

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

May was an eventful month for global markets. Growth assets have been impacted by the impasse on raising the US government's \$31.4 trillion debt ceiling. The chances of a default are extremely unlikely. However, the debt ceiling does bring uncertainty to both investors and markets. It is the uncertainty which has created the volatility seen in recent weeks.

On every single occasion since the 1960's the debt ceiling has been raised. Why? The consequences for default are simply too severe and would leave the World's largest economy in a major recession and suffering significant downgrades to its credit rating. Capitol Hill has always found a way to overcome it somehow and 'five to midnight' politics have always come into play. This is likely to happen again. The Progeny Asset Management Aim portfolio fell 2.76% in the month whilst the Numis Alternative Market fell by 4.12%.

Turning to the portfolio, we had 13 winners of which 3 were double-digit and 18 fallers with 8 falling by more than 10%.

Keywords fell 27% without any news from the company. It seems that the drop in the share price is related to the threat that generative artificial intelligence (AI) poses to the company. This is a trend which has been seen across many companies with the euphoria around AI. Fundamentally the stock remains firmly within our processes. EMIS released a strong set of results with positive news around the margin and profit growth. However, with uncertainty over the takeover, the shares have been subdued.

YouGov was the best-performing stock followed by AB Dynamics. YouGov jumped on the back of setting out a long-term strategic growth plan.

Turning back to markets, the one certainty is volatility and market participants should remember in such times long-term investing is rewarded and controlling emotion is imperative.

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

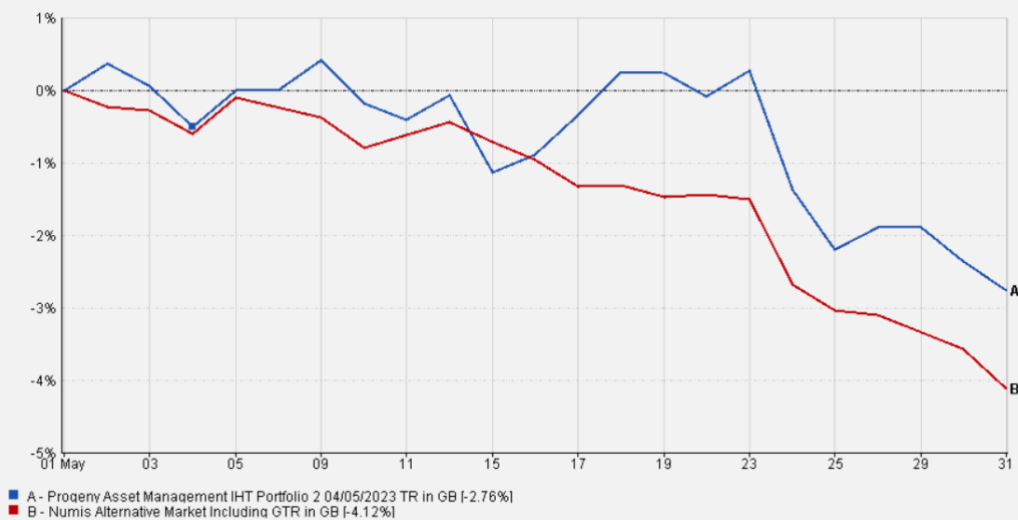
Performance is calculated based on a typical Progeny AIM portfolio, with standard allocations from our AIM stock universe and provided for illustrative purposes only and should not be viewed as the performance of a specific client account. As a Bespoke service, individual portfolio allocations will vary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

Top 10 Portfolio Holdings

James Cropper PLC	5.73
Gooch & Housego PLC	4.98
James Halstead PLC	4.41
Judges Scientific PLC	4.28
CVS Group PLC	4.27
Churchill China PLC	4.23
Cerillion PLC	4.19
Team17	4.17
AB Dynamics	3.85
Tracsis	3.77
Top Ten holdings	43.88

IHT Portfolio Service

	3m	6m	1y	3y	5y
IHT Portfolio	-3.49	-0.27	-10.09	8.39	-6.15
Benchmark	-8.33	-6.81	-18.86	-7.24	-22.10



01/05/2023 - 31/05/2023 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.