

Inheritance Tax Managed Service

Factsheet for professional advisers and existing investors only

31 December 2025

Inheritance Tax Managed Service (IHT Managed Service) is a specialist discretionary investment management service designed to provide accelerated relief from Inheritance Tax (IHT) by investing in Business Property Relief (BPR) qualifying shares quoted on the Alternative Investment Market (AIM) and the Aquis Stock Exchange Growth Market (AQSE).

Providing each investment in the portfolio, which qualifies for BPR, has been held for two years at death, all the capital invested, and any growth, is not subject to IHT.

The October 2024 Budget announced changes altering the rate of IHT relief for qualifying shares trading on AIM and AQSE from 100% to 50% from April 2026.

IHT Managed Service is one of the longest running AIM-based IHT services with a successful track record. Since its launch in March 2001, it has proved effective in protecting the value of clients' estates from IHT. It has a disciplined investment management process which is delivered by an experienced, specialist smaller companies team.

IHT Managed Service objectives

To achieve the correct tax status by capitalising on BPR

To preserve the value of the capital invested within the context of BPR

To achieve some capital growth

To diversify risk

With those objectives in mind, the investment managers will aim to build a diversified portfolio of profitable and well-managed companies which they believe hold the potential to generate positive returns over the long-term.

Cumulative performance (%)

	1 Year	3 Years	5 Years	10 Years	15 Years
IHT Managed Service	-4.1%	-12.4%	-8.7%	9.1%	128.7%
Numis Alternative Market TR*	6.3%	-5.2%	-29.7%	17.7%	-1.3%
UK Equities (GBP)	24.8%	47.8%	77.2%	123.5%	197.8%

Discrete performance (%)

Calendar year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 YTD
IHT Managed Service	5.1%	18.1%	-17.9%	24.6%	-6.0%	27.4%	-18.1%	-3.6%	-5.3%	-4.1%
Numis Alternative Market TR*	16.2%	27.4%	-17.5%	14.7%	19.3%	7.6%	-31.1%	-7.2%	-3.9%	6.3%
UK Equities (GBP)	17.1%	13.1%	-9.3%	18.5%	-11.5%	18.4%	1.2%	7.7%	9.9%	24.8%

Past performance is not a reliable indicator of future results.

Performance figures for the IHT Managed Service are stated after annual management and dealing fees, but do not reflect the effect of any initial or administration fees. A reference client for each series is used as a proxy for that series and the figures above show the simple average return over all series active in the period under review. The performance of a reference client is only included in the above analysis if that client had been active for at least six months of each period reviewed.

Source: TrinityBridge, Numis Securities and Morningstar as at 31 December 2025 unless otherwise stated. All use mid-market prices and are shown as Total Return (TR).

Key facts

Investment directors	Sam Barton Stephen Wood
AUM	£261.4m
Service launch date	28 March 2001
Minimum investment size	£50,000
One-off initial charge	£250 + VAT
Annual management fee	1.25% + VAT
Dealing fee on all transactions	1.00%

Timing of investments

A new series is launched after the last business day of every alternate month (February, April, June, August, October and December).

All subscriptions are collected together and invested at the same time once a 'series' has closed. At this point the investment team starts to buy shares.

Depending on market conditions and other factors, this process may take up to six months.

*Numis Alternative Market Index

Numis Alternative Market Index (NAMI) TR is used as a comparator only. It reflects part of the opportunity set of the Service, but does not include companies in which we may invest on the Aquis Stock Exchange Growth Market (AQSE) (previously known as NEX Exchange). Both NAMI TR and AQSE include companies which are not eligible for BPR. NAMI TR should not be construed as a benchmark for the Service, nor the return which an investor might expect.

Manager commentary

Market in focus

Equity markets delivered another encouraging quarter to finish 2025 on a positive note. There was a distinct change in market leadership as US equities underperformed their global peers, with Japanese, European and UK indices hitting all-time highs. Optimism stemmed from a combination of good corporate earnings, easing inflationary pressures and an anticipation of lower interest rates in developed economies. The standout performer was gold, which rose 12% on the quarter (and 64% over the year). The Morningstar UK Index, helped by mining and financials exposure, generated a total return of +6.6%. Smaller companies were hampered by pre-Budget concerns, and the Deutsche Numis Alternative Markets Index (NAMI) posted a total return of -0.9%.

Valuations were supported by looser fiscal policy from central banks, particularly the US Federal Reserve, which cut interest rates twice over the quarter as inflation slowed and unemployment picked up. A more pragmatic approach to tariffs from the Trump administration implies further downward pressure on inflation and a counterbalance to the stimulatory effects of the "Big Beautiful Bill". In Europe, the ECB maintained its accommodative monetary policy ahead of Germany's €500 billion infrastructure programme. Japan also announced a stimulus package, providing a boost to markets despite interest rates moving to their highest level (0.75%) since 1995.

In the UK, there was a mixed, but ultimately improving, picture. Increased labour costs stemming from the Budget in 2024 saw unemployment top 5% as companies prioritised profitability over expansion. Despite falling job numbers, average wages continued to rise due to higher public sector pay settlements. The run-up to the Budget was marked by policy uncertainty, with weak consumer and business confidence delaying investment and consumption decisions. This saw the Prime Minister face several rumoured leadership challenges due to record low approval ratings. In the end, November's Budget was broadly well-received. There were no unexpected tax rises in the short-term, with fiscal drag taking effect later in the parliament; this funds a commitment to infrastructure spending while doubling the Chancellor's debt headroom. Higher growth and lower inflation forecasts from the OBR were further positives and enabled the Bank of England to reduce interest rates to 3.75% in December.

We are hopeful of a more stable year in 2026. The cautious attitude displayed by consumers and businesses ahead of the Budget saw their finances strengthen as spending was deferred; any material improvement in confidence should see a corresponding uptick in economic activity to supplement higher public spending. Corporate earnings and GDP have proven more resilient to higher domestic taxes and tariffs than expected. International buyers have responded to the improving outlook and attractive valuations, but domestic investors, particularly pension funds, have maintained their paltry allocation to UK equities. Any sustained momentum in large cap share prices should prove helpful for smaller companies, which are currently trading at an anomalous discount despite their higher intrinsic growth rates, which is an exceptionally rare situation. There are, as ever, risks to this constructive view. The destabilising actions of President Trump on global politics, the ongoing conflicts in Ukraine and the Middle East, as well as the implications of AI disruption have so far been calmly digested by markets. Domestically, pressure on the Prime Minister and Chancellor is unhelpful. A change of leadership would probably pre-empt a shift to the left, which would likely be unfavourably received by investors.

It is disappointing to report a period of negative returns for the Service as the broader UK equity market made encouraging progress. This has been due, in part, to the upcoming reduction in Business Property Relief for companies in which the Service invests, with AIM's performance propped up by a resurgent resources sector, to which we have no exposure. Stocks holding back returns included Cohort (-36.7%) where results failed to deliver an expected earnings upgrade, NWF Group (-25.4%) which saw lower heating oil demand over a mild autumn, Diaceutics (-22.9%) due to fears of delayed pharma spend, and Celebrus (-20.1%) after posting a loss at its interim results. Bucking the negative trend were Venture Life (+17.9%) following the commencement of a share buyback programme and the sale of its oral care product range, Strix (+17.5%), which announced the disposal of its Billi division for more than the market capitalisation of the Group, and Renew Holdings (+10.0%) where full year results came in ahead of market expectations, as did Sigmaroc's (+5.8%) third quarter trading update.

Sam Barton, Managing Director, UK Smaller Companies

Source for all data: Bloomberg Finance L.P. as at 31 December 2025. For information purposes only.

Important notice: Please note there is no guarantee that the IHT Managed Service investment objective will be achieved. The value of investments and the income from them may fall as well as rise as a result of fluctuations in market, currency or other factors and investors may not get back the original amount invested. TrinityBridge may source data from third party data providers but accepts no responsibility or liability for the accuracy of data. Applications can only be made on the basis of the Brochure and the Client Agreement and all investors should carefully read the risk warnings contained within. All documentation is available on request. This document does not constitute investment advice and potential investors are recommended to seek professional advice before investing. All images and logos incorporated within this factsheet are for illustrative purposes only and do not represent any endorsement of, or partnership with, TrinityBridge Limited or its products and services.

Specific information: IHT Managed Service is a tailored discretionary investment portfolio management service that invests in both the Alternative Investment Market (AIM) and Aquis Stock Exchange Growth Market (AQSE), with the benefit of major tax advantages introduced by the Chancellor of the Exchequer in his budget of March 2000. The October 2024 Budget announced changes altering the rate of IHT relief for qualifying shares trading on AIM and AQSE from 100% to 50% from April 2026. IHT Managed Service is an Inheritance Tax mitigation service based on current tax law and practice. The tax treatment depends on the individual circumstances of each client and may be subject to change in the future. IHT Managed Service invests in 'qualifying shares' in smaller companies which may be more volatile than investments in more established companies. Such companies can be subject to certain specific risks not associated with larger, more mature companies. Consequently this can make the IHT Managed Service portfolios more volatile as the value of an investment may fall suddenly and substantially. IHT Managed Service is considered suitable only for informed and experienced investors.

Contact us

Wigmore Yard, 42 Wigmore Street, London, W1U 2RY
trinitybridge.com

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