

# AIM Portfolio Service

## QUARTERLY FACTSHEET

all data as at the 30th September 2019

### Portfolio Objective

To achieve capital growth over the medium to long term from a portfolio of AIM-listed companies which we reasonably believe qualify for Business Relief.

### Manager Commentary

In the quarter the portfolio decreased by 1.71%, ahead of the benchmark which delivered a return of -5.69%.

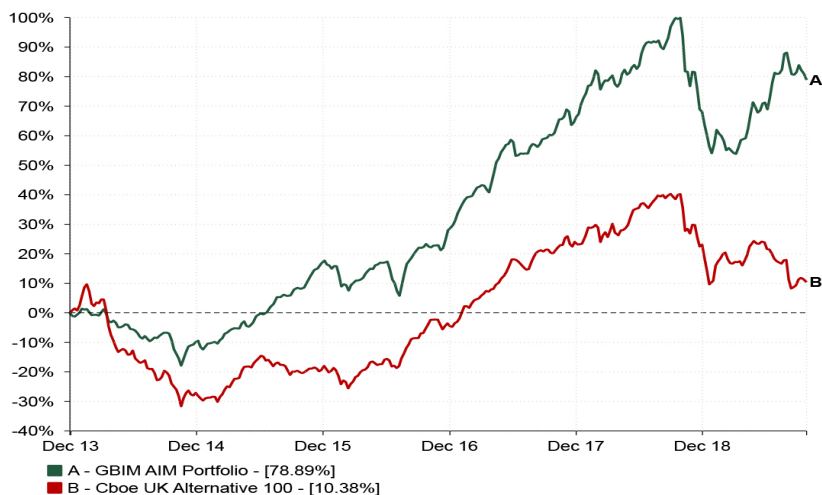
The quarter was characterised by what we did not own with Burford Capital impacting the performance of the benchmark.

Despite our patience with Arena Events and Fulcrum Utility Services, this was not rewarded and they were both sold in the quarter. In both cases we misjudged the investment case, albeit that this was more pronounced with Arena Events. Arena Events is suffering from wage inflation in its core markets of the US and Europe and our assessment judged the business to have more pricing power than it had in reality. Fulcrum Utility Services delayed their results and with risk of suspension looming we sold the shares.

Following the takeovers earlier in 2019 we added IMImobile and Swallowfield, the latter of which was subsequently re-named Brand Architekt Group. IMImobile provides technology to businesses to allow them to communicate with their customers in an automated fashion for instance to approve transactions or to notify customers of delivery progress. They are the UK market leader and are seeking to enter the under-developed US market. Brand Architekt Group have a portfolio of UK haircare and skincare brands which they intend to internationalise as well as adding to their stable of brands.

The SCISYS takeover is yet to clear regulatory hurdles and remains a holding. In anticipation we are building up our pipeline of new investment opportunities, through which we have added a new holding to the portfolio in the current quarter.

### Representative Performance Since Launch (%)



### Representative Cumulative Performance (%)

	6 Mths	1 Yr	3 Yrs	5 Yrs	Launch
Portfolio	12.62	-10.87	46.21	105.95	78.89
Benchmark*	-5.50	-21.44	14.93	46.52	10.38
Relative Performance	18.12	10.57	31.28	59.43	68.51

# GBIM

— GORE BROWNE —  
INVESTMENT MANAGEMENT

### Investment Managers



**Joseph Cornwall** Investment Manager  
Joseph has been managing the Service since 2015, analysing and meeting leadership teams of AIM companies. Joe is a Chartered Member of the CISI.



**Tom Hewitt** Director  
Tom joined in 2017. Previously he spent 14 years at Lloyds Bank lending to small and medium sized businesses. Tom is a Chartered Member of the CISI.



**Bertie Gore Browne** Investment Director  
Bertie is a co-founder of Gore Browne Investment Management and has been managing private client and charity portfolios since 1987. Bertie is a Fellow of the CISI.

### Key Details

Benchmark	<b>Cboe UK Alternative 100*</b>
Launch date	<b>28 November 2013</b>
TER	<b>2.09%</b>
Holdings	<b>21</b>
Historic yield	<b>1.49%</b>

Note that each client's portfolio is treated separately. Whilst stocks held are likely to be similar across client portfolios, weightings or levels of cash held within each account will vary. This is an actual portfolio which is the most representative example and provides the most accurate representation of GBIM's AIM Portfolio Service.

### Portfolio Benefits

- All investments in the Service we reasonably believe should qualify for business relief and be exempt from IHT (Inheritance Tax), if they are held for two years and at the time of death.
- The Portfolio Service allows access to smaller and often under researched companies, with potential for strong capital growth.
- ✓ Our Portfolio Service has made a benchmark-beating return since inception.

### Key Risks

- ⚠ Investors' capital is at risk and they may not get back the full amount that they invest.
- ⚠ We cannot guarantee that every investment will qualify for Business Relief.
- ⚠ Most of the investments in this portfolio are in smaller companies' shares. They may be more difficult to buy and sell and their share price may fluctuate more than that of larger companies.

### Contact Us

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## Representative Sector Allocation (%)

Software & IT	51.1	<div></div>
Support Services	22.9	<div></div>
Industrial Engineering	7.9	<div></div>
Real Estate	6.2	<div></div>
Beverages	2.9	<div></div>
Personal Goods	2.6	<div></div>
Cash	3.0	<div></div>

## Example of Holdings



## Glossary

### AIM – Alternative Investment Market:

Most securities listed on the AIM market qualify for Business Relief. Securities listed on AIM are generally smaller companies and are therefore higher risk.

### Business Relief:

If you own a private business it would qualify for Business Relief, similar to receiving Agricultural Relief on a farm. As such the value of that business would be outside of your estate for Inheritance Tax calculations. Inheritance Tax is currently levied at 40% over and above any applicable allowances at the time of death. You can therefore invest in a number of AIM-listed securities which, if held for more than two years, may qualify for Business Relief. The potential tax saving for your beneficiaries could potentially therefore be 40% on the value of your AIM-listed securities, assuming the two-year qualifying period has been achieved.

### ISA – Individual Savings Account:

Since 2013 you are able to invest in AIM-listed securities within your ISA so this provides further tax advantages as any crystallised gains would not be subject to Capital Gains Tax and any income would not be subject to higher-rate tax.

### TER - Total Expense Ratio:

This includes GBIM's Investment Management Fee, the Custody Fee, and commissions on dealings at both initiation and switching 20% of the portfolio per year. This also incorporates VAT which is payable on the Investment Management Fee.

### Total Return:

A measure which incorporates the reinvestment of dividends over time.

### Yield:

Calculated by dividing each company's latest financial year's dividends by the current market value of the firm, then multiplying by 100 to arrive at a percentage figure.

## IMPORTANT INFORMATION

This document is only for investment professionals, and for those clients of GBIM who have signed a Client Information and Suitability Questionnaire selecting an AIM Portfolio. Tax treatment depends on individual circumstances and may be subject to change in the future.

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