

AIM Portfolio Service

GBIM

GORE BROWNE
INVESTMENT MANAGEMENT

QUARTERLY FACTSHEET

all data as at the 30th September 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 rose in value by 4.94%, marginally ahead of the benchmark performance of 4.43%.

The quarter began with the initiation of a small holding in Inspiration Healthcare, which supplies medical devices for the treatment of new-born and sick babies. The merger of the business with a local peer SLE we feel transforms the business in scale, offering substantial revenue synergies given SLE's global customer base.

We sold our small holding in Brand Architekts Group. Management have not promptly deployed the cash proceeds from the sale of their manufacturing arm and their core customers, which includes Boots, are facing significant pressures. From the proceeds of that sale we slightly increased our holdings in Zoo Digital and Restore after some short term share price weakness which we do not think was justified given the resilience of their business models.

It is important to note that we retain our discipline in buying companies with cash generative business models operating in long-term structural growth industries. Over the past six months, the AIM market has become polarised, with short-term structural winners seeing rapid share price rises along with some stocks which will have binary outcomes. We do not share the market's confidence in the barriers to entry of some of these short-term winners.

We have been delighted with how our companies have dealt with the crisis. So much so, that most management teams are using their strong balance sheets to proceed with M&A, to help build even better businesses over the longer term. As a result, we feel that the portfolio has attractive opportunities for medium-term upgrades to earnings forecasts from here.

Please note from the 1st October our benchmark will change to the Numis Alternative Markets Index following CBOE's recent decision to withdraw the CBOE UK Alt Index in November 2020.

Representative Performance Since Launch (%)



28/11/2013 - 30/09/2020 Powered by data from FE fundinfo

Representative Cumulative Performance (%)

| | 6 Mths | 1 Yr | 3 Yrs | 5 Yrs | Launch |
|----------------------|--------|-------|-------|-------|--------|
| Portfolio | 18.96 | 2.40 | 13.78 | 69.61 | 83.17 |
| Benchmark* | 37.50 | 11.72 | 2.59 | 56.30 | 23.31 |
| Relative Performance | -18.54 | -9.32 | 11.19 | 13.31 | 59.86 |

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 | 21 |
| Historic yield | 0.85% |

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 | 40.4 | |
| Support Services | 20.0 | |
| Industrial Engineering | 11.0 | |
| Beverages | 6.5 | |
| Leisure Goods | 5.3 | |
| Real Estate | 5.1 | |
| Pharmaceuticals | 4.8 | |
| Construction & Materials | 4.6 | |
| Medical Equipment | 2.1 | |
| Cash | 0.2 | |

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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