

AIM Portfolio Service

GBIM

— GORE BROWNE —
INVESTMENT MANAGEMENT

QUARTERLY FACTSHEET

all data as at the 31 December 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

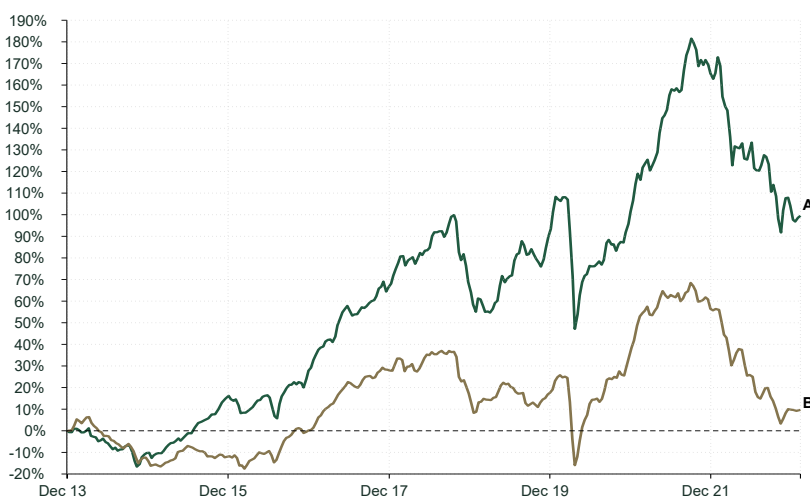
The portfolio declined by 0.6% over the quarter compared to the benchmark which had a positive return of 3.7%. The UK domestic market has been a tough place to be in 2022, but we believe the market has reached the point of peak uncertainty and we are gradually getting a better feel for the new year ahead. As you will see from the table below the long-term performance remains well ahead of the benchmark.

This quarter was weak due to ongoing lockdowns in China which caused further disruptions to supply chains and affected companies such as Strix (kettle technology), Alliance Pharma (Kelo-Cote “scar product”), and Inspiration Health (ventilators for infants). However, supply chain pressures should be easing as China moves away from the zero-covid policy and re-opens its borders. Regrettably one of our companies, MJ Hudson (MJH), took the decision to ask for a temporary suspension of its shares due to delays in the submission of its audited FY22 accounts. We have since met with the CEO Mathew Hudson (who has a large shareholding in the business), and he confirmed that it was a revenue recognition issue rather than a cashflow issue. We expect a further update at the end of January/early February.

Cerillion, Zoo Digital, Lok’nStore, and Judges Scientific have been strong performers in our portfolio, and all produced results in line with or ahead of expectations. Zoo Digital, for example, is a provider of end-to-end cloud-based localisation and digital media services to the global entertainment industry. In 2021, \$220bn was invested in content creation and we expect the content market to continue growing. For content creators (movies/tv series), language-related expenditure is a small portion of their overall cost base and insignificant relative to the potential returns of a more global audience for their content. Zoo Digital manages its capacity carefully and is not willing to commit if it can’t deliver. Furthermore, the company is protected from consumer recession and operates in a defensive B2B market.

In summary, we feel that there are good quality companies with strong earnings that are now even cheaper, and we look to take advantage of under-priced opportunities whilst acknowledging it has been an uncomfortable year for investors.

Representative Performance Since Launch (%)



■ A - GBIM AIM Portfolio - [97.63%]
■ B - Numis Alternative Market Excluding - [9.42%]

28/11/2013 - 31/12/2022 Powered by data from FE fundinfo

Representative Cumulative Performance (%)

	6 Mths	1 Yr	3 Yrs	5 Yrs	Launch
Portfolio	-8.59	-28.12	-5.52	13.24	97.63
Benchmark	-4.87	-31.49	-11.95	-17.00	9.42
Relative Performance	-3.72	3.37	6.33	30.24	88.21

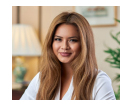
Investment Managers



Tom Hewitt Snr Investment Manager
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 Snr Investment Manager
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	Numis Alternative Markets Excluding Investment Companies
Launch date	28 November 2013
TER	1.93%
Holdings	21
Historic yield	2.12%

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 (%)

Software & IT	30.0	
Support Services	27.0	
Industrial Engineering	11.3	
Real Estates	8.0	
Pharmaceuticals	7.6	
Telecommunications	6.6	
Construction & Materials	5.3	
Beverages	2.6	
Financial Services	0.8	
Cash	0.9	

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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