

# 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 proved to be a constructive month for investors. Equity markets advanced across most major regions, supported by improving sentiment around inflation and interest rates.

Corporate earnings were another supportive factor. Results generally exceeded expectations, particularly in areas beyond last year's narrow leadership in mega-cap technology. This broadening of returns - where more sectors and regions contribute to performance - is a healthier dynamic for markets and portfolios alike.

The UK market also saw renewed interest, helped by attractive valuations and resilient corporate balance sheets. In fixed income, carry remains compelling, with bond income once again providing a meaningful contribution to total return.

In short, February reflected improving fundamentals: moderating inflation, stable growth, resilient earnings and a gradual normalisation of monetary policy expectations. Although this factsheet is backward-looking, it would be remiss not to acknowledge the significant geopolitical developments unfolding as we move into March.

At the time of writing (11 March), we are several days into direct military escalation between the United States and Iran. The conflict follows heightened tensions in the Middle East and has already led to targeted strikes and retaliatory responses. Markets have reacted swiftly, with energy prices moving higher and safe-haven assets such as government bonds and gold seeing renewed demand.

The most immediate economic transmission channel is energy. Iran is a significant oil producer and, crucially, sits adjacent to the Strait of Hormuz - a key chokepoint through which a substantial proportion of global oil supply passes. Any disruption, or even perceived risk to supply routes, tends to push oil prices higher.

Higher oil prices feed directly into headline inflation through fuel and transport costs, and indirectly through production and distribution expenses across the global economy. If sustained, this could slow the recent progress made on disinflation and complicate the path of central banks.

For markets, the implications are nuanced:

- **Equities:** Energy producers may benefit from higher prices, while energy-intensive sectors (industrials, transport, consumer discretionary) may face margin pressure. Broader equity indices can experience short-term volatility as risk premiums rise.
- **Bonds:** If higher oil prices translate into persistent inflation pressure, bond yields could drift upward again. However, in the early stages of geopolitical shocks, government bonds often rally as investors seek safety.
- **Currencies and commodities:** The US dollar has historically strengthened during periods of geopolitical stress, while gold tends to attract inflows as a defensive asset.

## Portfolio Information

Portfolio Benchmark	Numis Alternative Markets Including
Investment Management fee (p.a)	0.80% + VAT
Yield	2.30%
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

Jet2 PLC	6.68%
Advanced Medical Solutions Group PLC	4.76%
Tristel PLC	4.75%
AB Dynamic PLC	4.61%
Dotdigital Group PLC	4.58%
Volex PLC	4.52%
James Halstead PLC	4.49%
Nichols PLC	4.37%
Idox PLC	4.26%
Restore PLC	4.25%
<b>Top Ten holdings</b>	<b>47.27%</b>

## IHT Portfolio Service

	3m	6m	1y	3y	5y
IHT Portfolio	4.93	1.80	1.14	-24.65	-31.54
Benchmark	8.77	7.88	15.51	-2.22	-26.97



01/07/2016 - 27/02/2026 Data from FE fundinfo2026

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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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.