

AIM Portfolio Service

QUARTERLY FACTSHEET

all data as at the 30 June 2023

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 second quarter of 2023 was tough with the portfolio falling 8.55% whilst the benchmark fell 5.55%. We had a strong Q1, Q2 was tougher but YTD we are ahead of the benchmark at -3.40% v -8.24%.

In May, we had a profit warning from Restore which provide support services to businesses in the public and private sectors. The bulk of the underperformance came from the group's Technology division which is dependent on customers investing in their IT hardware. Demand has proved to be more cyclical than previously anticipated with many customers delaying or reducing their spending in light of the current inflationary cost pressures.

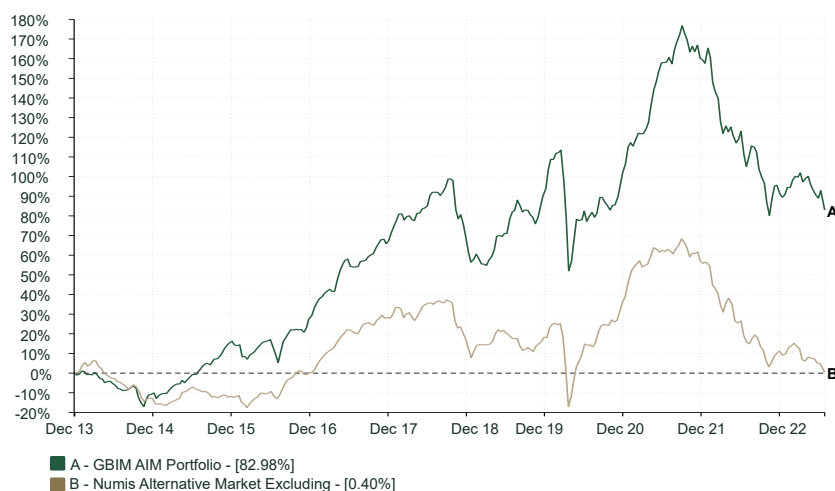
Zoo Digital, Learning Technologies and RWS were also weak due to the perceived risk of disruption to their business models from new technologies such as Artificial Intelligence (AI). AI disruption is currently an unknown but it will clearly provide opportunities to streamline processes and increase productivity. RWS' 2020 acquisition of SDL's AI-powered technology is evidence that management teams are acutely aware of the need to be on the front foot when it comes to adopting these new technologies.

On a more positive note, Telecom software provider, Cerillion, announced a strong set of interim results in May as they continue their impressive organic growth through larger deals with larger clients. This reflects Cerillion's increasing profile in the marketplace and strong customer demand for Software-as-a-Service solutions. Elsewhere, a recent addition to the portfolio, Ashtead Technology, continues to gain market share in the offshore energy industry and announced annual results ahead of expectations with a highly promising outlook off the back of demand for cleaner and more secure energy sources.

In terms of changes in the portfolio, we sold Breedon after they announced their intention to move from AIM to the main market and recycled part of the proceeds into a new holding, Volex (VLX). Volex is a global power cables manufacturer with local sites around the world, allowing them to benefit from the ongoing trend of localisation where customers are de-risking their supply chains by sourcing their inputs closer to home.

The current market environment is difficult for smaller UK companies and we are wary in particular of AIM companies that are overly reliant on debt to fuel their growth strategies. However, we are optimistic that investor confidence will improve as the inflation and interest rate pressures ease over the next 12-18 months. In the meantime our focus remains on ensuring that the portfolio companies are sufficiently resilient to get through these difficult times and come out stronger on the other side.

Representative Performance Since Launch (%)



Representative Cumulative Performance (%)

	6 Mths	1 Yr	3 Yrs	5 Yrs	Launch
Portfolio	-3.40	-9.93	2.30	-4.98	82.98
Benchmark	-8.24	-12.71	-12.18	-25.58	0.40
Relative Performance	4.84	2.78	14.48	20.60	82.58

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INVESTMENT MANAGEMENT

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	1.62%

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

Email	tomhewitt@gbim.co.uk
Telephone	01722 424 444

Representative Sector Allocation (%)

Support Services	29.8	<div></div>
Software & IT Industrial	25.7	<div></div>
Engineering	15.5	<div></div>
Real Estates	7.6	<div></div>
Pharmaceuticals	7.3	<div></div>
Telecommunications	7.3	<div></div>
Beverages	3.2	<div></div>
Cash	3.6	<div></div>

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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