

## 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

Over the review period the FTSE AIM 100 and AIM All-share appear to be sedate with little change over the quarter, finishing -0.20% and 0.73%. However, this masks what continue to be volatile times for the UK junior market. Through late April and early May both indexes were registering 6-7% gains.

Fears around Brexit and Global trade have led to investors fleeing "riskier" assets, with many banking profits. Adverse weather conditions have hit some of the largest stocks in the index with FeverTree and ASOS facing tough comparables from the fantastic summer of 2018. FeverTree in particular benefited heavily from last year's heatwave and the football World Cup.

Engineering services specialist, Renew Holdings, released strong interim results highlighting 37% growth in pre-tax profits in the first half. A 15% increase in the dividend also signalled a confident outlook and a positive share price movement.

Restore rose following a positive trading update in line with full year forecasts, as well as a planned reduction in its net debt levels. Pub operator, Young & Co Brewery, released excellent full year results. Its revenues exceeded £300 million for the first time and its profits grew 5.9% to £43.4 million.

Market research provider, YouGov, and antibody developer and distributor, Abcam, both enjoyed a particularly strong period, rising 9.74% and 31.61% respectively, despite an absence of news.

### Portfolio Information

Portfolio Benchmark	CBOE Alternative 100
Investment Management fee (p.a)	0.80% + VAT
Yield	1.70%
Reporting	Quarterly
Portfolio Inception Date	1 <sup>st</sup> July 2016

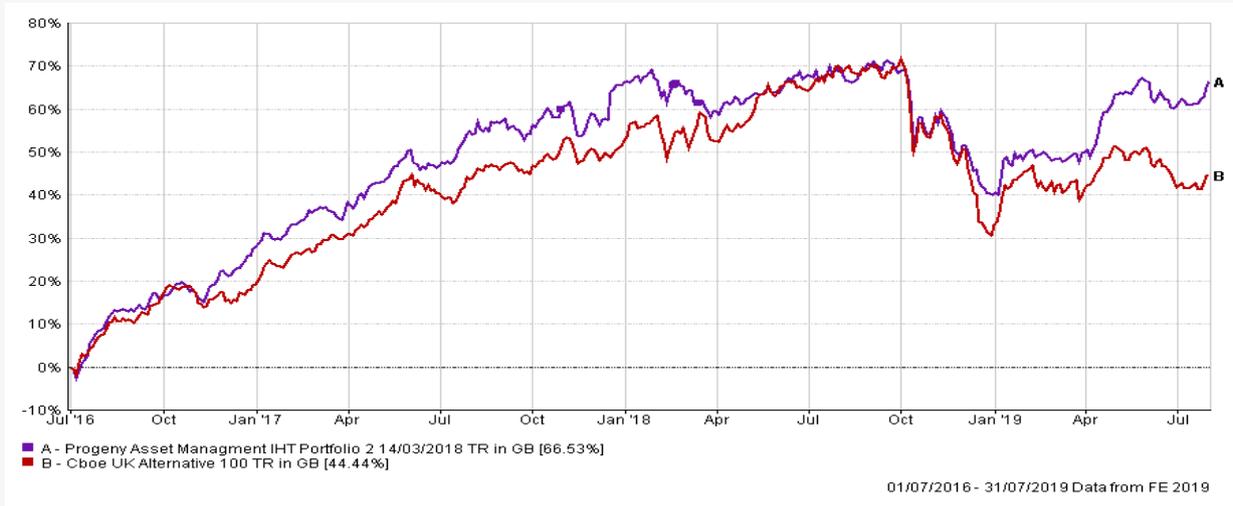
Performance is calculated based on a typical Progeny AIM portfolio, with standard allocations from our AIM stock universe and provided for illustrative purposes only and should not be viewed as the performance of a specific client account. As a Bespoke service, individual portfolio allocations will vary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

### Top 10 Portfolio Holdings

Restore	4.55%
Yougov	4.39%
Cropper (James)	4.29%
Johnson Services	4.17%
Caretech Holdings	3.90%
RWS Holdings	3.86%
Eco Animal Health	3.80%
Next Fifteen	3.80%
Dotdigital	3.79%
AdEPT Technology	3.72%
<b>Top Ten holdings</b>	<b>40.27%</b>

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	3m	6m	1y	3y	Incep
IHT Portfolio	-1.62	7.23	-5.27	48.27	66.53
Benchmark	-4.45	-0.87	-14.94	35.05	44.44
Median Client	-4.34	3.14	-7.67	N/A	N/A



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.

Over 100 experienced members make up the Progeny team: 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. Progeny is our answer.

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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, and it is this Committee which agrees 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.

Progeny Asset Management Ltd is registered in England and Wales number 09415365.

Registered Office Address: Progeny House, 46 Park Place, Leeds, LS1 2RY.

Progeny Asset Management Ltd is authorised and regulated by the Financial Conduct Authority and is entered on the Financial Services Register ([www.fca.org.uk/register](http://www.fca.org.uk/register)) under reference 740528.

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.