investment strategy. These figures have been calculated net of fees and dealing costs and adjusted for contributions and withdrawals. Performance of individual portfolios may vary due to factors such as the portfolio size, stock selection and timing of investment transactions.

ARC IHT Portfolio Index is a Sterling denominated index compiled by ARC Research (ARC) to be used by investors and their advisers in assessing the performance of a discretionary portfolio within a specialist mandate designed to mitigate IHT liability through investment in stocks that are expected to qualify for Business Property Relief. The ARC IHT Portfolio Indices provide insight into the actual returns being generated by discretionary IHT portfolios, net of fees, based on thousands of Sterling denominated IHT portfolios submitted by participating investment managers. No model or synthetic data used only actual IHT portfolio performance numbers are included in the calculation of the ARC IHT Portfolio Indices.

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IMPORTANT INFORMATION

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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. We would strongly recommend seeking independent tax and financial advice before taking any action.