

# AIM Portfolio Service

# GBIM

— GORE BROWNE —  
INVESTMENT MANAGEMENT

## QUARTERLY FACTSHEET

all data as at the 30 September 2022

## Portfolio Objective

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

## Manager Commentary

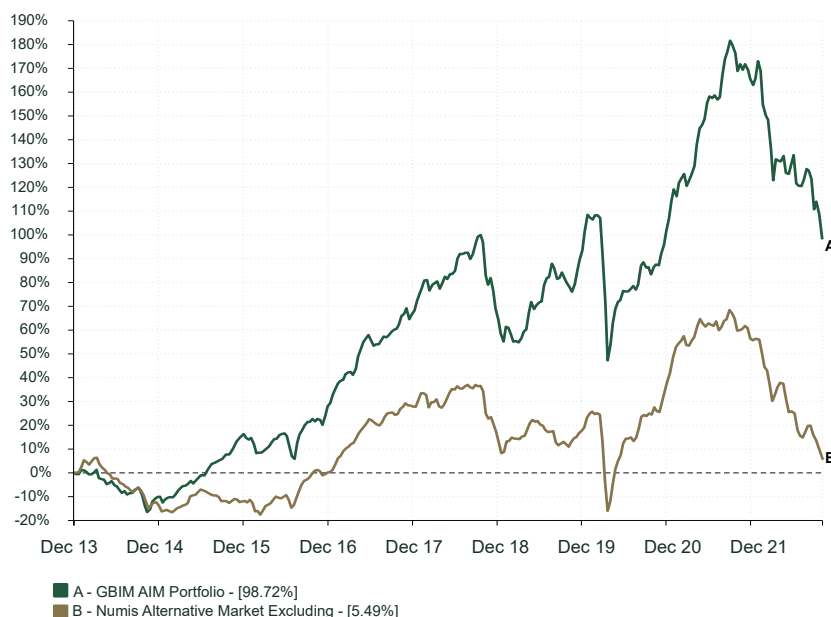
The portfolio declined by 8.08% over the quarter compared to the benchmark which decreased by 8.28%. It was another difficult period for the Alternative Investment Market (AIM) due to recent events such as the energy crisis, rising interest rates, and unfunded tax cuts.

In terms of activity, within the portfolio, we recycled the takeover cash from Ideagen into topping up GB Group, Strix, Breedon, Gamma, and RWS holdings. We have also taken a position in a new holding, Keystone Law in July. On a positive note, we took profits in GB Group (GBG) in September (where the position was overweight) after an informal bid from GTCR which saw their share price surge. On 4th October, GTCR withdrew the cash offer however GBG is still in our view one of the UK's best identity software businesses around.

Our new holding, Keystone Law (KEYS) is a modern law firm with a low-risk business model and is highly cash generative. Keystone Law essentially provides a platform for self-employed lawyers where they have the flexibility to work from anywhere with KEYS handling all the administration/marketing aspects and the lawyers are not salaried (they don't get paid until paid by the client). One of the key drivers for Keystone Law is recruitment and during the 2008 recession a lot of the traditional law firms let go of staff and it was the best year of recruitment for KEYS. With recession looming, we believe Keystone Law's low operational gearing gives it a key advantage over traditional law firms.

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

## Representative Performance Since Launch (%)



28/11/2013 - 30/09/2022 Powered by data from FE fundinfo

## Representative Cumulative Performance (%)

	6 Mths	1 Yr	3 Yrs	5 Yrs	Launch
Portfolio	-14.00	-26.90	10.78	23.16	98.72
Benchmark	-22.78	-34.94	-5.69	-15.53	5.49
Relative Performance	8.78	8.04	16.47	38.69	93.23

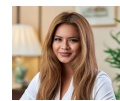
## Investment Managers



**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 Fellow 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.



**Tinzar Minmin** Investment Manager  
Tinzar joined in 2019. Previously she worked as an Analyst at the Bank of New York Mellon. Tinzar is a Chartered Member 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>21</b>
Historic yield	<b>2.12%</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 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 (%)**

Support Services	30.1	
Software & IT	26.6	
Industrial Engineering	11.7	
Pharmaceuticals	8.1	
Real Estates	6.6	
Telecommunications	6.5	
Construction & Materials	4.7	
Beverages	2.1	
Financial Services	1.5	
Cash	2.1	

**Example of Holdings**



**Glossary**

**AIM – Alternative Investment Market:**

Most securities listed on the Alternative Investment 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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