



PUMA INVESTMENTS

AVAILABLE IN ISAs

£20,000 minimum subscription

Puma AIM Inheritance Tax Service

Q3 2019 Quarterly Report



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

Investment Director's Quarterly Portfolio Review

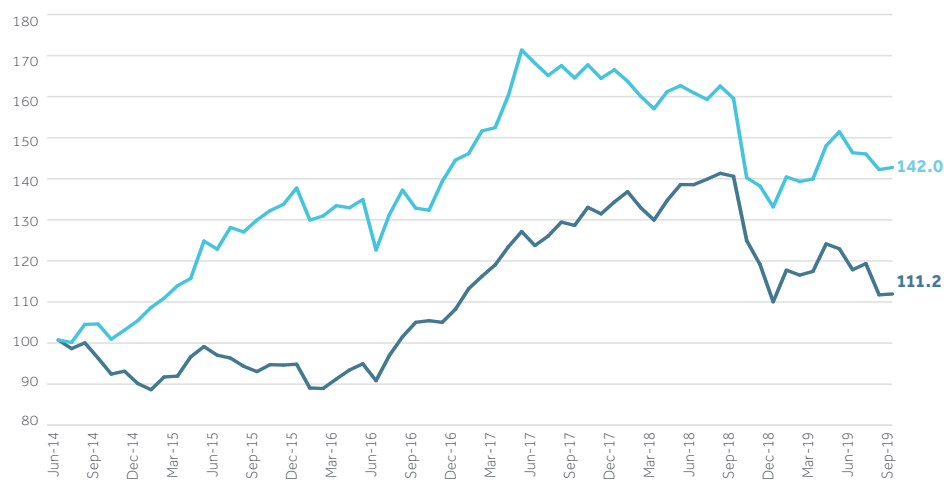
In Q3 2019 the portfolio decreased by -2.50%, a +2.54% outperformance of the FTSE AIM All Share Index. In the five years since inception in July 2014 the portfolio has increased by +42.00% net of management and dealing fees. This is a +30.85% outperformance of the FTSE AIM All Share Index in the same period.

Q3 2019 was another quarter of macroeconomic uncertainty with the ongoing Brexit saga and the US/China trade war continuing to bubble away. The AIM was impacted by some significant negative hits most notably the collapse in the share price of Burford Capital following criticism of its accounting. Burford Capital is not a company we own as we believe it is unlikely to qualify for Business Relief. News flow from portfolio companies was broadly positive with H&T, Focusrite, Judges Scientific and Dotdigital all reporting that trading was above expectations. In July we also received a bid for portfolio company Telford Homes.

We remain confident in the outlook for the Service.

Justin Waine, Investment Director

Performance Graph of the Puma AIM IHT Portfolio Service



● Puma AIM IHT Portfolio Service ● FTSE AIM All Share Index

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	-2.50	-10.59	+7.45	+36.75	+42.00
FTSE AIM All Share Index (AXX)	-5.04	-20.53	+6.58	+16.27	+11.15
Relative Outperformance	+2.54	+9.94	+0.87	+20.48	+30.85

Discrete Investment Performance %

	2019	2018	2017	2016	2015	CAGR ¹
PUMA AIM IHT Portfolio Service	+7.22	-20.11	+15.23	+4.98	+30.90	+6.90
FTSE AIM All Share Index (AXX)	+1.67	-18.20	+24.30	+14.29	+5.23	+2.03
Relative Outperformance	+5.55	-1.91	-9.07	-9.31	+25.67	+4.87

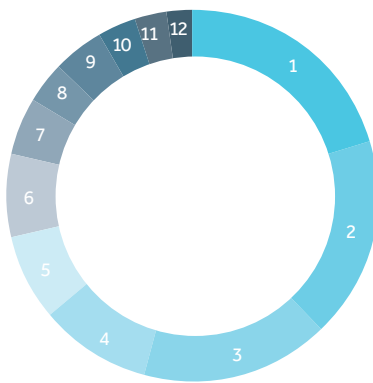
¹ Compound Annual Growth Rate

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	7.95
H&T	7.43
Focusrite	7.25
Renew Holdings	6.91
F W Thorpe	6.45
NWF	6.17
Cello Health	5.06
EMIS	4.88
Nichols	4.46
Strix	4.10
Total % of the portfolio	60.66%
Total holdings in the portfolio	22

Portfolio Companies by Sector % of portfolio



1	Electronic & Electrical Equipment	20.50%
2	Financial Services	17.55%
3	Support Services	16.32%
4	Construction & Materials	9.52%
5	Software & Services	7.54%
6	Travel & Leisure	7.25%
7	Media	5.06%
8	Beverages	4.46%
9	Cash	3.65%
10	Chemicals	3.41%
11	Retailers	2.62%
12	Healthcare Equipment & Services	2.12%

Spotlight on a Portfolio Holding

SimplyBiz Group — The SimplyBiz Group provides technology, regulatory and business support to financial services professionals.



ESTABLISHED
2002

SECTOR
Financial Services

PRICE AT END OF QUARTER
197.5p

MARKET CAPITALISATION
£193m

Company background and performance

The Company was founded in 2002 by Ken Davy, the current Chairman of the Group, to meet the changing needs of financial advisers in a sector being reformed by regulatory intervention. Originating in Yorkshire, they now operate from eight locations across the UK supporting over 10,000 financial professionals. They now have 16 market leading brands across all key financial sectors including investment, mortgages, banking, insurance, consumer credit, estate planning and surveying. In March 2019 they acquired Defaqto, a leading financial services technology business which operates a financial technology platform for over 8,500 advisers and provides independent ratings of 21,000 financial products and funds, licensed to them by 230 brands.

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: SimplyBiz is one of the key providers of outsourced regulatory and business support services to the financial services market. The recent Defaqto acquisition provides a proprietary, scalable and flexible IT platform and

infrastructure, supporting the largest database of financial products in Europe and providing information and insights to aid consumer and adviser purchase decisions. The Group has good operating margins and cash conversion and has had a positive free cash flow in each of the last four years.

2 Growth: The Company has been reinvesting cash into developing existing services as well as making acquisitions. As the Group has evolved it has penetrated new markets including mortgages and protection, consumer credit, will writing, estate planning and software for employee benefits. The UK Financial Services industry is a fragmented market providing significant organic and inorganic growth opportunities. Some of the market drivers for continued organic growth include IFA growth and a move to direct authorisation, an increased propensity to outsource, the mortgage market becoming more intermediated and increased regulation in the sector.

3 Valuation: Based on our estimates, the Company is trading on Enterprise Value / Net Operating profit after tax of 17.5x in 2019 falling to 13.8x in 2020. It has a post-tax return on capital employed of 13% for 2019 despite the capital invested in the recent Defaqto acquisition, which we expect to rise over the coming years. The Company has an expected dividend yield of 2.2% for 2019.

Access through Adviser Platforms

AVAILABLE IN ISAs



Fees and Expenses

	Direct with Puma	Through a Platform ²
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) ¹
Dealing Fee	1% (applied to purchase or sale of stocks)	Platform and dealing fees may vary across Platforms

¹ Fees may be adjustable to the closest value to reflect the relevant Platform's rounding up policy.
² 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 20 years' experience of analysing small and mid-sized companies.



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GROUP

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