

AIM Portfolio Service

GBIM

GORE BROWNE
INVESTMENT MANAGEMENT

QUARTERLY FACTSHEET

all data as at the 31st March 2020

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 fell in value by 26.18%, marginally outperforming the benchmark which fell by 28.35%.

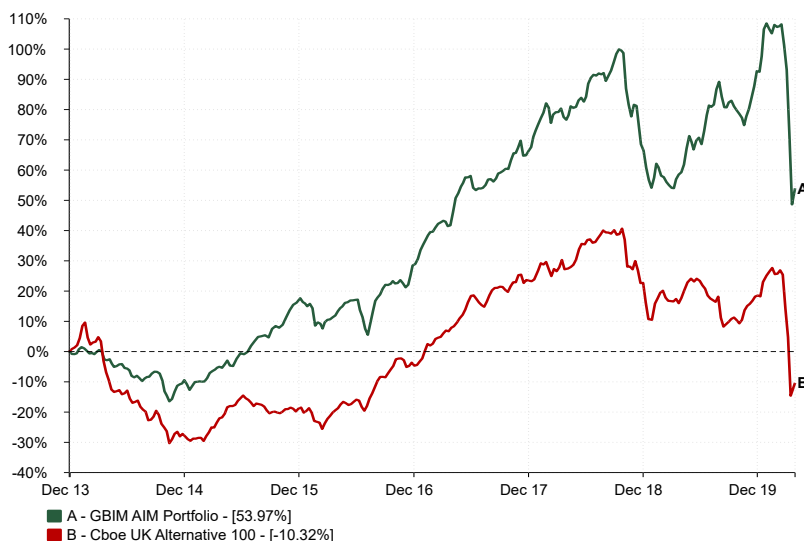
We began the quarter feeling bullish on the investment case for the UK, with Brexit signed, a Conservative majority and positive consumers. As such we reduced our largest positions, re-deploying those funds into companies with a domestic focus. These included Nucleus Financial Group, Sumo Group, Tracsis and ULS Technology. Flowtech Fluidpower was sold in January after a further disappointing trading update.

However, with the onset of Coronavirus, the background has changed considerably. We are not able to determine how long the lockdown will go on for and thus it could have a severe impact on many companies. Consequently we have re-assessed our holdings with a focus on their balance sheets and the possible future market dynamics for each company. Whilst we must tolerate temporarily weaker trading from our companies, our exposure to the Leisure sector through Johnson Service Group, Vianet, Filta and latterly Tracsis were not positions we were comfortable with. These positions were sold in the final two weeks of March.

As a result, we are temporarily running with an elevated level of cash. There are some excellent companies on our watchlist in structural growth areas, whose share prices have fallen in the market sell-off, where we will seek to re-deploy these funds in the coming weeks.

We feel that some of our existing companies are particularly well positioned to be long-term winners as the trends towards technology are accelerated.

Representative Performance Since Launch (%)



Representative Cumulative Performance (%)

	6 Mths	1 Yr	3 Yrs	5 Yrs	Launch
Portfolio	-13.93	-3.07	6.49	63.03	53.97
Benchmark*	-18.75	-23.22	-16.96	14.45	-10.32
Relative Performance	4.82	20.15	23.45	48.58	64.29

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	Cboe UK Alternative 100*
Launch date	28 November 2013
TER	2.09%
Holdings	19
Historic yield	1.29%

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	37.4	
Support Services	14.2	
Industrial Engineering	8.4	
Real Estate	6.4	
Construction & Materials	5.3	
Pharmaceuticals	5.0	
Beverages	2.6	
Personal Goods	2.1	
Leisure Goods	2.0	
Cash	16.7	

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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