

# AIM Portfolio Service

# GBIM

GORE BROWNE  
INVESTMENT MANAGEMENT

## QUARTERLY FACTSHEET

all data as at the 31 December 2021

## 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

The portfolio rose by 1.13% over the quarter compared to the benchmark which declined by 1.49%. 2021 returns were 24.31% compared to 6.98% for the index.

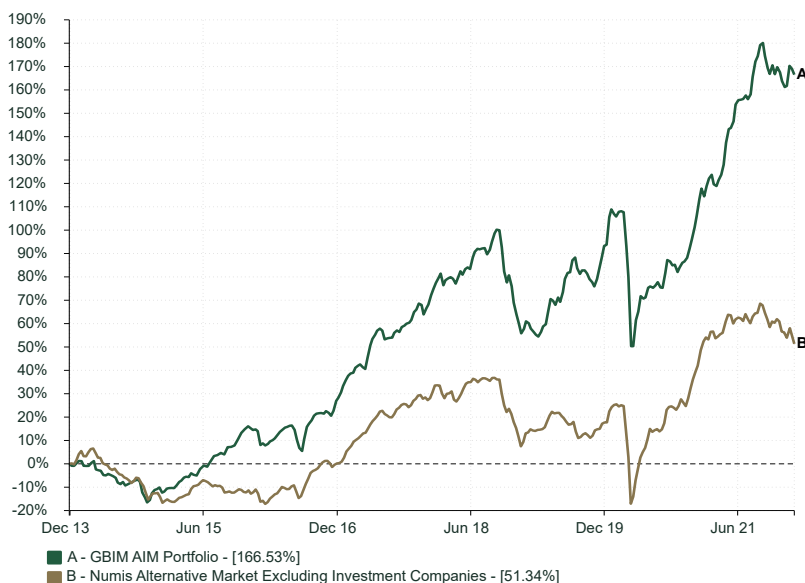
Despite the rapid spread of Omicron, in December the Bank of England increased interest rates from 0.1% to 0.25% as CPI rose by 5.1% in the 12 months to November 2021. At the same time the unemployment rate dropped to 4.2%. This indicates a continuing tightening in the labour market that could cause further inflationary pressures.

Over the horizon, we expect a more uncertain and volatile macro environment, with rising interest rates but not enough to hamper growth as there is no shortage of demand from households. Companies are also investing along with increased governments spending plans.

GB Group were weak during the quarter due to potential concerns over the purchase price of their acquisition of Acunte, but this merger we expect will help with future organic growth of the group and secure better presence in the US with an expectation of accelerated product rollouts. A number of the holdings in the portfolio are software companies which means supply chain issues have not been felt, however recent announcements from two holdings (Strix and Fevertree) have suffered and wage pressures are increasing for firms to retain talent. As a result, cost pressures are likely to remain elevated and we expect companies to pass on the costs to consumers to protect their margins.

Despite the difficult background all our companies retain strong market positions and are well positioned to be long-term winners in their respective markets.

## Representative Performance Since Launch (%)



## Representative Cumulative Performance (%)

	6 Mths	1 Yr	3 Yrs	5 Yrs	Launch
Portfolio	4.55	24.66	65.79	92.41	166.53
Benchmark	-2.90	-0.63	32.87	42.80	51.34
Relative Performance	7.45	25.29	32.99	49.61	115.19

## Investment Managers



**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** 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>Numis Alternative Markets Excluding Investment Companies</b>
Launch date	<b>28 November 2013</b>
TER	<b>2.09%</b>
Holdings	<b>23</b>
Historic yield	<b>0.70%</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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Telephone **01722 424 444**

**Representative Sector Allocation (%)**

Support Services	26.0	
Software & IT	23.9	
Industrial Engineering	11.3	
Pharmaceuticals	9.4	
Leisure Goods	6.8	
Real Estates	6.3	
Telecommunications	4.5	
Construction & Materials	4.0	
Beverages	3.2	
Financial Services	1.3	
Cash	3.5	

**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**

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