

## 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

The AIM market saw a recovery throughout November as risk assets came in to favour as dovish comments made by the US Federal Reserve on the scale of future interest rate hikes push growth stocks higher. The index returned XX%. The target portfolio returned 3.68%. The portfolio had 17 risers, 6 of which were double-digit, lead by DotDigital 31.66%, Keywords Studios 21.8% and FeverTree Drinks 19.49%. DotDigital reported a strong year of growth and profitability. This was received well by markets as it followed the previous year which was strong post covid. Keywords results were above analyst expectations as positive trading momentum is set to continue in to 2023.

There were 11 fallers over the month 5 by double digit. loMart 15.8%, GB Group 14.68% and Alliance Pharma 21.95%. Alliance Pharma updated the market on fourth quarter trading, reporting that the expected recovery was happening more slowly than anticipated. The market took the news negatively and the shares sold off on the day.

Cerillion was added to the portfolio over the period. Cerillion provide billing, charging and customer relationship management software solutions across a range of industries, including the telecommunications, finance, utilities, and transportation sectors. We like the companies quality of earnings, with a return on capital of over 35%. They have cash on their balance sheet and a sticky customer base. These are attributes we look for in companies.

We continue to place an emphasis on high quality companies that can grow their earnings, without the use of too much leverage.

#### 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 <sup>st</sup> 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	6.20
Keywords Studios	4.69
Somero Enterprise Inc	4.53
Cropper (James) PLC	4.38
Judges Scientific	4.19
DotDigital	4.17
Tracsis PLC	4.10
Renew Holdings PLC	3.97
SDI Group PLC	3.86
AB Dynamics PLC	3.85
<b>Top Ten holdings</b>	<b>40.91</b>

## IHT Portfolio Service

	3m	6m	1y	3y	5y
IHT Portfolio	0.53	-9.68	-20.73	-0.51	-2.51
Benchmark	-1.17	-12.42	-28.30	-5.97	-11.96



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.