



AIM QUARTERLY REVIEW

QUARTER THREE | TWO THOUSAND AND SEVENTEEN

Our AIM portfolios returned 14% over the quarter, relative to a 3.1% return for the MSCI UK Micro Cap Total Return index. Politics remained a source of uncertainty during the quarter, with Brexit negotiations showing little progress and the German election highlighting that the populist tide has not yet turned. On the other hand, evidence continued to build of synchronised global economic recovery, which benefited commodity prices and presumably brings forward tighter monetary policy.

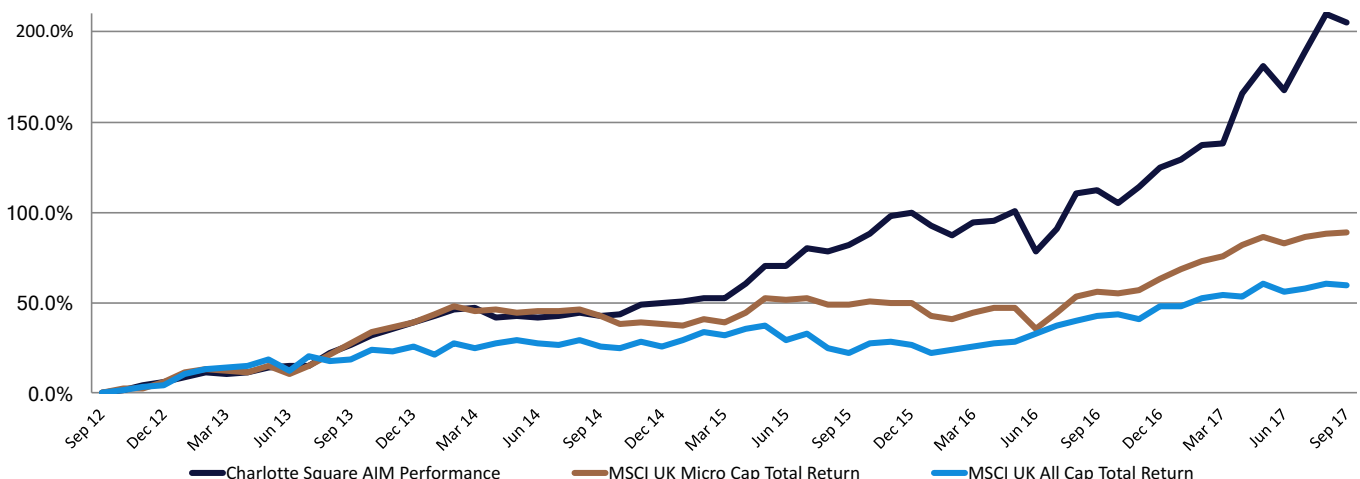
Against this background, the tailwind behind internationally oriented businesses persisted. Keywords Studios, the video game design and localisation company, was a beneficiary, as was Blue Prism, the Robot Process Automation software provider, which supplies a virtual workforce for back office clerical tasks. Meanwhile, Smart Metering Systems, the domestic smart meter provider, helped performance, as the company announced a further improvement in its installed asset base within the first two trading months of the current reporting period.

With inflation running ahead of wage growth in the UK at present and consumer uncertainty on the rise, consumer

discretionary stocks, such as auto retailers, have struggled in recent months. Despite this, some stocks dependent on consumer spending, which are not consumer staples, continue to perform well.

This includes Fever-Tree, the supplier of premium tonics and Conviviality Retail, the alcohol wholesaler and off-licence franchiser. Both companies fall under the “Affordable Treat”—an investment theme we quite like, as these companies are not traditional consumer staples, but are nonetheless relatively resilient to a general downturn in consumer spending.

**Cumulative AIM Discretionary Client Performance (Net Fees)
(Adjusted for cash contributions and withdrawals over period)**



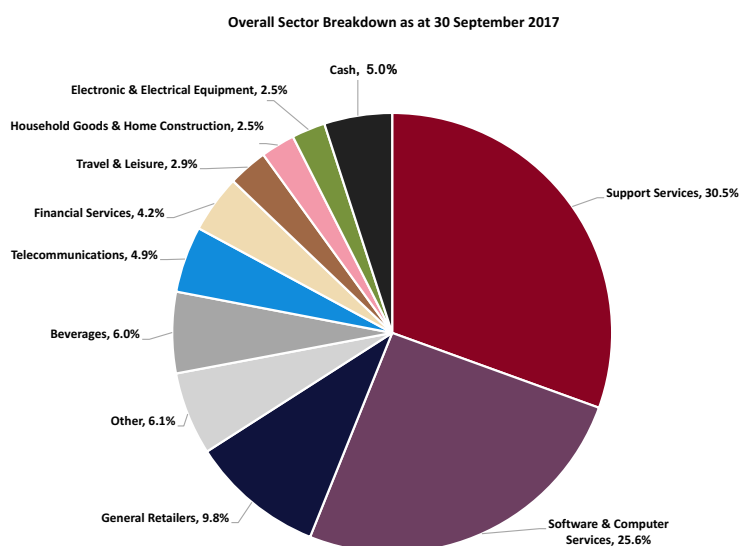


Charlotte Square Discretionary AIM Clients		MSCI UK Micro Cap Total Return		MSCI UK All Cap Total Return	
Monthly Volatility	3.6%	Monthly Volatility	2.7%	Monthly Volatility	2.8%

Total Return	Charlotte Square Discretionary AIM Clients	MSCI UK Micro Cap Total Return	MSCI UK All Cap Total Return
3 Months	14.0%	3.1%	2.3%
1 Year	43.8%	21.4%	12.0%
3 Years	113.9%	32.0%	27.0%
5 Years	205.1%	88.7%	59.5%

Source: Charlotte Square and MSCI data as at 30/09/2017.

	Top 10 Holdings	%	Sector
	BLUE PRISM GROUP	7.2	Software & Computer
	KEYWORDS STUDIOS	7.2	Support Services
	RESTORE	6.7	Support Services
	CVS GROUP PLC	5.9	General Retailers
	FEVERTREE DRINKS	5.8	Beverages
	SMART METERING	5.6	Support Services
	GAMMA COMMUNICATIONS	4.9	Telecommunications
	CONVIVALITY RETAIL	3.8	General Retailers
	PROACTIS HOLDINGS	3.7	Software & Computer
	RENEW HOLDINGS	3.7	Support Services



Source: Charlotte Square data as at 30/09/2017.

Performance numbers are indicative, drawn from a stylised aggregate portfolio constructed from our individual discretionary AIM Portfolios. The figures are calculated on a monthly basis, net of Charlotte Square's Annual Management Charge of 1.2% plus VAT and additional Dealing Charges, and are adjusted for cash contributions and withdrawals. Please note that the performance of individual portfolios may vary due to factors such as the portfolio size, stock selection and timing of investment transactions. AIM investments can be illiquid in nature and carry a higher degree of risk than other securities and are not, therefore, suitable for some investors. **The AIM Portfolio should be regarded as a higher risk, long term investment managed on a discretionary basis. We would strongly recommend seeking independent tax and financial advice before taking any action.**

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