PUMA INVESTMENTS

Puma AIM Inheritance Tax Service

Q2 2022 Quarterly Report

PUMA AIM 8 YEARS IHT SERVICE

AVAILABLE IN ISAs

£20,000 minimum subscription

Award-winning

GROWTH INVESTOR 2018 | AWARDS — FINALIST BEST BR INVESTMENT MANAGER AIM

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

GROWTH INVESTOR 2020 | AWARDS — FINALIST BEST BR INVESTMENT MANAGER (LISTED)

GROWTH INVESTOR 2021 | AWARDS — FINALIST 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

Investment Director's Quarterly Portfolio Review

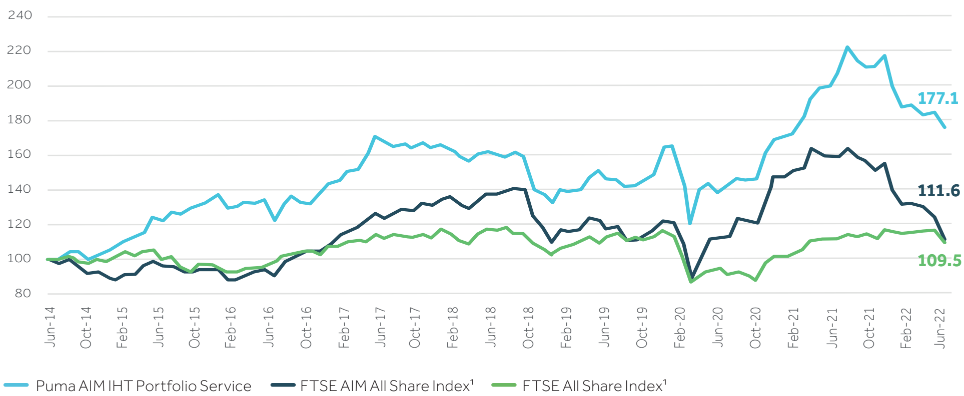
In Q2 2022, the portfolio decreased by -6.38%, outperforming the FTSE AIM All Share index which decreased by -15.94% but underperforming the FTSE All Share Index which decreased by -5.90%. Since inception in July 2014, the portfolio has increased by +77.10%, outperforming both the FTSE AIM All Share Index (+11.56%) and the FTSE All Share Index (+9.46%).

Higher inflation, with the Russian invasion accentuating the rise in commodity prices, together with interest rate rises and lower economic growth have generated six months of significant equity market volatility. On a cautiously positive note, most Puma AIM portfolio companies reported results as anticipated to the market during the spring reporting season. This is perhaps unsurprising given the reporting period covered the tail of the post-Covid recovery. More surprisingly, despite the economic uncertainties, the outlook statements of those reporting portfolio companies were positive. This hopeful stance has foundations in companies beginning to adapt to the challenges. Nevertheless, this adaptation will have to continue for an extended period as economic indicators are studied for signs of a recession, however temporary. In this light, it is likely that summer trading will remain highly volatile.

Since the Russian invasion, the Puma AIM model portfolio has had a resilient performance aided by good results and encouraging outlook statements. However, market sentiment is not in a mood to give companies any credit. The September reporting season will be the first to report a full six-month impact of this most recent systemic politico-economic shock. It will be an important period to assess, yet again, our portfolio management teams ability to adapt and steer their companies in these challenging times.

Dr Stuart Rollason, Investment Director

Performance Graph of the Puma AIM IHT Portfolio Service



Cumulative Investment Performance %

	3M	1Y	3Y	5Y	Since Inception
PUMA AIM IHT Portfolio Service	-6.38	-11.36	+21.60	+5.82	**+77.10**
FTSE AIM All Share Index (AXX)[1]	-15.94	-29.81	-4.69	-9.29	**+11.56**
FTSE All Share Index (ASX)[1]	-5.90	-1.84	-2.86	-1.53	**+9.46**

Discrete Investment Performance %

	2022 to date	2021	2020	2019	2018	CAGR[2]
PUMA AIM IHT Portfolio Service	-18.44	+28.39	+2.81	+24.23	-20.11	**+7.40**
FTSE AIM All Share Index (AXX)[1]	-28.00	+5.17	+20.74	+11.61	-18.20	**+1.38**
FTSE All Share Index (ASX)[1]	-6.35	+14.55	-12.46	+14.19	-12.95	**+1.14**

[1] The indices shown are for illustrative purposes only and are not considered directly comparable to the performance of this Service | Source: Iress

[2] Compound Annual Growth Rate.

All performance data is quoted net of management and dealing fees and applies to one of the first investor's portfolio that remains invested. Please note that from Q2 2021 the performance data no longer applies to the previous Investment Director's portfolio, but instead applies to the next portfolio that remains in existence that has been invested since inception. Small variations in performance may apply as each individual investor has their own discrete portfolio of assets.

Discrete performance data is calculated as full year periods from 1 January to 31 December of the year displayed.

Past performance is no guarantee of future results | Source: Puma Investments, unless otherwise stated.

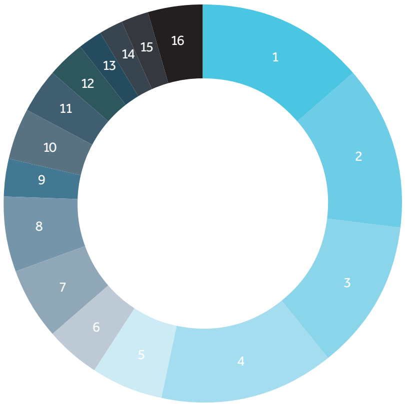
Portfolio's Top 10 Holdings

COMPANY	% holding
JUDGES SCIENTFC	7.36%
EMIS	7.14%
RENEW HOLDINGS	6.34%
FOCUSRITE	5.95%
THORPE (F.W)	5.70%
H&T GROUP PLC	4.70%
CERILLION	4.22%
VERTU MOTORS	4.21%
NWF GRP.	3.28%
BELVOIR	3.27%
Total	**52.17%**

Total holdings in the portfolio **33**

As at 30 June 2022

Portfolio Companies by Sector % of portfolio



1	Construction & Materials	13.87%
2	Support Services	13.14%
3	Electronic & Electrical Equipment	12.33%
4	Software & Computer Services	14.12%
5	Leisure Goods	5.95%
6	Retailers	4.47%
7	Technology Hardware & Equipment	5.70%
8	Finance and Credit Services	6.04%
9	Beverages	3.11%
10	Property Services	4.18%
11	Investment Banking & Brokerage Services	3.64%
12	Medical Equipment & Pharmaceutical	3.10%
13	Telecommunication Service Providers	1.78%
14	Consumer Services	2.01%
15	Health Care Providers	2.21%
16	Cash	4.34%

As at 30 June 2022. Figures may be subject to rounding errors.

Spotlight on a Portfolio Holding

Craneware®

ESTABLISHED
1999

SECTOR
Health Care Services

PRICE AT END OF QUARTER
1845p

MARKET CAPITALISATION
£656m

Company background

Craneware provides software solutions for US healthcare providers to optimise their operational and financial performance.

The company was founded by current CEO Keith Neilson and co-founder Gordon Craig. Based in Edinburgh and Florida their customer base resides wholly in the US, where they serve 2,000 US hospitals.

Craneware's original product was Chargemaster, which is a solution for recording billable services in hospitals to enable accurate charging to health insurers. Chargemaster is now just 20% of the revenue of the overall business following the acquisition of Sentry Data Systems. Florida based Sentry provides pharmacy procurement software solutions. In addition, Craneware has built out a comprehensive software platform called Trisus, allowing Craneware to broaden out their services across new areas spanning operational management of US hospitals.

Keith Neilson's vision is to build an integrated software platform within Trisus that can use the 150 million patient records at Craneware's disposal to enable hospitals to improve the level of care and increase affordability by allowing for more efficient provision of care from both an operational and financial perspective.

Quality

Craneware provides mission-critical solutions to a highly resilient and well-funded customer base in US healthcare. New customers sign contracts for in excess of three years on average, with customer retention in excess of 90%. Customer churn mostly relates to change in ownership of hospital customers. Recurring revenues represent over 90% of revenues, with the remainder relating to professional services linked to implementations.

EBITDA margins are in excess of 29% on a historic basis, with scope to expand further with scale. With 30% of revenue spent on R&D, there is a strong commitment to continue to innovate.

Growth

Organic growth in recent years has been subdued as customers focused on dealing with the impact of the pandemic on their operations. However, with the return to a more normalised environment for healthcare we expect sales momentum to increase. Given that only 35% of Sentry's customer base of six hundred hospitals use Craneware products, we expect cross-selling to be a significant contributor to this growth.

Longer-term we anticipate that the greater use of technology to improve care at a reduced cost in the US will drive demand for Craneware's software solutions.

Valuation

We believe that Craneware should be valued as a US business, given its customer base is entirely in that geography and the attractions of the business to US investors. There have been a number of transactions in healthcare software, given the underlying attractiveness of the end-market, and the ability to deliver high margins and strong cash flows. These transactions would imply a valuation ahead of the 16x EV/EBITDA we estimate the business is valued at currently.

Access through Adviser Platforms

AVAILABLE IN ISAs

Fidelity International · transact take control · Standard Life · Other platforms available

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
Dr Stuart Rollason

Dr Stuart Rollason is a highly experienced small and mid-cap fund manager with over 20 years in the industry. He joined Puma from Kestrel Partners LLP, where he led their AIM IHT service for a decade. Previously, he managed a UK smaller company investment trust at Bluehone and £230m of UK smaller company pension assets at ISIS Asset Management.

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