



PUMA INVESTMENTS

AVAILABLE IN ISAs

£20,000 minimum subscription

Award-winning

GROWTH INVESTOR 2017 AWARDS WINNER BEST AIM INVESTMENT MANAGER

GROWTH INVESTOR 2016 AWARDS WINNER BEST AIM INVESTMENT MANAGER

INVESTMENT WEEK TAX EFFICIENCY AWARDS 2017/18 WINNER Tax-Efficient Group of the Year

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 Q1 2019 Quarterly Report

Investment Director's Quarterly Portfolio Review

In Q1 2019 the portfolio increased by +5.08%, a -1.70% underperformance of the FTSE AIM All Share Index. Since inception in July 2014 the portfolio has increased by +39.16% net of management and dealing fees. This is a +22.42% outperformance of the FTSE AIM All Share Index in the same period. During the quarter we wrote down the remaining holding in Patisserie Holdings to zero ahead of it going into administration.

The quarter showed a recovery in UK and global markets following a difficult 2018. This was led by larger capitalisation companies with international earnings, despite a headwind from the recovery in Sterling versus the US dollar and the Euro. Small and mid-cap UK stocks recovered overall but failed to keep up with the larger companies. This is primarily due to worries over BREXIT which has left the UK market trading at a significant discount to other major markets with the discount in small and mid-cap stocks being even more extreme. While we would not claim to have any special insight into the BREXIT outcome, we are of the view that once resolved it is likely there will be a material re-pricing of UK stocks, particularly those with a domestic focus. This of course does not rule out short term gyrations in the market as the issue is resolved.

We remain confident in the outlook for the Service.

Justin Waine, Investment Director

Performance Graph of the Puma AIM IHT Portfolio



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

Cumulative Performance %

	3M	1Y	2Y	3Y	Since Inception
PUMA AIM IHT Portfolio Service	+5.08	-10.98	-8.29	+4.85	+39.16
FTSE AIM All Share Index (AXX)	+6.78	-9.61	-1.35	+28.99	+16.74
Relative Outperformance	-1.70	-1.37	-6.94	-24.14	+22.42

Discrete Investment Performance %

	2019	2018	2017	2016	2015	CAGR ¹
PUMA AIM IHT Portfolio Service	+5.08	-20.11	+15.23	+4.98	+30.90	+7.20
FTSE AIM All Share Index (AXX)	+6.78	-18.20	+24.30	+14.29	+5.23	+3.31
Relative Outperformance	-1.70	-1.91	-9.07	-9.31	+25.67	+3.89

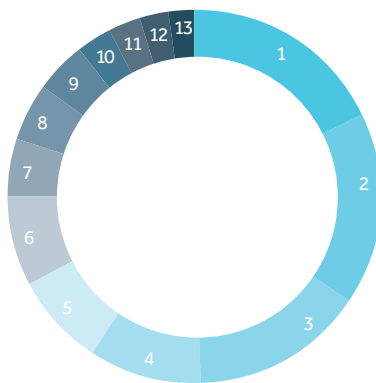
¹ Compound Annual Growth Rate

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
H&T	7.75
Focusrite	7.65
Thorpe FW	7.27
Renew Holdings	7.14
Judges Scientific	6.71
NWF Group	5.59
EMIS	5.16
Cello Health	5.12
Nichols	4.90
Scapa Group	4.59
Total % of the portfolio	61.89%
Total holdings in the portfolio	21

Portfolio Companies by Sector % of portfolio



1	Electronic & Electrical Equipment	17.87%
2	Support Services	16.75%
3	Financial Services	15.06%
4	Construction & Materials	9.75%
5	Software & Services	7.98%
6	Travel & Leisure	7.65%
7	Media	5.12%
8	Beverages	4.90%
9	Chemicals	4.59%
10	Retailers	2.84%
11	Healthcare Equipment & Services	2.79%
12	Household Goods & Home Construction	2.61%
13	Cash	2.09%

Spotlight on a Portfolio Holding

Renew Holdings plc — Renew Holdings is an Engineering Services business focused on UK Infrastructure



ESTABLISHED
1786

SECTOR
Support Services

PRICE AT END OF QUARTER
3.975p

MARKET CAPITALISATION
£301m

Company background and performance

The company was founded as Y J Lovell in 1786. In the 1990s and 2000s the company reorganised its activities substantially, selling and acquiring various businesses to create the core of the business as it exists today. In 2005 the company was renamed Renew Holdings plc.

The company's largest business is Engineering Services which focuses on three areas Energy, Environmental and Infrastructure. Energy operations include nuclear decommissioning, supporting traditional and renewable energy facilities, gas distribution network asset maintenance, replacement and installation. Environmental services include maintaining strategic water mains and mains drainage; as well as maintaining the clean and waste water rehabilitation infrastructure. Environmental includes flood and sea defences, and soil and groundwater remediation. Infrastructure comprises activities focused on rail such as off-track asset renewal and maintenance, tunnel and shaft refurbishment.

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: Renew Holdings is a leading operator in a highly regulated market niche. EBIT margins while low are above those you would expect in the construction industry and reflect the more specialised and essential nature of the work being performed. The company has generated free-cash flow in each of the last three years. Post-tax return on capital employed is high and expected to remain so due to the capital light nature of the business.

2 Growth: In Energy the company expects to benefit from the £3bn per annum nuclear decommissioning programme. Environmental opportunities include £2.3bn in new coastal and river flood defences. In Infrastructure the company expects to benefit from the £48bn that Network Rail plans to spend in the period from 2019 to 2024.

3 Valuation: Based on our analysis Renew Holdings trades at a significant discount to our estimate of fair value. The company trades on 10.5x EV/NOPLAT for the year to September 2019, falling to 9.0x EV/NOPLAT the following year. This is driven by strong top line growth, and a modest improvement in EBIT margins. Free-cash generation is strong with a free-cash yield of 7% expected in 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 Waine

Justin Waine 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.