

AIM

Portfolio

Service

Quarterly Report / March 2026



BM BROOKS
MACDONALD





Objective

The AIM Portfolio Service (APS) provides clients with exposure to a carefully selected portfolio of Alternative Investment Market (AIM) listed companies. Preference is given within our investment process to financially sound, profitable, and growing companies. In addition, investors can also derive potential Inheritance Tax (IHT) benefits from the service via the UK's Business Relief for Inheritance Tax policy, which seeks to encourage investment in certain qualifying companies by providing investors with IHT relief after two years of ownership.

Tax treatment depends on individual circumstances and may be subject to change in the future.

Past performance is not a reliable indicator of future results.

Business Relief is not guaranteed and remains, always, at the discretion of HMRC (to be determined on the death of the individual). It is important to note that any individual subject to the BR tax regime could pass away before the two year qualification period has been achieved (which may effect the application of some, or all, of the relief sought) and that the BR tax regime itself could be withdrawn by the UK Government at any point in the future.

Quarterly Commentary / Q1 2026

In the first quarter of 2026 our AIM Portfolio Service returned -12.7%, compared to the benchmark Deutsche Numis Alternative Markets (Total Return) Index which returned -5.1%.

The quarter began positively for the portfolio, increasing in value by 5.1% in January. Unfortunately, the conflict in the Middle East caused widespread selling of risk assets, driving the subsequent drawdown. The main concern for the global economy is the impact on oil and gas supplies resulting in higher energy prices and broader inflationary concerns. Whilst it is difficult to predict, a drawn-out war benefits nobody and therefore one would assume some level of de-escalation happens sooner rather than later.

The discrepancy between the portfolio and benchmark return was due to the benchmark's exposure to precious metals companies which held up relatively well during the sell off. Precious metal commodity companies do not typically qualify for Business Relief and are therefore not considered for inclusion in the portfolio.

Eagle Eye Solutions (+10%) designs and manages technology driven loyalty programmes for retailers predominantly based in Europe and north America. They announced contract awards with new customers as they continue to expand with a particularly attractive opportunity in the US.

Filtronic (+9%) was another bright spot in what was a largely challenging stock market environment. The shares continued to perform well since their initial inclusion in the portfolio in July last year. They announced a significant new contract in the US as the group continues to broaden their customer base, whilst retaining the very large multi-year growth opportunity with their largest customer SpaceX.

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Volex (+8%) reported 9-month revenue growth of 15%, well ahead of expectations and raised their full year guidance. Profit margins were also higher than expected resulting in expected profits growth of 20%. Demand for products they sell into data centres has been particularly strong.

YouGov (-34%) suffered a fall in profitability due to required investment to support future growth. Management also announced large scale efficiency programmes to recover profitability as well as a strategic review of their 'Shopper' division which they purchased for €315m in early 2024. Given the current valuation (6x P/E), a sale could unlock significant value for shareholders.

Beeks Financial Cloud (-34%) fell due to an update that disappointed some investors due to the timing of new contract announcements. The group did state that multiple significant new contract discussions were underway but that timing and deployment with major organisations can be unpredictable. We remain excited by the longer-term opportunity for the group.

Craneware (-30%) the software provider to US hospitals, got caught up in the global software company selloff in January and February. The fear that gripped markets stemmed from headlines that generative AI models could supplant existing software companies. Models such as ChatGPT and Anthropic have subsequently spoken of their desire to work with such companies rather than compete directly with them.

We sold **Strix** from the portfolio. The company announced late last year their intention to sell prize asset Billi for a total exceeding the group market value prior to the announcement of the deal.

With the shares having reacted positively to that announcement and the disposal now complete, we decided to exit the position due to a lack of confidence in the remaining kettles control business.

We used the proceeds to continue to build the position in **Uniphar**, the pharmaceutical distributor and global partner to Pharma and Medtech manufacturers. The shares have held up well, increasing 8% over the quarter.

As we enter the new tax year, the tax treatment of AIM shares will change such that upon ownership for 2 years one should benefit from a 50% relief on the inheritance tax (IHT) levied. AIM shares have had a tough couple of years owing to macro and policy pressures as well as IHT uncertainty. With clarity now on the IHT treatment and with valuations at generational lows, the capital return opportunity is significant. Any de-escalation in the Middle East would act as a major near-term catalyst.

If there is anything the team can do to help, or if you would like to discuss any aspect of our AIM Service in greater detail, please do let us know.

Ewan Millar

Senior Investment Director, Head of AIM

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AIM Portfolio Service

Fund summary

Launch date	July 2011
Number of holdings, including cash	36
Minimum investment	£50,000

Discrete 12 month performance to 31 March 2026 (%)

	2022	2023	2024	2025	2026
AIM Portfolio Service	-5.06	-19.42	-2.09	-14.02	-11.43
‡ Deutsche Numis Alternative Markets TR	-11.12	-22.05	-6.57	-7.01	6.58
Relative performance	6.06	2.63	4.49	-7.02	-18.01

Cumulative performance to 31 March 2026 (%)

	3M	6M	1Y	3Y	5Y	10Y	Since Inception
AIM Portfolio Service	-12.69	-16.72	-11.43	-25.44	-42.96	0.37	86.65
‡ Deutsche Numis Alternative Markets TR	-5.13	-6.00	6.58	-7.40	-35.84	14.09	-1.54
Relative performance	-7.56	-10.71	-18.01	-18.03	-7.12	-13.72	88.19

Past performance is not a reliable indicator of future results.

Sources: Brooks Macdonald/Deutsche Numis to 31 March 2026. All performance figures shown on this factsheet are net of Brooks Macdonald but gross of professional adviser management fees. Deduction of these fees will impact on the performance shown.

Investment team



Ewan Millar

Senior Investment Director and Head of AIM

Ewan joined Brooks Macdonald in 2020 and is the head of our Alternative Investment Market (AIM) Portfolio Service. Ewan is also head of our Direct Equity research team. Previously, Ewan was a Senior Investment Manager at Cornelian Asset Managers before its acquisition by Brooks Macdonald. Prior to that Ewan spent ten years at Kempen Capital Management (UK), working in their Small Cap team where he was the co-lead manager of their flagship European Small Cap fund. Ewan is a Chartered Financial Analyst (CFA) Charterholder.



Joe Capaldi

Investment Director

Joe joined Brooks Macdonald in 2022 and is an Investment Director on our Alternative Investment Market (AIM) Portfolio Service and sits on our Direct Equities research team. Prior to joining Brooks Macdonald, Joe worked at CS Investment Managers in Edinburgh for eight years where he was an Investment Director and head of the AIM IHT Service. Joe attained a first-class honours degree in Management & Business Enterprise from the University of Strathclyde in 2011 and is a Chartered Financial Analyst (CFA) Charterholder.

Contact

For further information on the AIM Portfolio Service please contact:
020 7408 5574 / aim@brooksmacdonald.com

Important information

All data provided by Brooks Macdonald Asset Management Limited accessed as at 31 March 2026 unless otherwise stated.

Investors should be aware that the price of investments and the income from them can go down as well as up and that neither is guaranteed. Past performance is not a reliable indicator of future results. Investors may not get back the amount invested. Changes in rates of exchange may have an adverse effect on the value, price or income of an investment.

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AIM companies can be illiquid in nature, meaning that it can be difficult to implement purchase or sale decisions during periods of volatility.

Business Relief is not guaranteed and remains at the discretion of HMRC to be determined on the death of the individual. The individual could die before the two year BR qualification period has been achieved. It is important to note that the BR tax regime itself could be withdrawn by the UK Government at any point in the future.

Tax treatment depends on individual circumstances and may be subject to change in the future. Brooks Macdonald does not provide tax advice and independent professional advice should be sought.

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