

IHT PORTFOLIO SERVICE

Discretionary IHT service based on business property relief

The value of investments and income from them is not guaranteed, can fall, and you may get back less than you invested. Your capital is therefore always at risk. Past performance is not a guide to future performance. Any specific investments mentioned are for illustrative purposes only and this is not intended as investment advice. If you are unsure as to the suitability of the service, please contact your IFA or Progeny Asset Management to discuss.

Investment Objective

The portfolio invests in securities traded on the Alternative Investment Market and is therefore considered as high risk. Invested securities will be those which, in our view, qualify for Business Property Relief. This means that an individual investor in a portfolio of qualifying AIM securities can mitigate Inheritance Tax after 2 years under current tax legislation. Tax treatment depends on an individual's specific circumstances and maybe subject to change in the future.

AIM Commentary

March was a challenging month for markets with the global banking sector returning to the spotlight. Recent strong economic data has been overshadowed by the speedy demise of Silicon Valley Bank. While largely unconnected, markets have been in search-and-destroy mode and will seek out the most vulnerable institutions. Credit Suisse was the immediate European victim, given the series of scandals that have plagued the bank in recent years. The bank was subsequently taken over by compatriot UBS. The market was concerned by the potential fallout and the possibility of a spread of contagion for similar banking entities, however, one positive which can be taken was the speed and agility with which policymakers have acted to provide support to markets. While these stories have dominated news headlines, the focus is still very much on seeing continued falls in the levels of both headline and core inflation. The events in the banking sector pushed investors into risk-off mode which impacted small caps. Small cap had a particularly volatile quarter, it had been one of the best-performing factors since the turn of the year but finished flat as it gave up gains in March. The Progeny Asset Management Aim portfolio fell 3.58% in the month whilst the Numis Alternative Market fell by 6.15%. Turning to the portfolio, we had 12 winners of which 3 were double-digit and 18 fallers with 7 falling by more than 10%. Team 17 was the biggest detractor, despite the company releasing inline numbers the shares fell circa 20% as Debbie Bestwick announced her intention to step down as CEO. She is the founder of the business and the largest shareholder at 20% of the group's equity. She has been the main driving force of the business and questions will now be asked as to what the change in leadership will mean for TM17. EMIS also hit the portfolio as it fell 22% as the Competition and Merges Authority rejected its takeover by Optum UK. We will wait and see what happens next. FeverTree was the best performing stock followed by BooHoo. FeverTree, despite inflationary pressures reported strong top line performance with revenue growth of 11% year-on-year, driven by 18% growth across the US, Europe and Rest of the World.

Portfolio Information

Portfolio Benchmark	Numis Alternative Markets Including
Investment Management fee (p.a)	0.80% + VAT
Yield	1.20%
Reporting	Quarterly
Portfolio Inception Date	1 st July 2016

Performance is calculated based on a typical Progeny AIM portfolio, with standard allocations from our AIM stock universe and provided for illustrative purposes only and should not be viewed as the performance of a specific client account. As a Bespoke service, individual portfolio allocations will vary depending on client objectives.

Top 10 Portfolio Holdings

Cash	6.16
Judges Scientific PLC	4.7
AB Dynamics PLC	4.34
Keyworks Studio PLC	4.34
Somero Enterprise	4.21
DotDigital Group PLC	4.18
SDI Group PLC	4.11
Renew Holdings PLC	3.88
Churchill China PLC	3.73
Gooch & Housego PLC	3.72
Top Ten holdings	43.37

IHT Portfolio Service

	3m	6m	1y	3y	5y
IHT Portfolio	0.81	4.05	-13.05	29.32	-3.34
Benchmark	-2.84	0.75	-22.05	20.66	-15.33



01/07/2016 - 10/04/2023 Data from FE fundinfo 2023

Performance calculation: all income reinvested. Performance is shown inclusive of underlying fund charges but gross of Progeny Asset Management investment management fees. Deduction of this charge will have the result of reducing the illustrated performance.

With an experienced team. We all share the same vision and are aligned to the same purpose. Because we like to practise what we preach, every member of our senior team is personally invested in Progeny. We believe in accountability and personal commitment, just as you do. Wealth creation is the hard part and it doesn't come without risk. In growing your wealth and passing it on, you want to avoid false economies. But managing it can often attract large fees, and we don't believe that it should.

Process

The management of the portfolio is achieved through the utilisation of Progeny Asset Management's investment process. This process has been agreed by the internal Investment Committee, which determines the stock universe available to the Investment Managers. Quantitative filters are overlaid with fundamental analysis and Manager meetings, a process which is regularly repeated as part of our ongoing due diligence. Lastly, we engage independent specialists to validate the Qualifying status of our AIM universe.

Past performance is not a guide to future performance. The value of investments can fall, and you may get back less than you invested, therefore your capital is always at risk. If you invest in currencies other than your own, fluctuations in currency value will mean that the value of your investment will move independently of the underlying asset. This information is for illustrative purposes only and is not intended as investment advice. The information contained in this document has been taken from sources stated and is believed to be reliable and accurate, but without further investigation cannot be warranted as to accuracy or completeness. Partners, staff and clients may have a position or engage in transactions in any of the securities mentioned. The promised payment of income and the return of capital could be in jeopardy in the event that the parent company has problems meeting its financial obligations.

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Progeny is a trading style of Progeny Asset Management Limited and is used by various companies within the Progeny group of companies. Progeny Asset Management Limited is a limited company registered in England and Wales with number 09415365. The company's registered address is 1A Tower Square, Leeds, LS1 4DL. Progeny Asset Management Limited is authorised and regulated by the Financial Conduct Authority (No. 740528). VAT Number: 238579267.

The information contained within this document is subject to the UK regulatory regime and is therefore primarily targeted at consumers based in the UK.

The value of investments and the income from them can fall as well as rise, and you may not recover the amount of your original investment. Your capital is therefore always at risk.