

## SARASIN AIM STRATEGY

SARASIN  
& PARTNERS

Data as at: | As at 31 March 2023

## PORTFOLIO INFORMATION

Structure	<b>Discretionary Portfolio</b>
Benchmark	<b>Numis Alternative Markets Index</b>
Peer Group	<b>ARC AIP</b>
Net Assets	<b>£64.5m</b>
Dividend Yield	<b>1.7%</b>
Number of Holdings	<b>27</b>
Management Fee	<b>1.5% + VAT</b>
Dealing Fee	<b>0%</b>
Initial Fee	<b>0%</b>

## STRATEGY PROFILE

The Sarasin & Partners AIM Service provides investors with a concentrated portfolio of 20-30 stocks listed on the AIM market. These are companies that are capable of generating sustained long term growth, usually driven by themes identified in our investment process. As with all Sarasin investment products we take an active approach, and ESG considerations are incorporated into fundamental and risk analysis.

All stocks are expected to qualify for Business Relief after being held for 2 years, and are checked by a third party before initial investment and annually thereafter.

The strategy seeks to generate a net total return in excess of the Benchmark.

## MONTHLY COMMENTARY

In Q1 2023 the AIM market fell -2.8%, whilst the portfolio outperformed, declining by -2.1%. Smaller companies in the UK had a strong start to the year, outperforming their large-cap counterparts in January amidst an overall improvement in market sentiment. This trend reversed in March due to broader risk-off sentiment as markets grappled with turbulence to the US and European financials sector.

Share price performance was particularly strong for companies who had a more challenging end to 2022, including Inspeks (+120%), Alliance Pharma (+30%) and Strix (+21%). These businesses have since seen an uptick in trading activity thanks to improvements in global supply chains and consumer sentiment, particularly in China where the relaxation of zero Covid has had a positive impact on demand. FRP Advisory (-32%) and James Cropper (-31%) were the most significant detractors in the period, the former was a result of a weaker-than-expected trading update, whilst the latter was simply negative short-term momentum in the share price which has since recovered.

There was relatively low portfolio turnover as attention was focussed on existing names and in particular short-term cash flows and balance sheet strength. We made the decision to sell our small residual holding in In The Style due to the company being in the process of a strategic review, which considered a potential sale. However, a weak trading update in January negatively impacted the financials and capped the potential for value realisation, leading us to move on.

## PERFORMANCE STATISTICS

## CUMULATIVE PERFORMANCE (%)

	YTD	1Y	3Y	5Y	Since Launch
Strategy <sup>1</sup>	-2.1	-22.9	1.0	-26	63.2
Benchmark	-2.8	-22.0	21.6	-15.9	-7.8

## ANNUALISED STATISTICS (%)

	Returns Since Launch (Ann)	Volatility 3y (Ann)
Strategy	3.0	21.0
Benchmark	-0.5	20.2

## CALENDAR YEAR PERFORMANCE (%)

	2023	2022	2021	2020	2019
Strategy <sup>1</sup>	-2.2	-36.1	9.4	8.9	27.3
Peer Group	-4	-25.2	18.8	0.3	25.3
Quartile	1	4	4	1	1

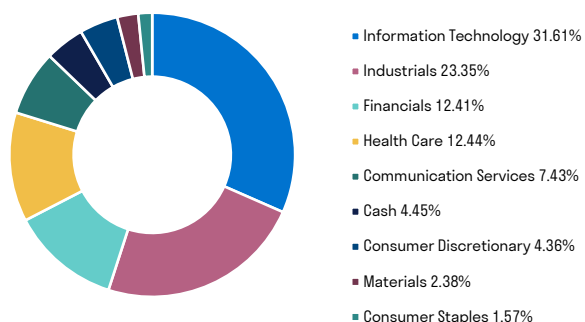
Peer group performance data is available quarterly and this figure shows performance to the latest available quarter. Data as at 31.03.23.

Inception of strategy: 01.01.07.

Past performance is not a guide to future performance.

The value of the investments of the model portfolios and the income from them can fall as well as rise and investors may not get back the amount originally invested. The benchmark from inception to 30.06.2020 was the FTSE AIM All Share Index. From 01.07.2020 the benchmark changed to the Numis Alternative Markets (inc Investment Companies) Index. ARC IHT Portfolio Indices ("AIP") are based on historical information and past performance is not indicative of future performance. 'S&P's composite performance is measured by the average of all AIM clients weighted by portfolio size whereas ARC's calculation is composed of an average of all AIM clients not weighted by size of portfolio. This difference in methodology could lead to slight discrepancies.

## SECTOR ALLOCATION



## TOP 5 HOLDINGS

Company	
CVS Group Plc	6.7%
Zoo Digital Group Plc	6.4%
Smart Metering Systems Plc	5.4%
Alpha Group International Plc	5.2%
Keywords Studios Plc	4.5%

## MANAGER PROFILE

### Hugo Wood

Hugo is a member of the UK equity team and is responsible for coverage of AIM companies and main market mid- and small-sized UK companies. He is also the manager of the AIM portfolios.

Prior to joining Sarasin & Partners in 2018, Hugo spent four years at Smith & Williamson working as a discretionary investment manager, as well as making up part of the AIM team. Hugo is a CFA charterholder.

### Edward Campbell-Johnston

Edward is responsible for the management of portfolios for private clients, personal pension funds and charities. He also manages Sarasin & Partners' AIM inheritance tax sheltered portfolio service.

Edward has an MA Hons degree in Management and International Relations from the University of St Andrews, and is a Fellow of the Chartered Institute of Securities & Investments (CISI).

## CONTACT US

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**Past performance is no guide to future performance and there is no guarantee that your AIM portfolio's objective will be achieved. We can make no guarantee either of investment performance or the level of capital gains or income that will be generated by your AIM portfolio. The value of qualifying investments and the income derived from them may go down as well as up and you may not get back the full amount invested.** Assessing the relative risk of the factors above is very subjective and can change in response to specific events or revised social/economic forecasts. It is not possible to lay down precise guidelines for the measurement of risk or the potential impact, whether positive or negative, upon an investment portfolio. Liquidity Please note that qualifying investments carry a higher degree of risk than investing in more liquid shares of larger companies. The share prices of AIM investments are generally more volatile than shares listed on the London Stock Exchange main market. The value of your investments may decline and there is a risk that this may outweigh any IHT saving. You should be aware that the qualifying investments in your AIM portfolio may be classified under FCA Rules as 'not readily realisable' (these are investments in which the market is limited or could become so: they can be difficult to deal in or obtain reliable information about their value). You should also be aware that certain qualifying investments may not have a regular dealing date, only deal on certain dates or have a minimum holding period. As such, it may well not be possible to deal in such qualifying investments on a regular basis. Tax Rates of tax, tax benefits and allowances are based on current legislation and HMRC practice. These may change from time to time and are not guaranteed. The AIM portfolio service has been designed with UK-resident taxpayers in mind. If you are not resident or ordinarily resident in the UK for tax purposes, it may not be appropriate or advantageous for you to subscribe to the AIM Portfolio Service. Qualifying investments Qualifying investments in which we invest may cease to qualify for IHT exemption. In this case, the relief available on that particular investment will be lost. In some instances, investments in particular companies will be sold if we believe that the investment rationale outweighs the tax benefits associated with retaining the holding. This may give rise to a capital gains tax charge. If the investment was qualifying at the time of sale and a new qualifying investment is acquired with the proceeds of sale, the two year holding period can be satisfied by combining these periods of ownership. If not, the relief available on that particular investment will be lost and the two-year holding period will begin afresh. This document is issued by Sarasin & Partners LLP, a limited liability partnership registered in England and Wales with registered number 0C329859, which is authorised and regulated by the Financial Conduct Authority. It has been prepared solely for information purposes and is not a solicitation, or an offer to buy or sell any security. The information on which the document is based has been obtained from sources that we believe to be reliable, and in good faith, but we have not independently verified such information and no representation or warranty, express or implied, is made as to their accuracy. All expressions of opinion are subject to change without notice. Sarasin & Partners LLP and/or any other member of the Bank J. Safra Sarasin group accepts no liability or responsibility whatsoever for any consequential loss of any kind arising out of the use of this document or any part of its contents. The use of this document should not be regarded as a substitute for the exercise by the recipient of his or her own judgement. Sarasin & Partners LLP and/or any person connected with it may act up on or make use of the material referred to herein and/or any of the information upon which it is based, prior to publication of this document. For your protection, telephone calls may be recorded. © 2023 Sarasin & Partners LLP - all rights reserved. This document can only be distributed or reproduced with permission from Sarasin & Partners LLP. Please contact marketing@sarasin.co.uk

