

Blackfinch Adapt AIM Income Portfolio

# Performance Q1 2025


**GROWTH INVESTOR**  
 2020 AWARDS

**WINNER**  
 BEST BR  
 INVESTMENT  
 MANAGER (LISTED)

The Adapt AIM Portfolios are a Discretionary Portfolio Management Service designed with the aim of mitigating Inheritance Tax (IHT) by investing in a portfolio of AIM-listed shares, carefully constructed by our team of specialist investment managers.

## Performance\*\*

Average total return, net of all fees but excluding adviser charges, for clients invested directly with Blackfinch.

	Q1 2025	Since Portfolio Inception <sup>4</sup>
Average Adapt AIM Income Portfolio	<b>-5.1%</b>	<b>16.9%</b>
Deutsche Numis Alternative Markets Total Return <sup>5</sup>	<b>-5.4%</b>	<b>-3.9%</b>

## Annualised Volatility

Calculated by FactSet

	3 year	Since Portfolio Inception <sup>4</sup>
Standard Deviation <sup>6</sup>	<b>10.7%</b>	<b>12.9%</b>
Deutsche Numis Alternative Markets Total Return Standard Deviation	<b>10.4%</b>	<b>12.6%</b>

<b>Forward P/E Ratio<sup>7</sup></b>	<b>10.5</b>
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## About

Launch Date	<b>July 2016</b>
Product Type	<b>Discretionary</b>
Minimum Investment	<b>£15,000</b>

## Portfolio Information<sup>1</sup>

Initial Fee	<b>0%</b>
Management Fee	<b>1.5%</b>
Dividend Yield <sup>2</sup>	<b>4.7%*</b>

## Key Features

Simple tax planning strategy targeting IHT exemption after 2 years

Eligible for an ISA; combining the tax benefits of an ISA with targeted IHT relief

Access to capital at all times (subject to market liquidity)

Focus on dividend yield with prospects for capital growth

Low minimum investment amount offering IHT relief to a wider audience of investors

## Available Platforms<sup>3</sup>



<sup>1</sup>See rate card for full details of current fees

<sup>2</sup>Based on quarter end values and model portfolio weightings. Calculated by FactSet

<sup>3</sup>Fee structure may vary according to choice of platform

<sup>4</sup>31/08/2016

<sup>5</sup>Source: Deutsche Numis via FactSet

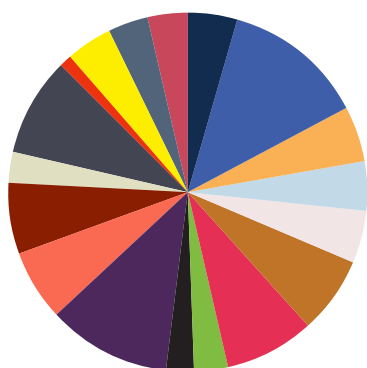
<sup>6</sup>Based on model portfolio weightings for the respective period. Calculated by FactSet.

<sup>7</sup>Forecast FY1 figure based on model portfolio weightings at quarter end. Calculated by FactSet.

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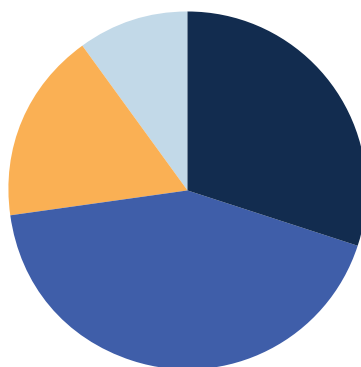
## Exposure by Sector<sup>1,2</sup>



Banking	4.6%	Insurance	6.3%
Business Services	12.8%	Mining and Mineral Products	6.4%
Consumer Retail	4.9%	Miscellaneous Retail	2.9%
Downstream & Midstream Energy	4.6%	Real Estate	8.7%
Food and Staples Retail	4.7%	Software and Consulting	1.2%
Food and Tobacco Production	6.9%	Telecommunications	4.2%
Hardware	8.1%	Household Services	3.6%
Household Products	3.0%	Healthcare Services	3.5%
Industrial Manufacturing	2.6%		
Industrial Services	11.1%		

## Exposures by Underlying Company Size (£m)<sup>1</sup>

The Income Portfolio currently contains 24 stocks with an average market capitalisation of £195.7 million.



£0-£100m	30.1%
£100m - £250m	42.9%
£250m - £500m	17.2%
£500m - £1bn	9.8%

<sup>1</sup>Percentage may not total 100% due to rounding  
<sup>2</sup>Source: FactSet

## Top 10 Holdings



A leading sustainable palm oil producer, which manages multiple high yielding crop plantations in Indonesia.



The UK's largest multi-brand lettings estate agency franchising group, with expertise in sales, lettings and financial services.

Epwin Group Plc

The leading UK-based manufacturer of low maintenance and energy efficient building products.

**Quartix**  
Real-Time Vehicle Tracking

An international supplier of vehicle tracking solutions for commercial fleets.



The workforce benefits and insurance provider.

**RAMSDENS**

A diversified financial services provider and retailer, with over 160 stores in the UK.



A diversified industrial services company, with expertise in materials handling, major earthworks and land development.

**KITWAVE**  
Wholesale group

An independent wholesale business operating in the ambient, frozen & chilled, and foodservice markets across the UK.

Gateley /

Legal and professional services company, with expertise in business services, corporate, people and property and consultancy.



A UK-wide network offering independent mortgage advice, protection, and insurance products to consumers through mortgage intermediaries.

## Performance\*\*

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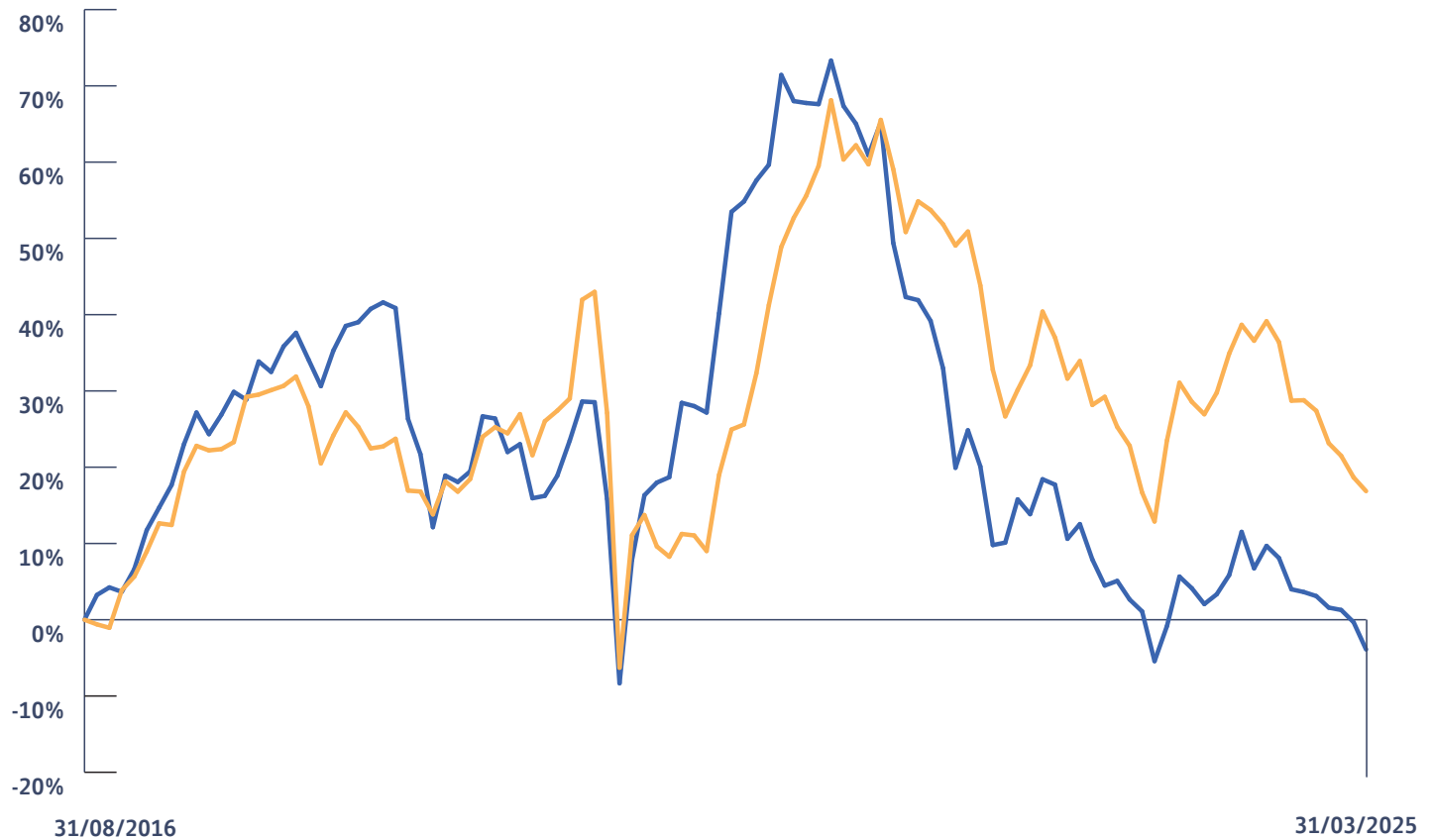
	Quarter	YTD	2 Year	3 Year	5 Year	Since Inception <sup>3</sup>	Calendar Year				
							2024	2023	2022	2021	2020
Average Adapt AIM Income Portfolio <sup>1</sup>	<b>-5.1%</b>	<b>-5.1%</b>	<b>-11.2%</b>	<b>-24.5%</b>	<b>24.7%</b>	<b>16.9%</b>	<b>-6.1%</b>	<b>-1.7%</b>	<b>-19.4%</b>	<b>32.5%</b>	<b>-12.0%</b>
Deutsche Numis Alternative Markets - Total Return <sup>2</sup>	<b>-5.4%</b>	<b>-5.4%</b>	<b>-13.1%</b>	<b>-32.3%</b>	<b>4.8%</b>	<b>-3.9%</b>	<b>-3.9%</b>	<b>-7.2%</b>	<b>-31.1%</b>	<b>7.6%</b>	<b>19.3%</b>

### Discrete Yearly Performance to Quarter End

	01/04/2024 31/03/2025	01/04/2023 31/03/2024	01/04/2022 31/03/2023	01/04/2021 31/03/2022	01/04/2020 31/03/2021
Average Adapt AIM Income Portfolio <sup>1</sup>	<b>-10.0%</b>	<b>-1.4%</b>	<b>-15.0%</b>	<b>9.6%</b>	<b>50.7%</b>
Deutsche Numis Alternative Markets - Total Return <sup>2</sup>	<b>-7.0%</b>	<b>-6.6%</b>	<b>-22.0%</b>	<b>-11.1%</b>	<b>74.2%</b>

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### Performance since Launch



<span style="color: orange;">█</span>	Average Adapt AIM Income Portfolio <sup>1</sup>
<span style="color: blue;">█</span>	Deutsche Numis Alternative Markets - Total Return <sup>2</sup>

<sup>1</sup>Average total return, net of all fees but excluding adviser charges, for clients invested directly with Blackfinch.

<sup>2</sup>Source: Deutsche Numis via FactSet

<sup>3</sup>31/08/2016

Financial data and analytics provider FactSet

## Portfolio Commentary

'Trumponomics' continued to shape investor sentiment over the quarter, as both consumers and businesses attempted to understand and brace against the potential impact of financial tariffs. Although intensive diplomatic negotiations on a UK-US economic deal took place, it was not enough to spare British exporters from Trump's tariff plans. Shortly after quarter end, the US announced a 10% 'reciprocal' tariff on UK exports and imposed a 25% global tariff on cars. The growing economic uncertainty fuelled the current 'risk-off' sentiment and further depressed valuations. Bank of England Governor Andrew Bailey cited this uncertainty as the key factor in the 8-1 vote in favour of leaving interest rates unchanged at its March meeting. After much speculation, Chancellor of the Exchequer Rachel Reeves enacted further spending cuts in what went down largely as a 'non-event' UK Spring Statement. Reeves confirmed the Office for Budget Responsibility (OBR) revised its forecast for economic growth in 2025, halving the original figure to 1% and suggested higher levels of inflation and unemployment later in the year. Questions remain on how the government can stimulate the economy and meet its pledges of stronger economic growth over the longer term. Recent gross domestic product (GDP) data confirmed the UK economy ground to a halt in the fourth quarter of 2024, with quarter-on-quarter growth of 0.1% – a touch higher than Q3's flat reading. As we look forward, the implications of US 'Liberation Day' may help frame this October's Autumn Budget, as we assess what economic damage there may be, if any, and see whether AIM can receive much-needed stimulus. Despite the uncertainty, we believe your portfolio of agile and innovative AIM companies with healthy balance sheets will weather the storms and we expect a rebound after this protracted period of challenging times.

While the investee company composition of the portfolio was unchanged in the quarter, we continued to see companies carry out bolt-on acquisitions, alongside paying out sustainable dividends. Balance sheet positions remained strong, with the majority of companies in a net cash position. Looking forwards, we believe the current valuations in the market gives us opportunities to add cash generative companies with attractive dividend yields.

**Portfolio Changes:** No changes in the quarter.

### IMPORTANT INFORMATION

Capital At Risk. This performance sheet is being issued by Blackfinch Investments Limited (Blackfinch), which is authorised and regulated by the Financial Conduct Authority (FCA number 153860). Registered address: 1350–1360 Montpellier Court, Gloucester Business Park, Gloucester, GL3 4AH. Registered in England and Wales Company Number 02705948. All data as at April 2025.

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For the first quarter of 2025, the Income Portfolio performance was underpinned by positive gains from Watkin Jones (+50.3%) and Personal Group (+36.4%), whilst Iomart (-57.9%) and RWS (-30.6%) detracted from performance.

Companies that detracted from performance during the quarter included Iomart. The UK-based cloud computing company released a trading update in February which revised down earnings expectations due to an acceleration in customer churn in the self-managed infrastructure base. The company confirmed its core Iomart business had seen strong bookings, the recent acquisition of Atech had continued to deliver growth in line with expectations, and that its net debt position would be broadly in line with market expectations.

RWS, the global provider of technology-enabled language, content and intellectual property services, was also weak. The company released a trading update in February which noted that while the first quarter of the 2025 financial year had seen organic constant currency revenue growth, there was some pressure on price and mix. Guidance was unchanged, with progress seen in the cost control programme, and the company reiterated that it still expected growth in volumes would more than offset pricing pressure.

Our best performer was Watkin Jones, the specialist build-to-rent and student housing developer. The company's financial year 2024 results announced in January showed a return to profitability, driven by the completion of six schemes in line with guided margins, and cost savings. The net cash position strengthened further, while the new Refresh business traded ahead of management's revenue target.

Personal Group, the workforce benefits and insurance provider, was also strong. The company's trading update in January confirmed that financial year 2024 results will be ahead of expectations. Record new insurance sales were achieved, and the benefits platform experienced 10% annual recurring revenue (growth). Final results published in March also confirmed an increase in the full-year dividend of 41%, and that momentum had continued into 2025.

Prospective investors should not treat the contents of this fact sheet as advice relating to legal, taxation or other matters. If in any doubt about the proposal discussed in this paper, its suitability, or what action should be taken, the investor should consult their own professional advisers.

\*Dividend yield reflects dividends received over a trailing 12-month period using end-of-period model portfolio weightings and valuation.

\*\*Total return performance is calculated using the time-weighted rate-of-return method taking into account all cash flows and fees, including trading expenses, management fees, custodial and account fees, but excluding the effect of adviser charges. The overall return is calculated by taking the geometric average of investors' portfolio returns each month. Individual client performance is only included if the client is invested directly with Blackfinch for a full calendar month.

FactSet calculate returns by compounding daily returns.  
Data and analytics provided by FactSet except where otherwise stated.  
Fees will be taken from the value of your investment.

Blackfinch Adapt AIM Growth Portfolio

# Performance Q1 2025


**GROWTH INVESTOR**  
 2020 AWARDS
 
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The Adapt AIM Portfolios are a Discretionary Portfolio Management Service designed with the aim of mitigating Inheritance Tax (IHT) by investing in a portfolio of AIM-listed shares, carefully constructed by our team of specialist investment managers.

## Performance\*\*

Average total return, net of all fees but excluding adviser charges, for clients invested directly with Blackfinch.

	Q1 2025	Since Portfolio Inception <sup>4</sup>
Average Adapt AIM Growth Portfolio	<b>-9.2%</b>	<b>-19.2%</b>
Deutsche Numis Alternative Markets Total Return <sup>5</sup>	<b>-5.4%</b>	<b>-9.9%</b>

## Annualised Volatility

Calculated by FactSet

	3 year	Since Portfolio Inception <sup>4</sup>
Standard Deviation <sup>6</sup>	<b>12.6%</b>	<b>13.5%</b>
Deutsche Numis Alternative Markets Total Return Standard Deviation <sup>5</sup>	<b>10.4%</b>	<b>12.8%</b>

<b>Forward P/E Ratio<sup>7</sup></b>	<b>11.4</b>
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## About

Launch Date	<b>June 2016</b>
Product Type	<b>Discretionary</b>
Minimum Investment	<b>£15,000</b>

## Portfolio Information<sup>1</sup>

Initial Fee	<b>0%</b>
Management Fee	<b>1.5%</b>
Dividend Yield <sup>2</sup>	<b>2.4%*</b>

## Key Features

Simple tax planning strategy targeting IHT exemption after 2 years

Eligible for an ISA; combining the tax benefits of an ISA with targeted IHT relief

Access to capital at all times (subject to market liquidity)

Focus on delivering capital growth

Low minimum investment amount offering IHT relief to a wider audience of investors

## Available Platforms<sup>3</sup>



<sup>1</sup>See rate card for full details of current fees

<sup>2</sup>Based on quarter end values and model portfolio weightings. Calculated by FactSet

<sup>3</sup>Fee structure may vary according to choice of platform

<sup>4</sup>31/12/2016

<sup>5</sup>Source: Deutsche Numis via FactSet

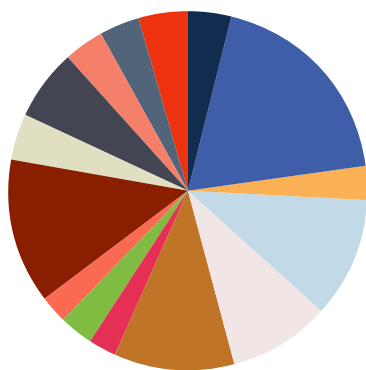
<sup>6</sup>Based on model portfolio weightings for the respective period. Calculated by FactSet.

<sup>7</sup>Forecast FY1 figure based on model portfolio weightings at quarter end. Calculated by FactSet.

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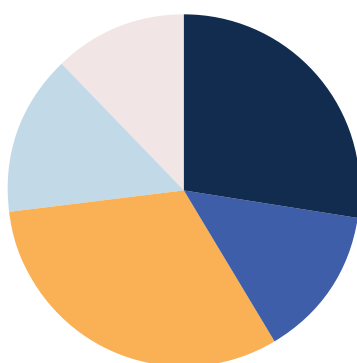
## Exposure by Sector<sup>1,2</sup>



Banking	3.9%	Real Estate	2.7%
Business Services	19.1%	Software and Consulting	13.0%
Food and Tobacco Production	2.9%	Telecommunications	4.2%
Hardware	10.9%	Hospitality Services	6.2%
Healthcare Equipment	9.3%	Electronic Components & Manufacturing	3.7%
Healthcare Services	10.7%	Upstream Energy	3.5%
Industrial Manufacturing	2.5%	Mining and Mineral Products	4.4%
Industrial Services	3.0%		

## Exposures by Underlying Company Size (£m)<sup>1</sup>

The Growth Portfolio currently contains 33 stocks with an average market capitalisation of £379.8 million.



£0-£100m	27.5%
£100m - £250m	13.9%
£250m - £500m	31.7%
£500m - £1bn	14.8%
£1bn+	12.0%

<sup>1</sup>Percentage may not total 100% due to rounding

<sup>2</sup>Source: FactSet

## Top 10 Holdings



An independent developer and manufacturer of tissue-healing technology.



Supplies unified communications in the UK and Europe, including telephony, broadband, mobile and security.



Leading provider of document management, secure recycling, and relocation services.



A market leading asthma diagnosis company.



Specialist digital identity company, providing global identity data intelligence services for companies to reduce fraudulent activity.



A UK-wide network offering independent mortgage advice, protection, and insurance products to consumers through mortgage intermediaries.



A leading lime and limestone group targeting quarried materials assets in the UK and Northern Europe.



Award winning customer analytics and fraud prevention firm.



Leading software provider focused on the development and ongoing support of software for the US healthcare industry.



Leading software company focused on the marketing and engagement space, offering email and SMS marketing automation and a customer experience platform.

## Performance\*\*

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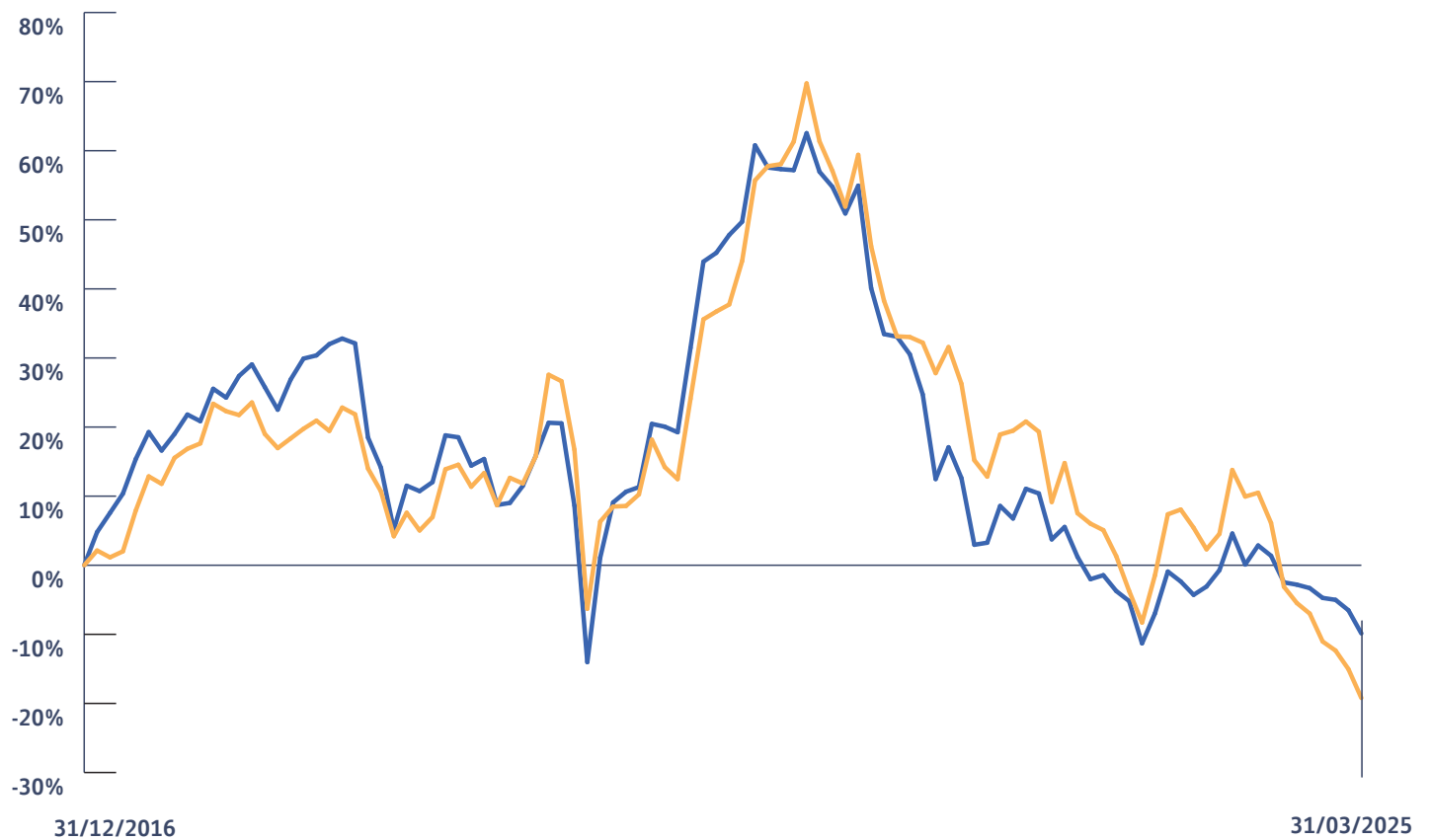
	Quarter	YTD	2 Year	3 Year	5 Year	Since Inception <sup>3</sup>	Calendar Year				
							2024	2023	2022	2021	2020
Average Adapt AIM Growth Portfolio <sup>1</sup>	<b>-9.2%</b>	<b>-9.2%</b>	<b>-26.0%</b>	<b>-39.3%</b>	<b>-13.8%</b>	<b>-19.2%</b>	<b>-17.1%</b>	<b>-10.1%</b>	<b>-25.0%</b>	<b>17.6%</b>	<b>6.3%</b>
Deutsche Numis Alternative Markets - Total Return <sup>2</sup>	<b>-5.4%</b>	<b>-5.4%</b>	<b>-13.1%</b>	<b>-32.3%</b>	<b>4.8%</b>	<b>-9.9%</b>	<b>-3.9%</b>	<b>-7.2%</b>	<b>-31.1%</b>	<b>7.6%</b>	<b>19.3%</b>

### Discrete Yearly Performance to Quarter End

	01/04/2024 31/03/2025	01/04/2023 31/03/2024	01/04/2022 31/03/2023	01/04/2021 31/03/2022	01/04/2020 31/03/2021
Average Adapt AIM Growth Portfolio <sup>1</sup>	<b>-21.0%</b>	<b>-6.3%</b>	<b>-18.0%</b>	<b>-7.6%</b>	<b>53.7%</b>
Deutsche Numis Alternative Markets - Total Return <sup>2</sup>	<b>-7.0%</b>	<b>-6.6%</b>	<b>-22.0%</b>	<b>-11.1%</b>	<b>74.2%</b>

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### Performance since Launch



<span style="color: orange;">█</span>	Average Adapt AIM Growth Portfolio <sup>1</sup>
<span style="color: blue;">█</span>	Deutsche Numis Alternative Markets - Total Return <sup>2</sup>

<sup>1</sup>Average total return, net of all fees but excluding adviser charges, for clients invested directly with Blackfinch.

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Financial data and analytics provider FactSet

## Portfolio Commentary

'Trumponomics' continued to shape investor sentiment over the quarter, as both consumers and businesses attempted to understand and brace against the potential impact of financial tariffs. Although intensive diplomatic negotiations on a UK-US economic deal took place, it was not enough to spare British exporters from Trump's tariff plans. Shortly after quarter end, the US announced a 10% 'reciprocal' tariff on UK exports and imposed a 25% global tariff on cars. The growing economic uncertainty fuelled the current 'risk-off' sentiment and further depressed valuations. Bank of England Governor Andrew Bailey cited this uncertainty as the key factor in the 8-1 vote in favour of leaving interest rates unchanged at its March meeting. After much speculation, Chancellor of the Exchequer Rachel Reeves enacted further spending cuts in what went down largely as a 'non-event' UK Spring Statement. Reeves confirmed the Office for Budget Responsibility (OBR) revised its forecast for economic growth in 2025, halving the original figure to 1% and suggested higher levels of inflation and unemployment later in the year. Questions remain on how the government can stimulate the economy and meet its pledges of stronger economic growth over the longer term. Recent gross domestic product (GDP) data confirmed the UK economy ground to a halt in the fourth quarter of 2024, with quarter-on-quarter growth of 0.1% – a touch higher than Q3's flat reading. As we look forward, the implications of US 'Liberation Day' may help frame this October's Autumn Budget, as we assess what economic damage there may be, if any, and see whether AIM can receive much-needed stimulus. Despite the uncertainty, we believe your portfolio of agile and innovative AIM companies with healthy balance sheets will weather the storms and we expect a rebound after this protracted period of challenging times.

The portfolio experienced takeover activity for the second quarter running, highlighting the embedded value, and allowing further exciting names to be added. We view the revenue diversification and agility of investee companies as key factors in driving company performance in a volatile macro environment. Balance sheet strength should also aid management teams, with over half of the investee companies in a net cash position.

**Portfolio Changes:** Alliance Pharma, the international consumer healthcare company, was sold in the quarter. This was following an agreed takeover approach from DBAY Advisors, which valued the company at a 46% premium to the undisturbed price. The proceeds helped fund new portfolio additions into Jet2, the award-winning travel company, and NIOX, a market leading asthma diagnosis company.

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For the first quarter of 2025, the Growth Portfolio performance was underpinned by positive gains from Watkin Jones (+50.3%) and Inspired (+37.3%), whilst Iomart (-57.9%) and Focusrite (-38.5%) detracted from performance.

Companies that detracted from performance during the quarter included Iomart. The UK-based cloud computing company released a trading update in February which revised down earnings expectations due to an acceleration in customer churn in the self-managed infrastructure base. The company confirmed its core Iomart business had seen strong bookings, the recent acquisition of Atech had continued to deliver growth in line with expectations, and that its net debt position would be broadly in line with market expectations.

Focusrite, the global music and audio products company, was also weak in the quarter. The company released an in-line trading update in January, but noted the financial year performance will be second half-weighted due to planned channel de-stocking. This was reiterated in the March trading update, which confirmed that elevated freight costs and product mix had slightly impacted gross margins. However, these are expected to improve, with price rises to be implemented in May.

Our best performer was Watkin Jones, the specialist build-to-rent and student housing developer. The company's financial year 2024 results announced in January showed a return to profitability, driven by the completion of six schemes in line with guided margins, and cost savings. The net cash position strengthened further, while the new Refresh business traded ahead of management's revenue target.

Inspired, the UK-based commercial energy and sustainability provider, was also strong. The company completed an equity fundraise in December 2024, which materially improved its balance sheet position and gave momentum to the share price. This was followed by an in-line financial year 2024 trading update in January, which also confirmed the three significant Optimisation projects, which were delayed in 2024, had all commenced.

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