



We saw the conclusion of two takeover bids in the first quarter of 2024 and with bid premia continuing to be of the order of 40% we believe that good quality AIM shares are undervalued in the retail market. We have further tangible evidence of this with the Ashtead Technology share price appreciating by more than 23 % this quarter (and more than doubling in a 12 month period); additionally, and admittedly after a volatile 2023, we have seen a 75% increase in the Beeks share price these past three months.

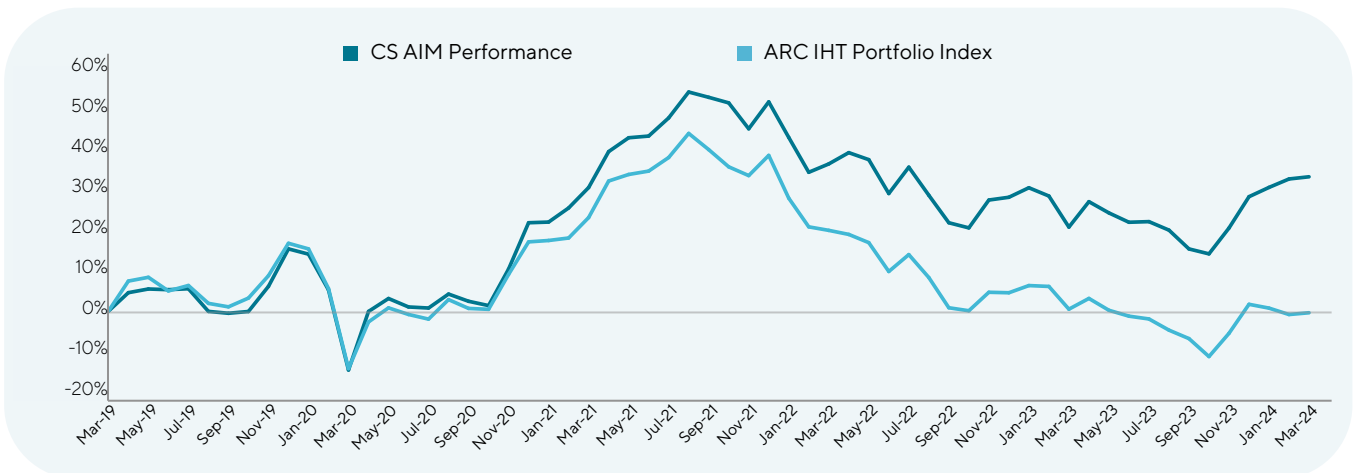
The fifth most widely held stock, SigmaRoc, appreciated by 27% over the quarter, and with an anticipated free cash flow yield of c9% this year, potentially rising further in 2025, this is not too surprising. We fully recognize that AIM companies are still at an early stage of development and any misstep can be costly. For example, the intervention of the Capital Markets Authority looking at CVS, the acquisitive vet practices company, has been adverse, with a further drop in the share price.

We nearly always meet management either in person or on screen. With a broadly successful history of stock selection, we have managed to remain in the first quartile group of our peers by Asset Risk Consultants (ARC) measured performance screens over differing periods since we started our service. We are increasingly travelling to on-site meetings with management, and this was very much the case with Ashtead Technology.

Small companies have been derated since the Covid pandemic and we believe that current share prices offer exciting opportunities to invest in interesting AIM companies. This is a dynamic sector of the market that innovates and where resultant growth occurs often sees an increase in employment opportunities for its workforce, whereas larger companies struggling to progress, often nudge profits forward with cost reductions that can often focus on the labour force.

It is particularly encouraging that we are finding good new opportunities given the enforced departure of seven of our AIM holdings through acquisition over the past 20 months.

CS Investment Managers AIM Discretionary Clients Performance (net of fees)

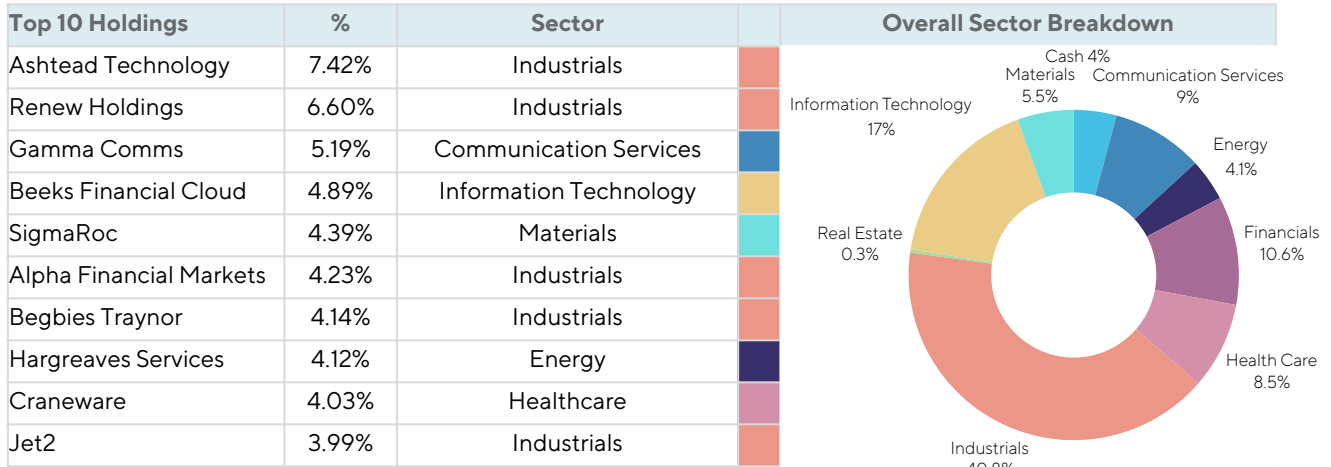


Total Return	CS AIM	ARC IHT Portfolio Index
3 Months	4.0%	-2.1%
1 Year	10.6%	-0.9%
2 Years	-2.4%	-17.5%
3 Years	2.1%	-19.7%
4 Years	58.3%	16.8%
5 Years	34.4%	-0.4%

CS AIM	ARC IHT Portfolio Index
Monthly Volatility 5.4%	Monthly Volatility 5.2%



Asset Allocation



Source: CS Managers Ltd and ARC Research as at 31/03/24

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.