

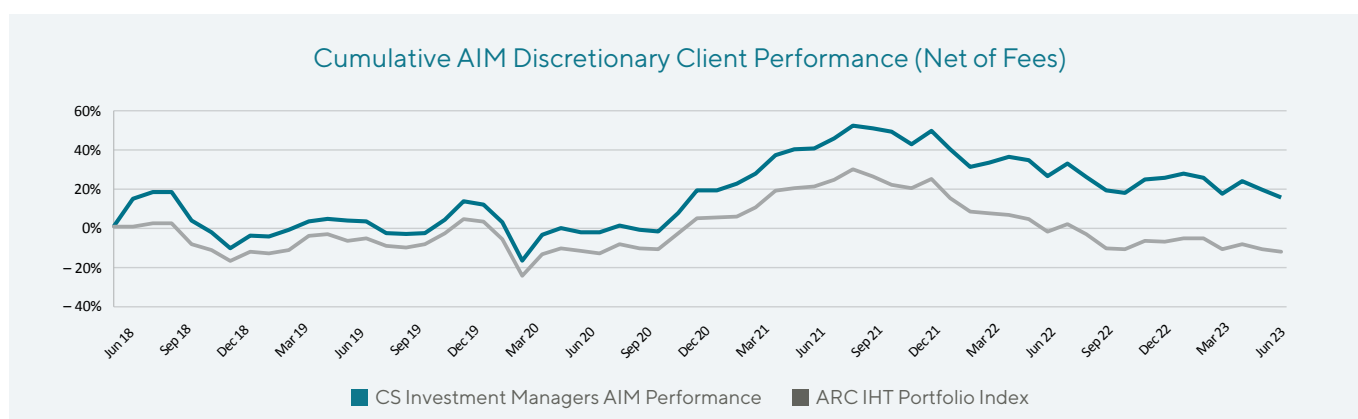
The Quarter started with more of ‘risk on’ sentiment as markets began recovering ground following the banking sector turmoil in March, with hopes this might signal the end of the interest rate hiking cycle. This sentiment soon shifted following consecutive inflation surprises in the UK, which saw core inflation rise further in May to 7.1% (having increased to 6.8% in April), confirming that further interest rate increases, and consequent economic pain, would be required. Whereas the ARC AIM IHT Index returned -1.8% against the above backdrop, our AIM service delivered a positive performance of 1.2%.

Portfolio performance was boosted by the takeover of Sureserve, the second largest holding in our AIM service. The asset and energy support services group reported an increase in both profit and turnover in May and confirmed the takeover by Cap-10, a French Private Equity group. We felt that the takeover price undervalued the long-term potential of the business and are disappointed to see it leave the AIM market.

Asstead Technology, a market leading provider of equipment rental, technologies and services to the offshore energy sector, was another strong performer over the Quarter. The company has continued its strong momentum since listing in 2021, announcing full year results ahead of expectations and upgrading expectations for the current financial year, with customer backlogs at record levels. The company has been a beneficiary of themes such as an increasing focus on energy security, as well as the green energy transition.

On the downside, companies with a business model linked to online (e.g. identity verification, translation services, digitisation) all felt the pressure of the headline grabbing Artificial Intelligence (AI) stocks. Investors were worried that the developments in AI would overtake the services that these companies provide. Although it would seem inevitable that AI will change the dynamic of work output, we see it complementing existing services and companies being able to utilise AI to enhance their offering.

Whilst the Quarter has generally been a difficult one for the smaller company marketplace, we continue to see opportunities for investment in high quality businesses which we believe should remain resilient, with share prices not reflecting their underlying value.



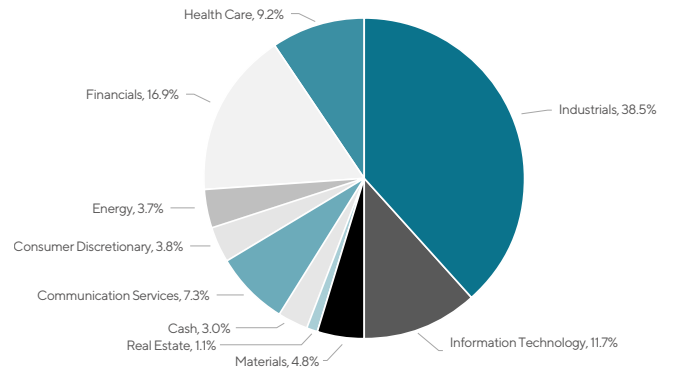
Total Return	CS Investment Managers Discretionary AIM Clients	ARC IHT Portfolio Index
3 Months	1.2%	-1.8%
1 Year	-5.8%	-10.4%
3 Years	21.6%	-0.5%
5 Years	4.6%	-12.9%



CS Investment Managers Discretionary AIM Clients	ARC IHT Portfolio Index
Monthly Volatility 5.6%	Monthly Volatility 5.3%

Top 10 Holdings	%	Sector
Alpha Financial Markets	6.2%	Industrials
Renew Holdings	5.9%	Industrials
Begbies Traynor	5.9%	Industrials
Ramsdens Holdings	5.5%	Financials
Brooks Macdonald	4.5%	Financials
Smart Metering Systems	4.4%	Industrials
Gamma Communications	4.3%	Communication Services
Ashtead Technology	3.9%	Industrials
Gresham House	3.9%	Financials
Hargreaves Services	3.7%	Energy

Overall Sector Breakdown as at 30 June 2023



Source: CS Managers Ltd and ARC Research as at 30 June 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.