

Blackfinch Adapt AIM Growth Portfolio

Performance

Q1 2022

GROWTH INVESTOR | **WINNER**
2020 IAWARDS | **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.

Blackfinch act as Discretionary Investment Managers for the service and are assisted by Chelverton Asset Management, the award winning fund managers with proven expertise of investment in AIM and smaller-cap companies. Chelverton act as Investment Advisers to Blackfinch and assist with stock selection, due diligence and portfolio construction.

Performance**

Total returns only and do not take into account fees. Figures are for illustrative purposes only and are based on model portfolio returns.

Calculated by FactSet

	Q1 2022	Since Portfolio Inception ⁴
Adapt AIM Growth Portfolio	-16.1%	103.6%
FTSE AIM All-Share Total Return ⁵	-14.2%	58.6%
Annualised Volatility	3 year	Since Portfolio Inception ⁴
Standard Deviation	16.6%	13.5%
FTSE AIM All-Share Total Return Standard Deviation ⁵	17.6%	14.3%
Sharpe Ratio	0.63	0.92
FTSE AIM All-Share - Total Return Sharpe Ratio ⁵	0.29	0.54
Forward P/E Ratio⁶	18.2	

About

Launch Date	June 2016
Product Type	Discretionary
Minimum Investment	£15,000

Charges¹

Initial Fee	0%
Management Fee	1.5% + VAT
Dividend Yield ²	1.6%*

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 the experienced and acclaimed fund management team at Chelverton

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 Platforms³



¹See rate card for full details of current fees

²Based on quarter end values and model portfolio weightings. Calculated by FactSet.

³Fee structure may vary according to choice of platform
⁴24/06/2016

⁵Source: FTSE Russell via FactSet.

⁶Forecast FY1 figure based on model portfolio weightings at quarter end. Calculated by FactSet.

Portfolio Commentary

Inflation remained elevated throughout the first quarter of 2022, pushing markets to expect quicker and more severe monetary tightening from central banks. This tightening was confirmed as the quarter progressed, with a knock-on impact on equity valuations.

The war in Ukraine added to inflationary pressure, given both Ukraine and Russia's importance to certain commodity markets. The invasion drove huge market volatility, but this subsided as Russian progress stalled, reducing fears that the war could escalate beyond Ukrainian borders.

Domestically, the primary concern was whether inflationary pressures would seriously erode consumer confidence into Q2, overtaking the mitigating factors of high levels of employment and savings, which had supported consumer sentiment throughout the pandemic. From a corporate perspective, management teams have worked hard to keep on top of difficult supply chains and manage inflation with price adjustments, which should benefit our portfolios given their focus on companies with pricing power.

The portfolio dropped alongside the wider market, albeit at a slightly elevated rate. Macro related news in the quarter, specifically the increased expectations of monetary tightening, had a knock-on effect on higher valued growth companies. While this is disappointing, we have confidence the portfolio offers investors the potential for returns over the medium term from these levels.

For the first quarter of 2022, the Growth Portfolio performance was aided by positive gains from Alliance Pharma (+5.7%) and Eco Animal Health (+1.2%), whilst dotDigital (-58.0%) and Strix Group (-33.4%) detracted from performance.

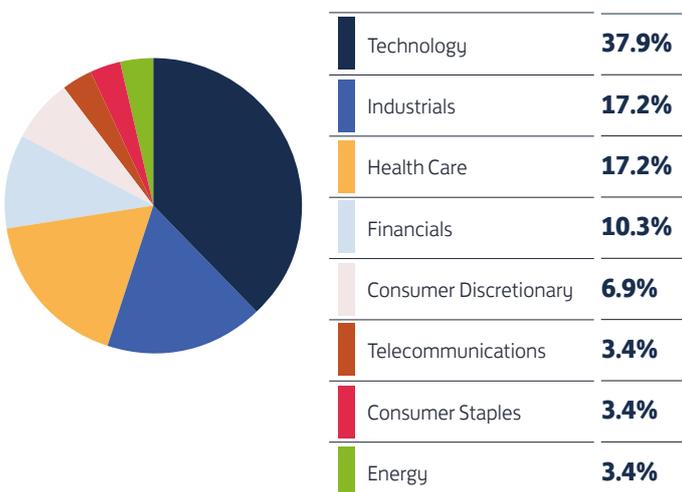
dotDigital announced half-year results and warned of growth headwinds, particularly in relation to its text messaging service, as well as difficulties with recruiting and retaining staff in the US. The US headcount has now been restored, but this will take time to filter through to revenue growth.

Strix Group announced full-year results in line with market expectations, but flagged several ongoing headwinds around commodity prices, freight cost inflation and supply chain issues, alongside a small portion of revenue related to Russia.

Alliance Pharma announced strong full-year results, driven by its consumer health portfolio, particularly Kelo-cote silicon scar gel. The company also announced the acquisition of a US business, which bolsters its US platform and brings new intellectual property into the group.

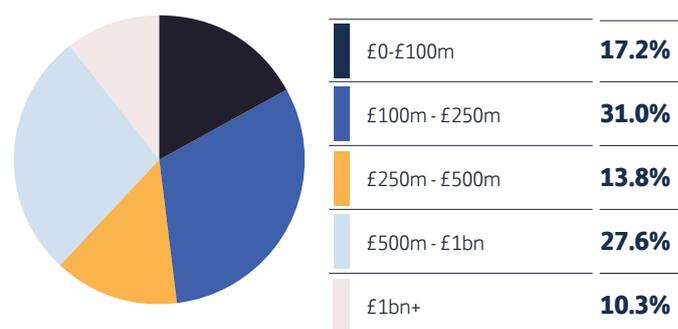
Eco Animal Health was also a notable performer. It announced in-line trading for the year ending 31 March 2022, despite volatile Chinese pork prices, albeit with higher than expected research and development expenditure resulting from investing in several early-stage opportunities.

Exposure by Industry^{1,2}



Exposures by Market Capitalisation (£m)¹

The Growth Portfolio currently contains 29 equally weighted stocks with an average market capitalisation of £397.6 million.



¹Percentage may not total 100% due to rounding

²Source: FTSE Russell via FactSet

Performance**

Figures are for illustrative purposes only and are based on model portfolio returns.

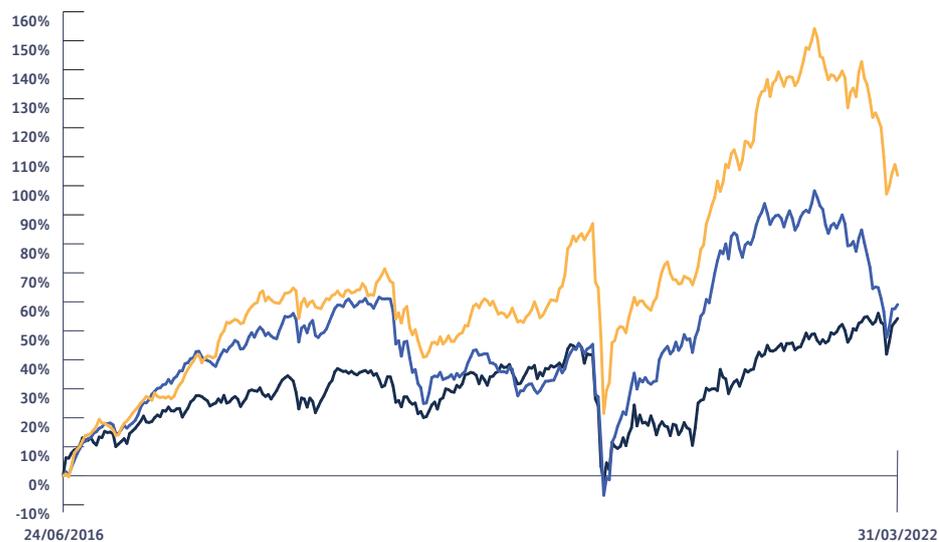
	Quarter	YTD	2 Year	3 Year	5 Year	Since Inception ³	Calendar Year				
							2021	2020	2019	2018	2017
Adapt AIM Growth Portfolio ¹	-16.1%	-16.1%	52.1%	36.3%	59.8%	103.6%	20.4%	10.9%	28.5%	-12.2%	30.1%
FTSE AIM All-Share - Total Return ²	-14.2%	-14.2%	55.4%	17.4%	18.8%	58.6%	6.1%	21.7%	13.3%	-17.1%	26.0%

Discrete Yearly Performance to Quarter End

	01/04/2021 31/03/2022	01/04/2020 31/03/2021	01/04/2019 31/03/2020	01/04/2018 31/03/2019	01/04/2017 31/03/2018
Adapt AIM Growth Portfolio ¹	-5.0%	60.2%	-10.4%	-5.4%	23.9%
FTSE AIM All-Share - Total Return ²	-12.1%	76.9%	-24.5%	-8.5%	10.5%

Past performance cannot be taken as a guarantee of future performance. Please read the disclaimer at the end of this page.

Performance since Launch



■	Adapt AIM Growth Portfolio
■	FTSE AIM All-Share - Total Return ²
■	FTSE All-Share - Total Return ²

¹ Calculated by FactSet. Total returns and do not take into account fees.

² Source: FTSE Russell via FactSet

³ 24/06/2016

Financial data and analytics provider FactSet

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.

Past performance cannot be taken as a guarantee of future performance. This performance sheet is based on a model portfolio. No guarantee can be made as to the composition of any individual portfolio. All figures are correct at the time of compilation. Any decision to invest in this service should not be based on this performance sheet but rather made on the basis of the information contained in the brochure, and the terms and conditions. Prospective investors must rely on their own examination of the legal, taxation, financial and other consequences of investing and the risk involved.

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 portfolio value.

**Total returns are used in order to give a clearer representation of the actual returns achieved, combining both the capital returns with income received from dividends.

FactSet calculate returns by compounding daily returns.

Data and analytics provided by FactSet except where otherwise stated.