

# AIM QUARTERLY REVIEW

As at 31st December 2024

Overall, 2024 was a positive year for our portfolios, comfortably providing clients with top quartile performance compared to our peers. On average, portfolios rose +4.6% in 2024 compared to our average peer who fell -4.7%, meaning a relative performance difference of +9.3%. Unconstrained stock picking combined with two takeovers helped provide clients with solid growth.

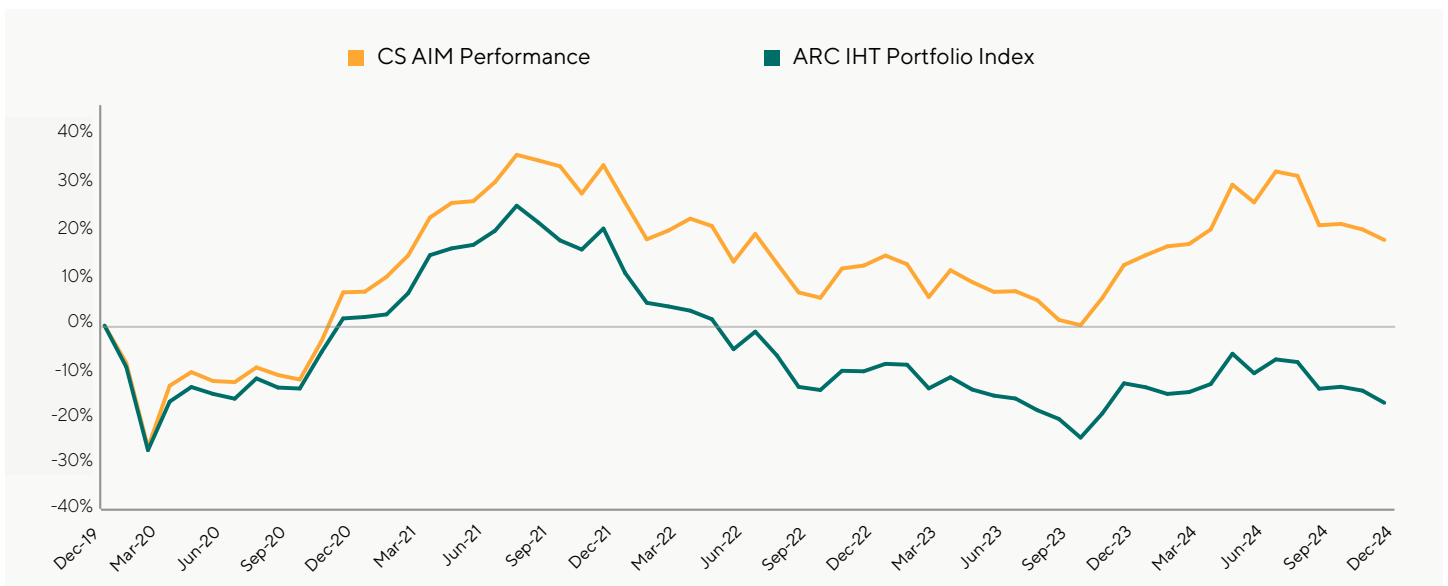
Over the fourth quarter specifically, portfolios were softer, with stocks such as Solid State and Renew pulling back. For the former, a challenging market backdrop combined with a delay in a large defence order resulted in broker downgrades and shares reacted accordingly. The headwinds are deemed to be near-term cyclical, and the group are well positioned to rebuild earnings as markets improve. Renew’s pullback was driven initially by concerns going into the budget for AIM stocks, combined later in the quarter, with reports of challenging end markets, with railway work being slower than expected.

On the positive side, Beeks continued its recent strength, driven by new contract wins at the start of the quarter. Revenue rose by 27%, with growth primarily driven by contract wins, including a £5million proximity cloud contract with one of the world’s largest

banking groups (yet to be named). Jet2 also performed well during the quarter with the company reporting strong interim results, with revenue up 15% and a positive outlook confirmed. Pricing for package holidays and flight-only was better than expected and demand for holiday travel remains robust. Elixirr acquired US-based insights and strategy firm Hypothesis in October, which was seen as a premium brand acquisition and strengthened Elixirr’s reputation in the US market. Hypothesis has an impressive roster of premium clients, including five of the Magnificent Seven.

While there is a very strong and convincing growth case for AIM shares looking out 2 or 3 years, given the valuations they trade on and solid earnings growth, we see AIM shares being a key pillar in Inheritance Tax (IHT) planning, particularly due to the changes in pensions from April 2027.

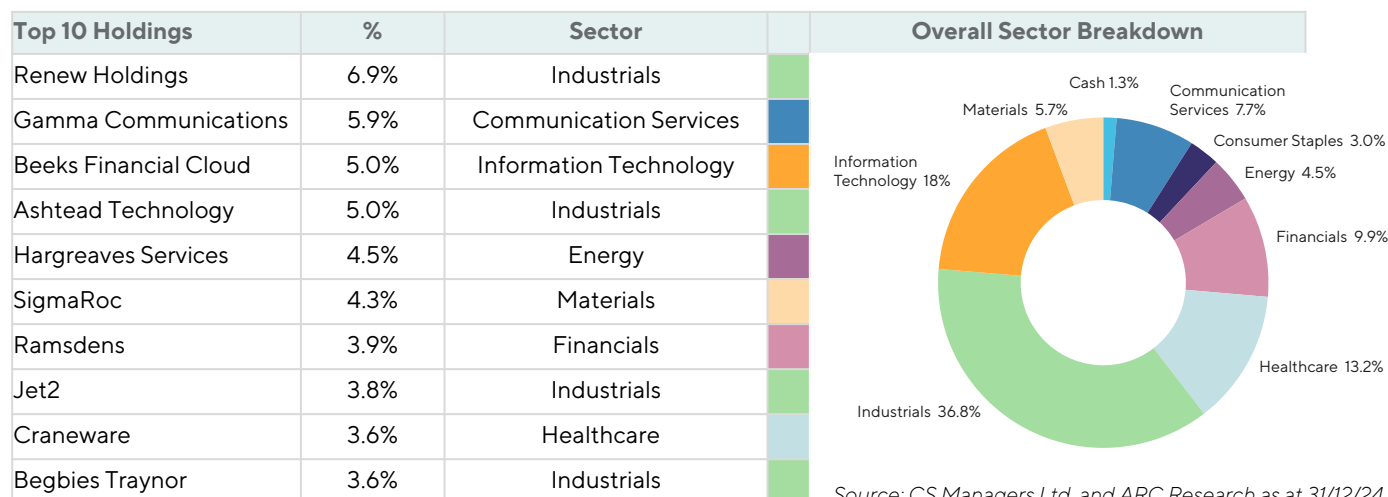
Charlotte Square Investment Managers AIM Discretionary Clients Performance (net of fees)



Source: CS Managers Ltd and ARC Research as at 31/12/2024

	CHARLOTTE SQUARE DISCRETIONARY AIM CLIENTS	ARC IHT PORTFOLIO INDEX
Monthly volatility	5.4%	5.1%

TOTAL RETURN	CHARLOTTE SQUARE DISCRETIONARY AIM CLIENTS	ARC IHT PORTFOLIO INDEX
3 Months	-2.6%	-3.5%
1 Year	4.7%	-4.7%
3 Years	-11.8%	-30.7%
5 Years	16.8%	-17.4%



Performance from 31 Dec 2010 – 30 Sept 2022 is drawn from stylised aggregate portfolios constructed from the discretionary portfolios managed by Charlotte Square 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 Charlotte Square 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.

## CONTACT

**William Forsyth | Executive Chairman & CIO | [wforstyth@csmanagers.com](mailto:wforstyth@csmanagers.com)**

Charlotte Square Investment Managers, 43 Charlotte Square, Edinburgh, EH2 4HQ | 0131 624 7709 | [www.csmanagers.com](http://www.csmanagers.com)

Charlotte Square Investment Managers is a trading name of CS Managers Ltd. CS Managers Ltd is authorised and regulated by the Financial Conduct Authority.

## DISCLAIMERS & RISK WARNINGS

Opinions constitute our judgement as of this date and are subject to change without warning. This investment product may not be suitable for all investors. The value of investments, and the income from them, can go down as well as up, and investors may not recover the amount of their initial investment. Tax benefits and allowances described in this factsheet are based on current legislation and HM Revenue & Customs practice and depend on personal circumstances. These may change from time to time and are not guaranteed. Where an investment involves exposure to a foreign currency, changes in rates of exchange may cause the value of the investment, and the income from it, to go up or down. Past performance is not a reliable indicator of future results. Neither CS Managers Ltd, nor any connected party accepts responsibility for any direct or indirect or consequential loss suffered by you or any other person as a result of your acting, or deciding not to act, in reliance upon any information contained in this document. Before contemplating any transaction, you should consider whether you require advice from your Financial Adviser.

**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.** CSFP6 1224

