

In the final quarter of 2021, equity markets were focused on the Omicron variant and on monetary policy. Reflecting rising doubts in the US about how quickly inflation can be expected to subside, the Fed indicated that interest rates may need to rise. At home, the Bank of England raised rates to 0.25%, though monetary policy remains remarkably loose.

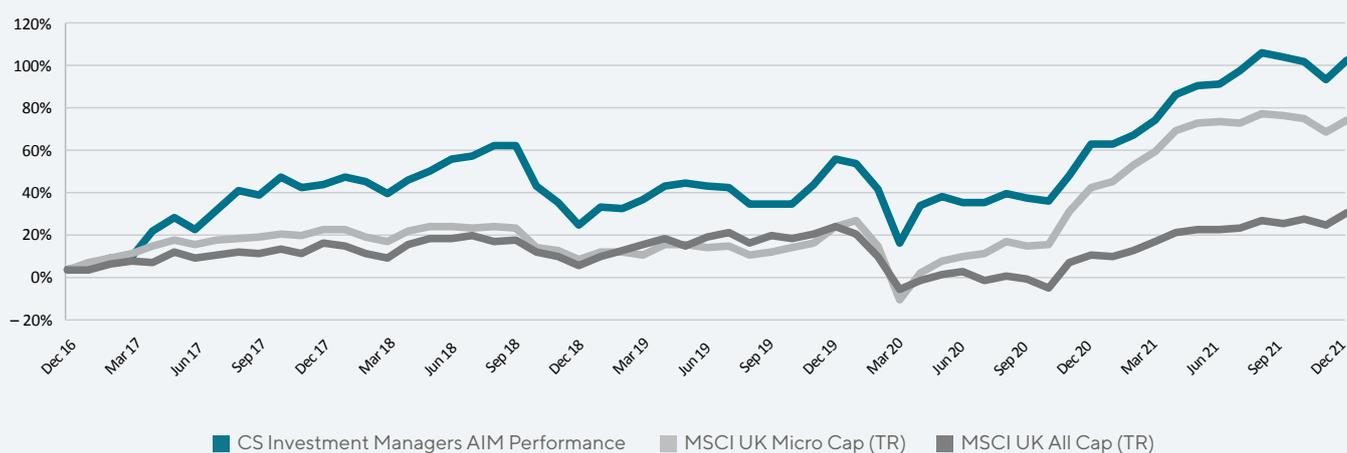
Equity markets were encouraged by indications that the Omicron variant might not be as dangerous as its predecessors. Against this backdrop, the MSCI UK All Cap returned 4.2% and the MSCI UK Micro Cap returned -0.9%, as fears weighed on the impact any restrictions may have on smaller companies in particular. The AIM IHT service produced a return of -0.8%, as coronavirus fears weighed on sentiment.

Turning to stocks, Alpha Financial Markets generated a return of 34.5% in the recent quarter, as the integration of a US acquisition continues to complement existing sales to the wider group. The company continues to see demand for its compliance and technology consultancy services to global fund and wealth management companies, which is a trend we believe will last for several years to come. Marlowe, a safety

and regulatory compliance software company, meanwhile provided a strong trading update, which returned 21.4% during the quarter. The update demonstrated a continuation of demand for its safety checks for water companies, offices and retailers across the UK.

Just as in 2021, we expect that 2022 will not be a steady path, and swings in investor sentiment will force changes in leadership, suggesting that investors would be prudent to position their portfolios with a mix of re-opening pandemic winners, reflation beneficiaries and traditional growth companies, blended with those that continue to benefit from the digital transformation that the world is undergoing. Our AIM portfolios are currently positioned with this overall approach in mind.

Cumulative AIM Discretionary Client Performance (Net of Fees)



Total Return	CS Investment Managers Discretionary AIM Clients	MSCI UK Micro Cap Total Return	MSCI UK All Cap Total Return
3 Months	-0.8%	-0.9%	4.2%
1 Year	25.2%	23.8%	18.8%
3 Years	65.4%	64.2%	24.9%
5 Years	101.6%	72.7%	27.6%



CS Investment Managers Discretionary AIM Clients	MSCI UK Micro Cap Total Return	MSCI UK All Cap Total Return
Monthly Volatility 5.6%	Monthly Volatility 5.2%	Monthly Volatility 4.0%

Top 10 Holdings	%	Sector	
Alpha Financial Markets	6.3%	Support Services	
Sureserve Group	5.9%	Support Services	
Renew Holdings	5.2%	Construction & Materials	
Keywords Studios	5.1%	Support Services	
Ideagen	5.0%	Software & Computer	
Begbies Traynor	4.7%	Support Services	
Gamma Communications	4.6%	Telecommunications	
Marlowe	4.4%	Support Services	
Caretech	4.2%	Healthcare Equipment	
Next Fifteen	4.1%	Other	

Source: CS Managers Ltd and MSCI. Data as at 31/12/21. The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an 'as is' basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively the 'MSCI Parties') expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (www.msci.com)

Performance figures are indicative, drawn from stylised aggregate portfolios constructed from the discretionary portfolios managed by CS Investment Managers. The figures are calculated on a monthly basis, net of fees and other charges and adjusted for contributions and withdrawals. Performance of individual portfolios may vary due to factors such as the portfolio size, stock selection and timing of investment transactions.

**CONTACT**

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**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.**