

Maunby

INVESTMENT MANAGEMENT LTD

INHERITANCE TAX EFFICIENT PORTFOLIO SERVICE

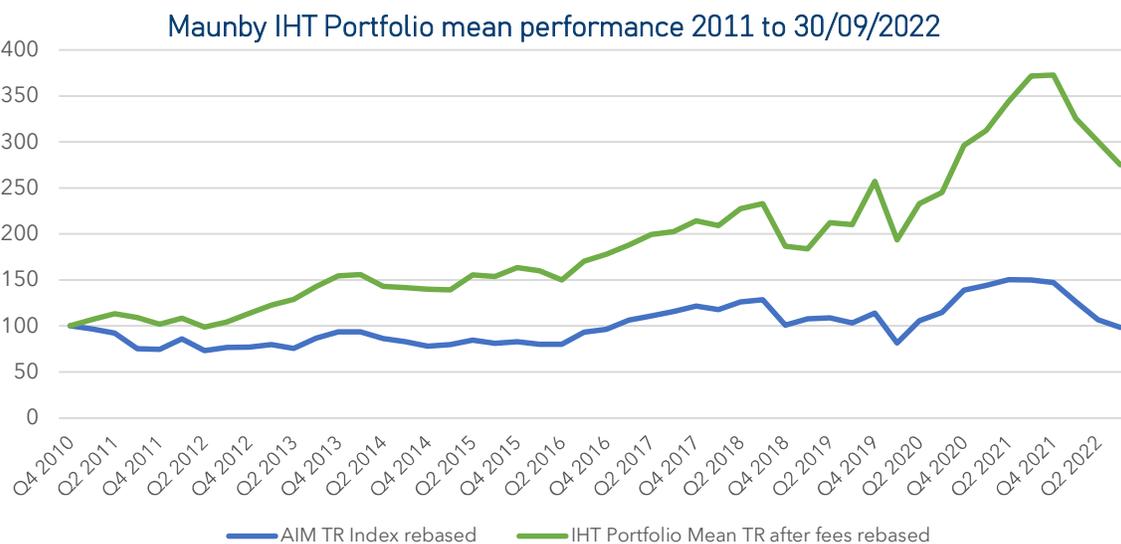
The Maunby IHT Efficient Portfolio Service is designed to offer a simple and effective solution to reduce any potential liability to inheritance tax (IHT). After allowances, such as the Nil Rate Band which is currently £325,000, most of us will be liable to pay IHT at a rate of 40%.

Under current tax rules, any money invested and held for two years or more in qualifying Alternative Investment Market (AIM) companies is eligible for Business Property Relief, which exempts their full value from IHT. This has two key benefits over gifts, or potentially exempt transfers. First, you retain control and ownership of the asset should they need it. Second, the wait is only two years instead of seven, before it falls entirely out of your estate for IHT purposes.

The Maunby IHT Efficient Portfolio Service has a track record that dates back to 2010 and is built on our considerable experience of investing in AIM. These are separately managed portfolios where the costs are kept within the portfolio, and which may also attract the benefit of being held within an ISA wrapper.

AIM stocks are generally considered to be high risk. To help control these risks we use a qualitative and quantitative framework, which is built on in depth research, company meetings and a few simple rules which, since inception, we have found useful in avoiding a few pot holes.

We look for profitable companies whose business models we understand. We avoid resource stocks and any other companies where their profitability relies solely on one asset. We look for good management teams who are engaged and appreciative of shareholder value. We prefer stocks with low or sustainable levels of indebtedness, so that they can weather periods of uncertainty better.



Rebased mean value as at quarter end - 31/12/2010 = 100
Mean unweighted performance after fees of all standard IHT portfolios for each discrete quarter

Quarterly update - Q3 2022

With inflation remaining stubbornly high and the Bank of England continuing to talk tough on interest rates, it was no surprise to see more economically sensitive companies and sectors struggle this quarter. However, a handful of portfolio companies bucked the trend and notably Ergomed and Franchise Brands delivered double digit returns. Demonstrating that even in challenging markets companies that can deliver growth will find investors willing to support them. And that's why we believe you won't always be able to buy well run companies, such as Jet2, on just seven times earnings.

Sector allocation

Health Care	20.6%
Industrial Goods and Services	19.2%
Financial Services	16.8%
Construction and Materials	8.4%
Technology	7.8%
Telecommunications	5.6%
Utilities	4.7%
Food, Beverage and Tobacco	4.1%
Insurance	4.1%
Travel and Leisure	3.8%
Consumer Products and Services	2.4%

Top ten holdings

Gamma	5.6%
Ergomed	5.5%
Keywords Studios	5.2%
Adv. Medical Solutions	5.0%
Renew Holdings	5.0%
Equals Group	4.9%
FRP Advisory Group	4.9%
Smart Metering Systems	4.7%
Marlowe	4.4%
Nichols	4.1%
	49.5%

Example holdings



Keywords Studios is an international technical and creative services provider to the global video games industry.

Advanced Medical Solutions Group designs and manufactures products that help in wound management and accelerate healing.



Largest UK tour operator to many Mediterranean leisure destinations and 3rd largest UK airline by number of passengers flown pre-Covid

Contact

For more information please feel free to contact the team at Maunby on 01423 523553 or hello@maunby.com

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