

AIM PORTFOLIO SERVICE INCOME

INVESTORS' REPORT | INCOME

Yield: 4.9%

The second quarter of 2025 delivered the strongest performance for AIM in years—notwithstanding quite an unpleasant start as the world reacted to President Trump's first draft of his tariff plans. On average, our portfolios were [+17%] higher over the three months (full performance details overleaf).

Gains were broad-based with particularly good returns seen at Polar Capital Holdings (+40%), Volex (+58%) and Keystone Law (+32%). News flow across the portfolio has remained in line with expectations. We've not seen a noticeable change in how UK companies are faring, but it does appear that investors are beginning to appreciate how attractively valued UK assets are - with many perhaps questioning whether large US companies are quite the one-way bet they've seemed in recent years.

This month AIM celebrated its 30th birthday. The occasion though passed with little fanfare, overshadowed by a steady stream of departures from the market. So far this year, 61 companies—worth a collective £12.3bn—have either exited AIM or announced plans to do so. These include Brooks Macdonald, GB Group, Franchise Brands, Young & Co

Brewery, Johnson Service Group, and Ashtead Technology, among others. AIM used to be Europe's leading growth capital market—and, with reform, it could be again.

After ten years of managing AIM investments, I too will be departing this market. I will be leaving Hawksmoor at the end of August. Tinzar, who has been a key member of the team for the past two years, will take over as Portfolio Manager for the AIM Service. We've worked closely throughout that time, and I'm confident the transition will be a smooth one. Of course, if you have any questions on this, please don't hesitate to get in touch.

Finally, I'd like to thank all of our clients, advisers, and readers for your support and engagement over the years. It has been a privilege—and I wish you all the very best for the future.

Ian Woolley

Company Focus | Volex plc

In each of our quarterly briefings we present one of the companies in which we invest (not necessarily held by all clients) to provide examples of the kind of opportunities that one can find amongst quality smaller companies that trade on AIM.

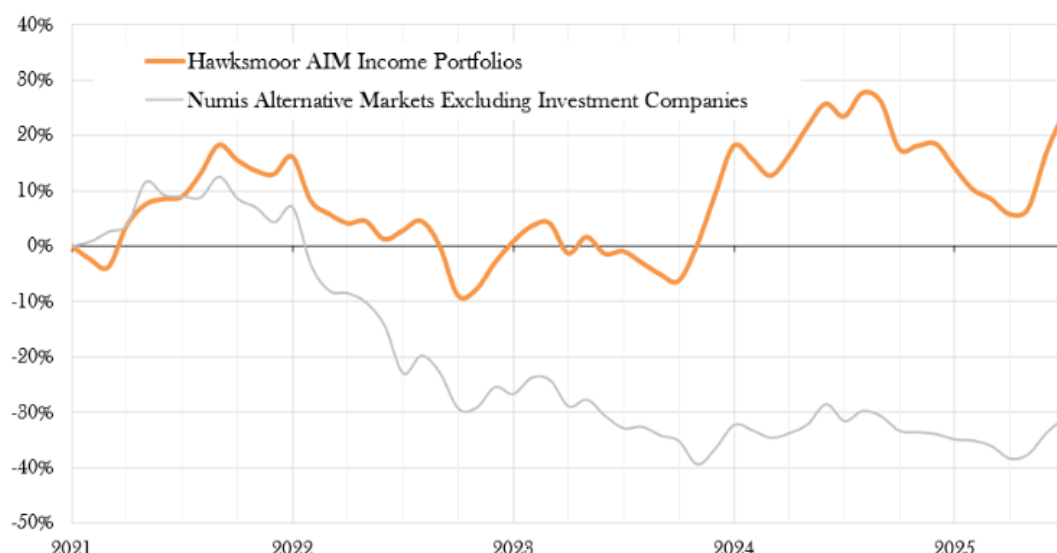


Volex is an integrated manufacturer of power products and cables. As well as being one of the world's largest suppliers of cables for household appliances and whitegoods, Volex has a rapidly growing business supplying complex systems for use in data centres, electric vehicles, industrial and medical markets.

In electric vehicles, it specialises in 'grid cords' - plugs and cables used to connect cars to the mains electricity. These need to be rugged enough to be accidentally driven over, or left out in the rain, without risk of electrocution.

Volex is a well-invested, highly-automated operation with deep customer relationships and exposure to several 'structural growth' markets. The business has a history dating back to 1892; today it employs over 8,000 and operates across 21 countries.

Performance of an illustrative Hawksmoor AIM Income Portfolio



Discrete Calendar Years	2021	2022	2023	2024
Hawksmoor AIM Income Portfolio ¹	16.1%	-13.2%	2.9%	-3.3%
AIM Benchmark ²	7.0%	-31.5%	-7.6%	-3.9%

Cumulative Performance	3 months	6 months	1 year	3 years
Hawksmoor AIM Income Portfolio ¹	17.6%	8.9%	0.8%	6.3%
AIM Benchmark ²	12.0%	6.0%	0.9%	-10.4%

PAST PERFORMANCE IS NOT A GUIDE TO FUTURE PERFORMANCE.

Our AIM Portfolio Service invests in exceptional UK smaller companies for long-term capital growth. It can also be used for inheritance tax planning since we endeavour to ensure that every investment will qualify for *Business Relief* once held for at least two years.

It is a virtue of Hawksmoor's size that we are not restricted to only the largest, most popular of AIM companies, where valuations can become artificially elevated by tax relief demand. Rather, our proprietary investment process combines a disciplined screening process with rigorous fundamental analysis designed to identify value and quality.



Meet the team



Ian Woolley, CFA
Head of AIM Services

Ian joined Hawksmoor in 2013 having previously worked as an investment analyst and business consultant. He has a First Class degree in Mathematics from the University of Bath and is a Chartered Financial Analyst (CFA) charter holder.



Tinzar Minmin
Investment Manager

Tinzar qualified as an Investment Manager in 2021. She has a BSc in *Actuarial Mathematics* and a Masters in *Actuarial Finance* from the University of Leeds. She was included in Citywire's 2023 'Top 30 Under 30' list of rising investment stars.

Important Information

Hawksmoor Investment Management Limited is authorised and regulated by the Financial Conduct Authority. Registered in England No. 6307442. Registered office: 2nd Floor, Stratus House, Emperors Way, Exeter Business Park EX1 3QS.

This document should not be interpreted as investment advice for which you should consult your financial adviser. The information and opinions it contains have been compiled or arrived at from sources believed to be reliable at the time and are given in good faith, but no representation is made as to their accuracy, completeness or correctness. Any opinion expressed, whether in general or both on the performance of individual securities and in a wider economic context, represents the views of Hawksmoor at the time of preparation, they may be subject to change. The value of an investment can fall as well as rise and you may not get back the amount originally invested. Investments in AIM carry an above-average level of risk – please see **Guide to the AIM Portfolio Service** for full details, which can be found on our website www.hawksmoorim.co.uk.

¹ *Methodology and source:* Hawksmoor, as at the date of this report. Performance is quoted on a total return basis after all charges and taxes, excluding any external adviser fees, calculated based on the average actual performance of all clients in the Hawksmoor AIM Portfolio Service with an income mandate.

² Deutsche Numis Alternative Markets Excluding Investment Companies Index, quoted on a total return basis.

