



PUMA INVESTMENTS

AVAILABLE IN ISAs

£20,000 minimum subscription

Award-winning

GROWTH INVESTOR 2017 AWARDS WINNER BEST AIM INVESTMENT MANAGER

GROWTH INVESTOR 2019 AWARDS RUNNER-UP BEST BR INVESTMENT MANAGER - LISTED

Overview of the Service

Portfolio Service

An award-winning discretionary portfolio service that seeks to deliver long-term growth focusing on quality companies quoted on AIM.

Inheritance Tax

It is intended that investors will benefit from relief from Inheritance Tax provided investments are held for at least two years prior to and at the point of death.

Subscription Amount

Minimum subscription of £20,000 with no maximum.

Available in ISAs

Investing in a portfolio of qualifying AIM stocks allows holders to mitigate Inheritance Tax while still retaining the benefits of an ISA.

Launch date: 01.07.2014

Risk Factors

An investment in the Service carries risk and may not be suitable for all investors. Investors should refer to the Investment Details and Client Agreement, copies of which are available on pumainvestments.co.uk. Below are the key risks of the Service:

- Past performance is not a guarantee of future performance
- Tax reliefs are not guaranteed
- You may lose money
- Long-term investment
- Potentially illiquid investment



Puma AIM Inheritance Tax Service

Q4 2019 Quarterly Report

Investment Director's Quarterly Portfolio Review

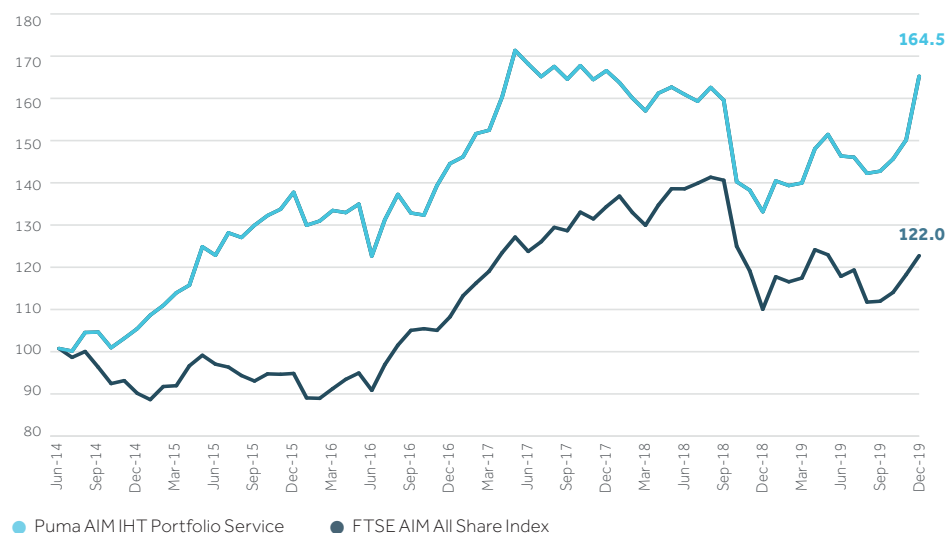
In Q4 2019 the portfolio increased by +15.86%, a +6.09% outperformance of the FTSE AIM All Share Index. For 2019 as a whole the portfolio increased by +24.23%, a +12.62% outperformance of the FTSE AIM All Share Index. The model portfolio experienced a strong upward move in the fourth quarter, particularly in December following the results of the UK general election. We believe that the resolution of Brexit is likely to be positive for the UK economy and the UK stock market as uncertainty around the issue is increasingly dispelled.

Trading across the portfolio's companies was broadly in line with expectations. The exception to this was a warning from Nichols, the producer of Vimto, that its profits from the Middle East might be negatively impacted by a significant increase in excise duty on soft drinks in Saudi Arabia and the UAE.

We remain confident in the outlook for the Service.

Justin Waine, Investment Director

Performance Graph of the Puma AIM IHT Portfolio Service



Past performance is no guarantee of future results | Source: Puma Investments, FTSE International

Cumulative Performance %

	3M	1Y	3Y	5Y	Since Inception
PUMA AIM IHT Portfolio Service	+15.86	+24.23	+14.37	+57.17	+64.52
FTSE AIM All Share Index (AXX)	+9.77	+11.61	+13.48	+36.48	+22.01
Relative Outperformance	+6.09	+12.62	+0.89	+20.69	+42.51

Discrete Investment Performance %

	2019	2018	2017	2016	2015	CAGR ¹
PUMA AIM IHT Portfolio Service	+24.23	-20.11	+15.23	+4.98	+30.90	+9.47
FTSE AIM All Share Index (AXX)	+11.61	-18.20	+24.30	+14.29	+5.23	+3.68
Relative Outperformance	+12.62	-1.91	-9.07	-9.31	+25.67	+5.79

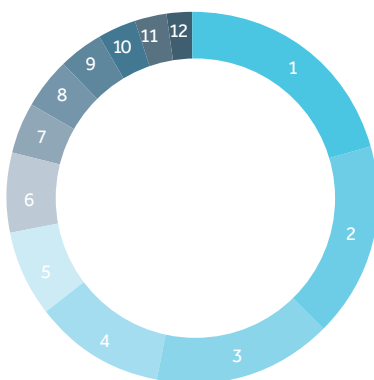
¹ Compound Annual Growth Rate

All performance data is quoted net of management and dealing fees, and applies to the Investment Director's portfolio. Small variations in performance may apply as each individual investor has their own discrete portfolio of assets.

Portfolio's Top 10 Holdings

COMPANY	% holding
Renew Holdings	8.26
Judges Scientific	7.87
Focusrite	7.24
Thorpe F W	6.81
NWF Group	5.93
H&T	5.76
Breedon Group	5.58
Cello Health	4.62
EMIS	4.60
Strix	4.06
Total	60.73
Total holdings in the portfolio	23

Portfolio Companies by Sector % of portfolio



1	Electronic & Electrical Equipment	20.78%
2	Support Services	16.75%
3	Financial Services	15.60%
4	Construction & Materials	11.58%
5	Travel & Leisure	7.24%
6	Software & Services	7.02%
7	Media	4.62%
8	Retailers	4.30%
9	Beverages	3.96%
10	Chemicals	3.35%
11	Cash	2.61%
12	Healthcare Equipment & Services	2.19%

Spotlight on a Portfolio Holding

Breedon Group plc — Breedon Group is a producer of aggregates and cement.



ESTABLISHED
1996

SECTOR
Construction and
Materials

**PRICE AT END
OF QUARTER**
83p

**MARKET
CAPITALISATION**
£1,397m

Company background and performance

Breedon is a leading construction materials group operating in the UK and Republic of Ireland. It operates two cement plants, approximately 80 quarries, 40 asphalt plants, 170 ready-mixed concrete plants, nine concrete and clay products plants, four contracting services businesses, six import/export terminals and two slate production facilities.

The company's trading history dates back to 1996 as a producer of aggregates. It joined the AIM in 2010 when Breedon was acquired by Marwyn Materials which renamed itself Breedon Aggregates. Breedon grew by acquisition including certain assets from Aggregate Industries in 2013 and cement producer Hope Construction in 2016. In 2018 it bought Belfast based, Lagan Group expanding the business to the island of Ireland. In early 2020 the company acquired certain assets of CEMEX UK for £178m.

Our conclusions

As stated in the Investment Policy, we look at companies through the prism of three factors; quality, growth and valuation. While we aim to buy high quality, high growth businesses on a low valuation this is not always achievable and most investment decisions involve a trade-off between these three factors.

1 Quality: Breedon is the only remaining independent listed British aggregates and cement company. It is a highly free cash generative business which has generated positive free cash flow in each of the last five years. Breedon is a buy and build with an excellent track record of executing its strategy both on large acquisitions such as Hope and Lagan, but also on many small bolt-on deals. While the recent acquisitions mean leverage is higher than we are normally comfortable with, we expect it to rapidly reduce debt over the next two years to more appropriate levels.

2 Growth: Organically the company is exposed to the current positive trends in infrastructure investment by government. It should also benefit as the construction industry picks up more generally after the general election. The company can also continue to expand via acquisition both through bolt-on and larger deals, already signing a significant deal in January 2020.

3 Valuation: The company trades on 14x Enterprise Value / Net operating profit after tax for 2020 falling to 12x Enterprise Value / Net operating profit for 2021 based on our internal estimates. We expect the company to generate significant free cash flow over the forecast period.

Access through Adviser Platforms

AVAILABLE IN ISAs



FundsNetwork

Standard Life



Fees and Expenses

	Direct with Puma	Through a Platform ¹
Initial Fee	1% (of amount subscribed)	No initial fee charged to investors accessing the service through a Platform
Annual Management Fee	1.25% + VAT (of portfolio value)	1.25% + VAT (of portfolio value)
Dealing Fee	1% (applied to purchase or sale of stocks)	Platform and dealing fees may vary across Platforms

¹ Other Platform fees may apply.



Investment Director Justin Waive

Justin Waive joined Puma Investments in June 2014 and has run the Puma AIM Inheritance Tax Service since inception. Prior to that, he worked as a fund manager at Polar Capital and an analyst at Cazenove. He has 21 years' experience of analysing small and mid-sized companies.



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