

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

February has seen some mixed performances from key equity markets over the month. However, the leading UK index hit an all-time high in the past 4 weeks. The reason is that this index contains a number of defensive stocks, that are less impacted by the economic climate, along with some companies that provide some inflation-proofing, along with a dependable dividend yield. Also, the majority of its earnings come from overseas, where the strength of the US Dollar against Sterling has made those revenues more valuable when they are translated back.

On the flip side when looking at the more junior markets such as AIM the trend from 2022 continues, growth orientated smaller domestic companies remain firmly off the investor menu right now.

Numis Smaller Companies plus AIM index decreased by -1.25 % over the month with investors reversing their sentiment to risk assets from January. Smaller companies continue to whip saw in the face of policy decisions and the perception on risk assets.

Company results continue to be largely positive, however, Mrs Market isn't looking favorably on companies which fail to beat their forecasts. The portfolio was subject to yet another takeover bid. Within the portfolio, we saw 10 stocks advance with 4 of those posting double digit returns. 17 stocks fell over the month, 3 of which were double digit.

Gooch & Housego and Churchill China were the biggest fallers, retreating 16.38% and 13.01%. Gooch released a positive trading update highlighting a good start of the year with high orderbook visibility, all eyes are now on the management will outline a strategy update in June for H1. Churchill China had a mixed year end trading update with an earnings downgrade to 2022 expectations which weighed on sentiment. However, the group has a strong H2 after it implement successful prices increases.

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	6.08
Keywords Studios	4.56
Judges Scientific	4.44
SDI Group PLC	4.39
AB Dynamics	4.27
Somero	4.15
DotDigital	4.07
Renew Holdings	3.94
Churchill China	3.77
Gamma Communications	3.51
Top Ten holdings	43.18

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	3m	6m	1y	3y	5y
IHT Portfolio	3.38	-1.98	-17.29	1.61	-12.24
Benchmark	1.66	1.69	-11.49	7.14	-3.14



■ A - Progeny Asset Management IHT Portfolio 2 18/11/2022 TR in GB [52.70%]
 ■ B - Numis Alternative Market Including GTR in GB [21.37%]

01/07/2016 - 24/03/2023 Data from FE fundinfo2023

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.