

## Blackfinch Adapt AIM Growth Portfolio

# Performance

## Q2 2022

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

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

	Q2 2022	Since Portfolio Inception <sup>4</sup>
Adapt AIM Growth Portfolio	<b>-1.7%</b>	<b>100.1%</b>
FTSE AIM All-Share Total Return <sup>5</sup>	<b>-15.6%</b>	<b>34.0%</b>
<b>Annualised Volatility</b>	3 year	Since Portfolio Inception <sup>4</sup>
Standard Deviation	<b>16.8%</b>	<b>13.5%</b>
FTSE AIM All-Share Total Return Standard Deviation <sup>5</sup>	<b>18.1%</b>	<b>14.4%</b>
Sharpe Ratio	<b>0.49</b>	<b>0.86</b>
FTSE AIM All-Share - Total Return Sharpe Ratio <sup>5</sup>	<b>-0.06</b>	<b>0.30</b>
<b>Forward P/E Ratio<sup>6</sup></b>	<b>15.7</b>	

### About

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

### Charges<sup>1</sup>

Initial Fee	<b>0%</b>
Management Fee	<b>1.5% + VAT</b>
Dividend Yield <sup>2</sup>	<b>1.6%*</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 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 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>24/06/2016

<sup>5</sup>Source: FTSE Russell via FactSet.

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

## Portfolio Commentary

The continued rise in inflation expectations through the quarter saw Central Banks pursue more aggressive monetary tightening, increasing the risk of a recession in the next 12 months. The magnitude of this downturn depends on where inflation goes from here, and there are early signs of prices easing in some areas (such as commodities). However, there are still concerns about energy prices, given the ongoing conflict in Ukraine, and wage expectations and the risk of heightened inflationary expectations becoming entrenched. From a corporate perspective, newsflow remains broadly in-line, albeit with heightened caution in outlook statements. Forecasts would appear to be being set cautiously, but until there is more economic certainty, the market will remain “risk-off” and sceptical of forward earnings projections. From a positive perspective, employment levels remain high, supply chains continue to ease, and both household and corporate balance sheets are strong, all of which should provide support to economic activity.

The portfolio performed resiliently in the quarter, against the backdrop of the FTSE AIM All-Share declining by double digits. Pleasingly, the majority of the portfolio investee companies outperformed the index on a total return basis.

For the second quarter of 2022, the Growth Portfolio performance was underpinned by positive gains from Ideagen (+61.5%) and

Appreciate (+27.7%), whilst Eco Animal Health (-30.2%) and GB Group (-27.3%) detracted from performance.

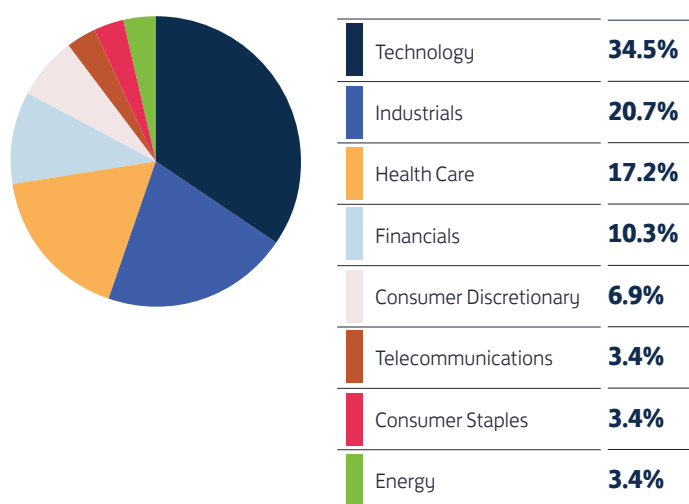
Eco Animal Health declined in the period. There was no newsflow in the period since March’s trading update (where revenue and margin were in-line with expectations). The Chinese pig price continues to improve, which should benefit customers in their key market, and we expect their full-year results shortly.

GB Group also underperformed, driven by several factors including the broader sell-off in higher valued growth names and the sale of stock by the former owner of their recent Acuant acquisition, despite full-year figures which led to small forecast upgrades.

Ideagen was the standout performer, as they announced a recommended bid for the company at a 52% premium to the price prior to speculation about a potential offer. The acquirer is a private equity firm, with a portfolio of over 45 software and technology businesses.

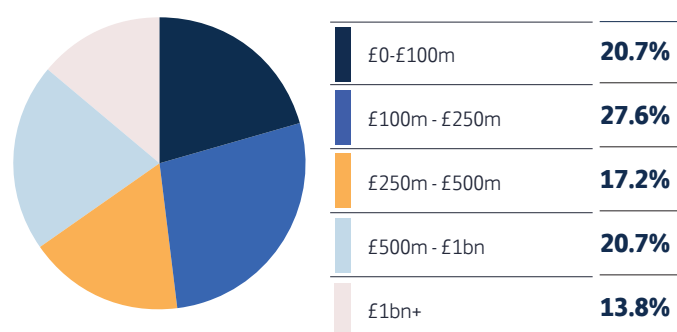
Appreciate was also strong, with a positive year-end update driving earnings upgrades, as they saw accelerated redemption of vouchers and continued improvement in Christmas Savings.

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



## Exposures by Market Capitalisation (£m)<sup>1</sup>

The Growth Portfolio currently contains 29 equally weighted stocks with an average market capitalisation of £398.8 million.



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

<sup>2</sup>Source: FTSE Russell via FactSet

## Performance\*\*

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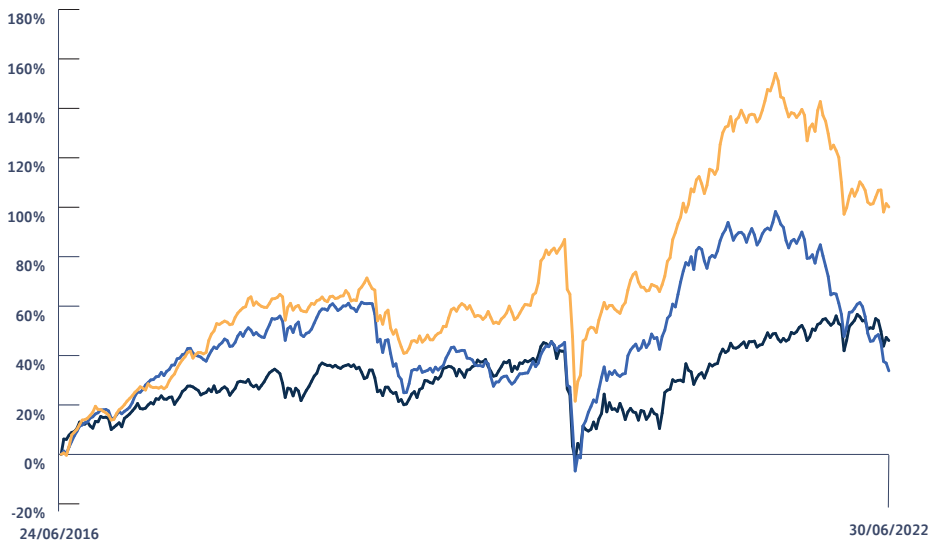
	Quarter	YTD	2 Year	3 Year	5 Year	Since Inception <sup>3</sup>	Calendar Year				
							2021	2020	2019	2018	2017
Adapt AIM Growth Portfolio <sup>1</sup>	<b>-1.7%</b>	<b>-17.6%</b>	<b>26.1%</b>	<b>28.5%</b>	<b>41.8%</b>	<b>100.1%</b>	<b>20.4%</b>	<b>10.9%</b>	<b>28.5%</b>	<b>-12.2%</b>	<b>30.1%</b>
FTSE AIM All-Share - Total Return <sup>2</sup>	<b>-15.6%</b>	<b>-27.5%</b>	<b>1.2%</b>	<b>-1.7%</b>	<b>-3.9%</b>	<b>34.0%</b>	<b>6.1%</b>	<b>21.7%</b>	<b>13.3%</b>	<b>-17.1%</b>	<b>26.0%</b>

### Discrete Yearly Performance to Quarter End

	01/07/2021 30/06/2022	01/07/2020 30/06/2021	01/07/2019 30/06/2020	01/07/2018 30/06/2019	01/07/2017 30/06/2018
Adapt AIM Growth Portfolio <sup>1</sup>	<b>-14.6%</b>	<b>47.7%</b>	<b>1.9%</b>	<b>-4.6%</b>	<b>15.7%</b>
FTSE AIM All-Share - Total Return <sup>2</sup>	<b>-29.0%</b>	<b>42.5%</b>	<b>-2.8%</b>	<b>-13.9%</b>	<b>13.5%</b>

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

### Performance since Launch



<span style="color: orange;">■</span>	Adapt AIM Growth Portfolio
<span style="color: blue;">■</span>	FTSE AIM All-Share - Total Return <sup>2</sup>
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<sup>1</sup> Calculated by FactSet. Total returns and do not take into account fees.

<sup>2</sup> Source: FTSE Russell via FactSet

<sup>3</sup> 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.

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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.