



PUMA INVESTMENTS

AVAILABLE IN ISAs

£20,000 minimum subscription

Award-winning

GROWTH INVESTOR 2017 AWARDS WINNER BEST AIM INVESTMENT MANAGER

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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

Q2 2019 Quarterly Report

Investment Director's Quarterly Portfolio Review

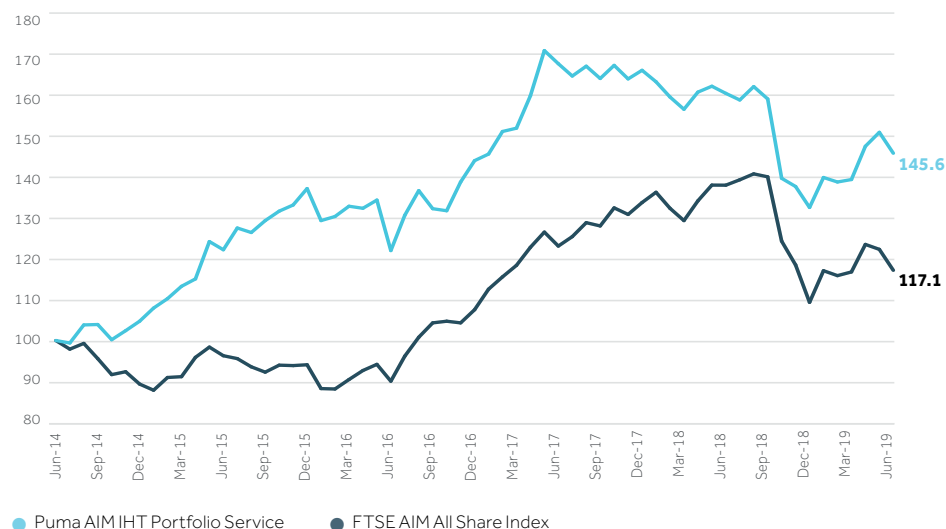
In Q2 2019 the portfolio increased by +4.66%, a +4.39% outperformance of the FTSE AIM All Share Index. In the five years since inception in July 2014 the portfolio has increased by +45.64% net of management and dealing fees. This is a +28.59% outperformance of the FTSE AIM All Share Index in the same period.

Q2 2019 was a quieter quarter for macroeconomic events despite the continued rumblings from the escalating trade war between the USA and China. Meanwhile in the UK, the focus shifted temporarily from BREXIT to the Conservative party leadership contest. This has allowed stock specific news to come more to the fore. Of the 22 companies in the portfolio 16 reported results or updated on trading. Our best performing stock was our largest position, Judges Scientific, following its strong results at the end of March. Another strong performer was NWF which announced better than expected trading. On the negative side Scapa was adversely impacted by the cancellation of a material contract by a customer.

We remain confident in the outlook for the Service.

Justin Waite, 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	+4.66	-9.08	+19.47	+45.64	+45.64
FTSE AIM All Share Index (AXX)	+0.27	-15.07	+29.87	+17.05	+17.05
Relative Outperformance	+4.39	+5.99	-10.40	+28.59	+28.59

Discrete Investment Performance %

	2019	2018	2017	2016	2015	CAGR ¹
PUMA AIM IHT Portfolio Service	+9.98	-20.11	+15.23	+4.98	+30.90	+7.81
FTSE AIM All Share Index (AXX)	+7.07	-18.20	+24.30	+14.29	+5.23	+3.20
Relative Outperformance	+2.91	-1.91	-9.07	-9.31	+25.67	+4.61

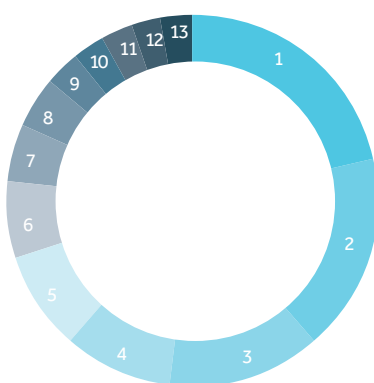
¹ Compound Annual Growth Rate

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
Judges Scientific	8.28
Renew Holdings	7.08
Thorpe F W	6.99
Focusrite	6.78
NWF Group	6.51
H&T Group	6.27
EMIS	5.69
Nichols	4.87
Cello Health	4.39
Strix	3.73
Total % of the portfolio	60.59%
Total holdings in the portfolio	22

Portfolio Companies by Sector % of portfolio



1	Electronic & Electrical Equipment	21.51%
2	Support Services	17.22%
3	Financial Services	13.40%
4	Construction & Materials	9.26%
5	Software & Services	8.70%
6	Travel & Leisure	6.78%
7	Beverages	4.87%
8	Media	4.39%
9	Retailers	3.09%
10	Chemicals	2.87%
11	Household Goods & Home Construction	2.76%
12	Cash	2.63%
13	Healthcare Equipment & Services	2.52%



Doing things differently

It is now five years since we launched the Puma AIM Inheritance Tax Service, with the intention of doing things a bit differently. We wanted to deliver a consistent experience for investors, so we link everyone to the same model portfolio. We also use a live model, one with real money in, so that when we report our performance it reflects the reality of trading and the costs of asset management fees. We started with a low minimum subscription of £15,000 (since increased to £20,000) allowing small investors to benefit from an IHT service. It also gave investors the opportunity to deploy their annual ISA allowance into the service.

Investment policy

Five years ago, we set out to follow an investment policy of buying good quality, growing businesses at sensible or, even better, cheap valuations. We knew this would mean owning many of the well-established family businesses quoted on the AIM. At launch we said that we intended to own companies for at least three to five years. Five years on and of the original 19 stocks purchased, we still hold 11 in the portfolio. In most years portfolio turnover has been low, the one exception being 2015 when due to a combination of particularly strong performance and changes in Business Relief status it was abnormally high. Indeed, the last time we sold a company due to a likely change in its Business Relief status was in 2015.

Platforms

Since 2017 we have been one of the few AIM IHT Services that are available on platform and have been a leader in this regard. We have now been operating with Ascentric, Standard Life and Transact since 2017 and in 2019 became the first AIM IHT Service to be available on the Fidelity platform. The Puma Service works particularly well on platform as its model portfolio structure means we can ensure that all investors receive broadly the same portfolio on each different platform as those that come in direct. It provides simple and clear visibility for investors as their AIM investments can be held alongside their other holdings.

Challenges faced

Of course, we have made a few mistakes along the way. The most notable being our decision to invest in Patisserie Holdings, the parent company of the Patisserie Valerie cake shops. This turned out to be an accounting fraud of singular magnitude. The fabrication was unfortunately so extensive that the usual flags in the accounting that might highlight an issue were absent.

We have made a few other errors, but in all cases have been able to exit with at least some of our initial investment and replace it with something from our watchlist. In each instance we have gone back and sought to learn lessons, in particular to look for any signs that will give us an earlier warning of a potential issue in the future.

The future

Going forward we hope to continue to deliver strong returns to investors. In doing so we will continue to support small, often family, businesses that are the backbone of the British economy. In the near term there is BREXIT to worry about and beyond that there will inevitably be the next political or economic crisis. We will seek to avoid these where we can and mitigate them as much as possible where we cannot.

However, we believe that buying good quality growing businesses at attractive prices and sticking with them is the best way to deliver long term investment returns despite short term fluctuations. We also will continue to focus on improving the service for investors and advisers and hope to make access to our product easier by adding further platforms over time. We thank all our clients and advisers for their ongoing support.



Investment Director
Justin Waive



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