Tax Efficient Review

Issue No

619

Product

Puma Heritage Estate Planning Service

Tax Status

Business Relief/IHT Efficient

Fund Group

Puma Investments

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The value of investments and the income from them can go down as well as up and you may not get back the amount invested.

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Factsheet

Unquoted BR/IHT Efficient Offer	
Name	Puma Heritage Estate Planning Service
Manager	Puma Investment Management Ltd
Size of AUM	£369m as at December 2024
Custodian	Pershing Securities Ltd
Focus of Trades	Secured property lending
Minimum investment	£25,000
Est. Liquidity Frequency	One month notice
Initial Costs	1.5% plus 1% dealing fee
Annual Costs	0.5% on returns to investors over 3.5% p.a.
2 Year Insurance Option	Available

Summary

Table 1: Tax Efficient Review summary of offering Pros and Cons

PROs	CONs
The return track record for Puma Heritage EPS is one of a few that have actually achieved their target return (3% per annum in this case) over 5 years from the net investment cost and have never lost capital on any of its loans since inception over a decade ago.	Second highest level of fees in the peer group review, at £20.31 per £100 over five years. Only Octopus ITS at 23.49 per £100 is higher but we recognise that this in part due to all of the trading activity being managed in house
Trading focus is and has always been only on a book of short term loans secured on property and loans for property developments, which is useful if one seeks to avoid exposure to renewable energy, 3rd party lending or more esoteric lending securities	Increased levels of activity in the property development loan market from the newer, so called “challenger” banks has increased competition for Puma Heritage in this area and acted as a restraining factor on loan interest rates
There is no interpretation of equity value in the underlying trade for Puma Heritage. This is something which can affect the NAV per share of unquoted BR offers which have to apply values to renewable energy installations and newer trades such as forestry and fibre broadband network installation companies	The housing market declining, combined with increased building cost, could mean developers take on fewer projects, which could make it harder for Puma Heritage to find sufficient quality of loans, although Puma say that the Government has committed to a number of measures to alleviate this.

Disclaimer

Key Points of the 2025 BR Reviews

The start of 2025 sees pressures building up on funds flows in the BR space as a result of a number of factors which, if they resulted in large fund movements, could impact short-term liquidity:

1. The changes to Inheritance Tax legislation in the last Budget could see a movement of funds from AIM to non-AIM BR and some providers might encourage this by reducing or eliminating transfer fees

2. Changes to bringing pensions back within the Inheritance Tax calculations after April 2027 could increase the attractiveness of BR efficient offerings

3. The largest non-AIM BR provider, Octopus, saw a 5% reduction in its share price due to a £150m write-down in their residential fibre broadband holdings. This is a reminder that these offers do not always rise linearly in value

As a recap, in 2020 Tax Efficient Review started the first holistic review of the unquoted BR market. All the Offers were assessed and compared on underlying trades, debt/gearing levels, as well as performance and fees. In those first reviews we pointed out that the unquoted BR market had traded over the relatively benign economic period, and had yet to be tested by a period of economic uncertainty. Almost as soon as the reviews had been published, the first lockdowns of the COVID-19 pandemic hit and economies around the world experienced huge levels of disruption.

In the summer of 2021, the next holistic review of the unquoted market was undertaken, and the UK economy was still dealing with the furlough of many workers as well as periodic returns to lockdown.

Then in the reviews of 2022 and 2023 we saw economic disruptions appear which affected these offers in two main areas:

1. There was a large surge in energy prices caused by the start of the war in The Ukraine and increases in energy demand as economic activity picked up

2. Followed by a rapid increases in interest rates, which central banks used as they sought to tackle the increasing inflation which followed on from the large amounts of money deployed into the economy during the COVID-19 years

These changes impacted the unquoted BR market because the main bulk of the underlying trades were across renewable energy installations, and in making multiple short term loans mostly backed up by commercial or residential property.

Now, in 2025, (using performance data as at 31st December 2024), we can look back and say that the period since the previous reviews at the beginning of 2024 has actually been a relatively stable time. Energy prices have stabilised, inflation has fallen from the highs seen in 2023 and Bank of England base rates have also dropped slightly. So we can look towards seeing how these offers have performed without some of the economic shocks described above.

However, as mentioned above, there are some key points which need to be highlighted to financial advisers about the current market for the unquoted BR offers:

Unquoted BR Offer Annual Return Profile:

The rising Bank of England base rates, which peaked at 5.25% in 2023/2024 and, at the time of writing, are held at 4.5% interest rates will likely have an impact on the expectation of the returns generated by these unquoted BR offers.

When these offers were marketed to financial advisers between 2016 and 2020, the typical return profile of 3%-4% per annum for investors seemed perfectly reasonable. But inflation peaked at over 10% in 2023 and although it has dropped significantly since then, the effects of higher inflation are still being felt by all. Furthermore, banks are offering savings rates around 5% p.a.

So will the return profile of the unquoted BR offers will now come into question, as many of them are not currently keeping pace with inflation? Over time, an organic increase in returns could be expected. As new loans are deployed at higher interest rates and the increases in energy prices flows through once existing power purchase agreements are re-negotiated.

The managers of these offers may also point to the annual returns as not being the main reason why advisers are considering these offers, as inheritance tax planning is a key component in the decision making process. But they are also held for the long term and the current return profile is something which needs to be considered.

Fees

Following on the above point, an easy way to increase the return profile on the unquoted BR offers is for the managers to reduce the fees they take, thereby passing on more of the gross return to the investors.

There have been moves from some unquoted BR managers recently to reduce their fees for a period of time, or to restructure their fees so that the full set of fees are only taken once the investor has exited the offer and achieved a certain level of performance.

Tax Efficient Review expect to see more downward pressure on the fees associated with these offers over the coming year.

Changes to Inheritance Tax Legislation

The first Budget from the newly elected Labour government took place in October 2024 and the Chancellor, Rachel Reeves, announced the first real changes to inheritance tax for many years. Specifically, there were changes to the Business Relief legislation which directly affects the unquoted BR offers, as well as AIM IHT efficient portfolios.

From April 2026, AIM shares, as well as other shares designated as “not listed” will only attract Business Relief at a rate of 50%, down from the 100% of relief that it had been previously. However, for unquoted BR shares, there is an exemption planned and the first £1m of holdings will receive 100% relief. Any amounts above this £1m will be limited to 50% relief from inheritance tax.

Whether these changes lead towards transfers from AIM IHT portfolios towards unquoted BR offers remains to be seen? This is not a straightforward decision for independent financial advisers. The underlying investments/trades are markedly different and there is, as yet, no ruling on any roll-over relief not re-starting the 2 year BR “clock”.

There were also further changes to Inheritance Tax, which, whilst not directly affecting Business Relief, could still have planning ramifications for this industry? Inheritance tax nil rate band and residence nil rate band thresholds are to remain frozen until April 2030, and also unused pensions could be subject to Inheritance Tax after April 2027.

Diversification of Trades

The past 5 years has seen a broadening of the underlying trading activities in some of the offers as fund inflows have increased. Historically, the unquoted BR offers focussed on two main areas of renewable energy installations and books of smaller, short term loans (often secured on property).

Within the renewable energy installations, these were primarily based on solar and wind farms, but over the years these have diversified into areas such as hydro, reserve power, gas peaking plants, anaerobic digestion and biomass generators.

In the loan book trades, these have also broadened out into areas such as SME loans and loans to infrastructure projects.

Beyond these two areas, there has been even more diversification into areas such as large scale fibre broadband installations projects. This diversification does not affect all the offers being reviewed, but it’s important for advisers to be aware that some of these newer trades are less tried and tested than the two main ones listed above.

This diversification of trades may help when it comes to BR qualification status, but as we have seen, they can bring more volatility compared with the more traditional trades.

HMRC

All IHT offerings face the possibility of challenge from HMRC when investors claim the 100% relief from IHT that unquoted trading businesses can provide. Relief will be refused if the business consists “wholly or mainly” of one or more of the following:

1. dealing in securities, stocks or shares
2. dealing in land or buildings,
3. or making or holding investment

HMRC will use the “Badges of Trade” concept when applying the “trade” versus “investment” rule as described in the HMRC Business Income Manual. This is a complicated and difficult area and there is no pre-clearance that investors can request to try to settle this issue before investing.

In addition, the HMRC approach to lending and what constitutes a “trade” is not tested. The HMRC website does contain detail on their view of lending within the Close Companies Manager’s Manual. Although this page has recently been archived by HMRC the case law it references remains valid.

Tax Efficient Review does not give tax advice

Stamp Duty Reserve Tax (SDRT)

Stamp Duty Reserve Tax (SDRT) at 0.5% is paid on the paperless purchase of shares. It is different from Stamp Duty which applies to shares bought on a stock transfer form. SDRT Is important as it can affect both the costs involved in a BR transaction and potentially the tax treatment of any gain.

An investor on entering a BR offering would pay no SDRT if they were allocated new shares but they would pay 0.5% SDRT in a “matched bargain” (a transaction in which a sale of a particular quantity of stock is matched with a purchase of the same quantity of the same stock usually with the BR provider being the purchaser and then the seller in order to facilitate the transaction.)

On exit, in a matched bargain situation there would be no SDRT for the seller. However If they sold the shares to the company then the company would be liable for 0.5% SDRT.

So there are three possible ways any SDRT can be paid: by the investor, by the manager or by the company whose shares are being transacted and different BR offers approach this in a variety of ways: In our analysis of costs later on in the review we cover who pays the SDRT if any is payable.

Tax Efficient Review does not give tax advice.

Review based upon

TER always meet with the fund manager prior to a review. This review has been prepared using the Information Memorandum of the Puma Heritage Estate Planning Service offer and their marketing collateral, along with data provided by the Manager on their underlying trades.

Type of offer

The Puma Heritage offer is structured by Puma Investments Ltd as a discretionary investment service with one underlying trading company.

TER Segmentation & Classification

We classify the current BR products on offer as follows:

1. those that trade through companies owning and operating yield producing assets (such as solar or wind farms)
2. those having a trade of secured lending/ leasing
3. hybrid offers combining both the above

Further we sub-divide each category into:

1. IHT services with less than £500m of IHT

funds under management (excluding EIS)

2. IHT services with more than £500m of IHT funds under management (excluding EIS)

This produces six categories of IHT offers (based on current expectations of managers):

100% Yield producing assets focus	100% Secured lending/leasing focus	Hybrid offers
Products with less than £500m of IHT funds under management (excluding EIS)		
Deepbridge Guinness	Ingenious Puma Seneca	Blackfinch ProVen
Products with more than £500m of IHT funds under management (excluding EIS)		
14 May 2025 9:53 am	Triple Point	Downing Foresight Octopus TIME

Table 2: **Breakdown of trades within trading company -** Puma Heritage Ltd

Trade Type	Classification Equity or debt provision	Percentage by value	Amount 31st December 2024	Gross Target Return	Being considered for future trades?
Property-backed Lending	Debt	5.0%	£18.5m	7.5%	Yes
Property development lending - Commercial	Debt	15.1%	£55.5m	8.5%	Yes
Property development lending - Residential	Debt	62.9%	£232.0m	8.5%	Yes
Property - Bridging	Debt	11.8%	£43.6m	7.5%	Yes
Cash	Non-trade	4.9%	£17.9m	0%	N/A

Source: Puma 31/12/2024

The Offer

Puma Heritage was first launched in 2013 and it now has over £370m of assets under management within the trading strategy. This strategy focusses entirely on short term loans backed by property or land.

Puma report that deployment of AUM into loans was at the highest level it has been since launch in 2024, and that they have moved from an average loan size of £10m towards an average size of £30m-£40m per loan.

There are no renewable energy trades, as found in many of their unquoted BR peer group. Neither have they branched out into other areas such as SME lending or leasing. This has always made Puma Heritage a relatively simple offer, but particularly more so now that many of the unquoted BR trading group are expanding into newer, less tested trades such as fibre broadband networks and structured lending.

However, simple and straightford should not be mistaken for necessarily being lower risk. Whilst the large and diverse loan book is backed up by retail and commercial property, the single trade does make Puma Heritage sensitive to interest rate movements.

A few years ago there was a surge in Bank of England base rates, compared with the low, almost benign, base rates which had accompanied Puma Heritage's lending activities since launch. Which means that Puma Heritage has increased the rates of interest that it loans money out to property developers.

Puma have acknowledged the returns have not increased as much and as quickly as investors might have expected for a company whose revenues are derived from interest rates. Partly this is down to the amount of time to re-issue loans at these higher interest rates. Puma also highlight their push for stronger borrowing counterparties, beyond targeting higher interest rate loans as the primary cause for this. Puma say they are also seeking to operate alongside larger counterparties such as institutional lenders and high street banks for business. They claim this can be evidenced from their recent deals – one of which was to VITA, the UK's largest student accommodation developer in the UK.

Since launch, and during the years of benign interest rates, Puma Heritage sought a gross interest rate on its loan book of between 8%-10% per annum. Which drove the target net 3%-4% per annum return to investors. But with the Bank of England base rate having seen many incremental increases to the 2023 level of 5.25%, and only a modest drop to the current 4.5% Puma Heritage adapted the rates at which it lends.

They have done this by changing from a fixed rate lender, which they were for many years, and moved to a floating rate, i.e. a rate which is a margin over the Bank of England SONIA (Sterling Over Night Index Average) rate. Interest is invariably accrued to be paid once the development has been sold, rather than being paid by the developer over the course of the build.

Puma is now lending at 4.5% to 5% above SONIA (the Bank of England's Risk Free Rate of Return) which is currently 4.45%. This has come off from the highs of last year when they had an example loan at 10.4%. Puma acknowledges that if the counterparties being lent to not have improved, then these rates would have been higher. There has also been increased competition in the property development loan market from the challenger banks.

Puma Heritage have also increased the size of the individual loans as AUM has grown and the size of the counterparties has increased. Historically a £10m loan would have been standard, but in recent years they have moved to making loans of between £30m and £50m in size.

Whilst this gives Puma Heritage more flexibility and helps to counter future changes in the Base Rate, there is also normally a base rate floor structured into the loan so it cannot drop below a particular level (in the unexpected event of interest rates returning to the low levels seen between 2010 and 2020).

Puma Heritage has participated in 762 loans totalling £1,500 million since it began trading and up to 28 February 2025. Out of the 762 loans, 699 have already been repaid in full. Puma Heritage's loans to date have been made to a large number of borrowers across a broad range of sectors including residential, hotels, care homes, specialist healthcare, mixed use and assisted living centre development. In addition to the sectoral diversity of the loan book, Puma say it is also geographically diverse ,as Puma Heritage Ltd has lent against properties in 55 of the 83 counties in the UK.

As at 31 December 2024, there were 273 million growth and income shares in issue (196 million Growth and 2.7 million Income shares) . Investors have monthly exit opportunities from the Service (to date, Puma tell us that all redemptions have been met within one month). Investors are allocated growth shares and have the option to take a form of income via redemptions.

Two Year Insurance Option: Optional two-year life protection for investors aged up to 88 years and two months. Covering the Business Relief qualifying period, this pays out 40% of the original investment amount on death on investments up to £500,000. (maximum payout of £200,000, being 40% of £500,000).

Investors in Puma Heritage Estate Planning Service acquire shares in the private trading companies, including Puma Heritage Ltd. Puma Heritage Ltd is currently a trading group of just one subsidiary. The shareholding in the parent company is intended to benefit from Business Property Relief, and therefore 100% relief from Inheritance Tax after the two year qualifying period.

Puma Heritage Ltd's primary trading activity, carried out by its wholly-owned subsidiary, Heritage Square Limited, is first charge property secured lending. Puma Investments say that Puma Heritage Ltd undertakes a prudent underwriting approach, taking first charge security over assets, typically being their freehold or long leasehold properties, stock or contracted revenue streams. Puma Investments (the "Trading Adviser") claims a strong track record in the real estate sector and tell us that since 2005 Puma has advised on over £2bn of property loans and construction projects and Puma say they have not lost capital on any loan to date.

As at 31 December 2024, the average weighted Gross Loan to Value (total capital and fees advanced + Accrued Interest) in the portfolio was 62% (see Table 7), where the value considered is the anticipated end value of a project (in the case of a development project).

It it useful to remind advisers whilst many unquoted BR offers say they undertake lending activities, many of these are operated as large loans to 3rd party lenders, or lending which is not necessarily backed up by property (SME loans or loans to contracts for example). Puma Heritage has always undertaken inhouse lending directly to property developers. Whilst there is clearly still risk inherent in lending to develop property, Puma Heritage can say they have a simpler structure to enforcing collateral in the event of default.

Examples of the loans that the Company's subsidiary Heritage Square has completed in Q4 2024 are:

- A £52m loan for a student accommodation in Edinburgh. Puma partnered with Vita Student whose developments target the top end of the student market. Puma stated: "This 267-bed scheme will include 24/7 security, a state-of-the-art gym, bike hire, bookable private dining and study rooms. Rooms feature a high-quality fitout, with floor-to-ceiling windows." Vita Student was launched in 2013 to offer premium, experience-led, student accommodation and has 5,760 beds in 19 residences across 12 cities in the UK.

- A £15m loan for an industrial development in North Yorkshire. Puma Stated: "This low-carbon development has planning permission for industrial and warehousing units, high-tech hybrid units, offices, trade-counter and food and beverage retail units

Along with other secured lending providers, we asked Puma for a summary of their loan portfolio. The results are in Table 7 (data on whole Puma Heritage current portfolio) and Table 8 (which compares their offering to other providers). Overall the tables show that Puma have relatively long duration loans and one of the largest average loan sizes. However, Tax Efficient Review accept that loans made by other unquoted BR managers may be less opaque in their duration and loan sizes due to wholesale lending to 3rd party counterparts.

The total shareholder return is calculated using the net asset value of Puma Heritage Ltd, and is net of all fees, including the Advisory Fee that is taken but can be clawed back for for the benefit of investors until the minimum average 3% return per annum is met over a 5 year period. Puma Investments go on to say that one of the ways in which risk is mitigated is that regardless of when a shareholder subscribes for their shares, all shares carry an equal exposure to each of the transactions to which the Company is a party, irrespective of whether those transactions are entered into before or after the relevant shareholder's subscription. This will aid risk reduction for shareholders because their capital will be spread across a wider number of transactions than otherwise would be the case.

Investors are able to send a written request to liquidate all or part of their portfolio at any time and, subject to deduction of dealing costs. The Board of Puma Heritage meet fortnightly to allot new shares and monthly to approve redemptions. As is made clear in the offering documents, the ability to redeem shares is subject to the Board's discretion, applicable law and regulation and the availability of sufficient cash reserves. To date, all redemptions have been met within one month, including a large redemption for £2.07m.

Puma Heritage Ltd has an advantage in offering redeemable shares, even where no redemption is guaranteed, because (unlike the position on a company buyback of shares used by some other BR product providers) there is no charge to stamp duty or stamp duty reserve tax on a redemption of shares. This has the effect of lowering the cost to the Company (and therefore to shareholders) of the Company's provision of a mechanism to provide liquidity to shareholders.

Depending on the individual shareholder's circumstances, a redemption of shares may result in any excess of redemption proceeds over the subscription price being taxable to income tax. The Company also offers a matched bargain service to ensure that any such excess is taxable to capital gains tax. Under the matched bargain service, the Company is able to facilitate the sale of shares by exiting shareholders to applicants subscribing for new shares. From the perspective of the amounts and fees payable, these will be the same as if there had been a redemption of the exiting shareholder's shares and a subscription of new shares by the new shareholder (and any stamp duty payable on a matched bargain will be funded out of the 1% exit dealing fee).

Institutional funding

In December 2018, Puma Investments secured a £200m funding line from an institutional investor, RoundShield Partners LLP. Successfully attracting a £200m institutional funding line perhaps provides some assurance that another experienced third party has undertaken due diligence on Puma Investments and their processes and underwriting ability. This funding line has been finalised and all loans were fully repaid.

In January 2022, Puma secured an additional £300 million institutional funding line with Waterfall Asset Management. As part of the process to secure the funding, Waterfall appointed PWC and Trimont to review all of Puma's lending processes, policies and procedures. Puma say this provides further assurance that expert third parties have undertaken due diligence on Puma and its processes. Heritage Square will not co-lend with Waterfall but, importantly, Heritage Square has a right of first refusal on all loans that are originated by Puma.

Track Record

In previous reviews of this market TER have looked at two main questions when analysing the track record of these offers:

1. How much money would an investor actually have made over the 5 years from an investment of £100 into these offers?

2. How much would have been levied in fees by the providers of these services over the 5 years?

In this set of reviews, TER have expanded the scope of this analysis to include comparisons of how each offer has performed against their predicted/estimated target annual return.

Table 3 is the main source for comparing the track record of these offers and comprises the following columns:

1. Target return of the Offer

2. Actual return on net amount invested (£100 less initial charges) as a percentage

Table 3: **Tax Efficient Review BR offers actual five year returns and simulated fees comparison table**

- The returns information in this table is based on the 5 year returns information provided by the fund management groups
- The 'target' figures given by all the providers will not usually include any exit fees or deferred AMCs. This is because the providers are just measuring the return achieved within the BR companies whereas the TER figures in columns 3 & 4 do include exit/deferred fees as TER are looking to measure the return over a defined five year period where the investor totally exited and so has suffered any exit/deferred fees
- Where an offer charges an initial or annual fee to the underlying company/ies we have treated that as equivalent to an AMC charged to the investor
- Column 4 figures are lower than column 3 as they measure performance from a higher starting point
- Past returns are not a reliable indicator of future performance, and past returns may have been enhanced by the fund manager not charging certain fees
- The trading operations used to generate these returns are subject to changes over time and the levels of fees charged by the fund manager, which impact net investor returns, can be subject to change without prior notification
- The five year fees data is simulated and is based upon the current charges regimes which are subject to change. Where the AMC is contingent then we have assumed that the target return has been met and the full AMC is taken

Product Provider Red cells indicate that the offer has failed to meet its net or gross investment target over the five years to 31 December 2024 (ie column 2 is greater than columns 3 or 4)	Offer target Annual Return based on the net investment made into qualifying companies (ie after initial fees have been deducted) but excluding any exit/deferred fees	5 year Actual Annual Return on net amount invested 1 January 2020 and exited 31 December 2024 (ie IRR with initial and exit fees accounted for)	5 year Actual Annual Return on gross £100 invested 1 January 2020 and exited 31 December 2024 (ie IRR with initial and exit fees accounted for)	5 year Actual Total Return per £100 invested 1 January 2020 and exited 31 December 2024	Return Position (based on 5-year actual return in preceding column)	Total 5 year simulated fees paid per £100 invested (from Tables 5 & 6)
Solar Income & Growth Ltd (ProVen)	4.5%	6.76%	6.33%	£135.96	1st	£15.50
Foresight ITS	3%-4.5%	4.42%	3.89%	£121.03	2nd	£14.50
Downing Energy (Bagnall)	3%-4.5%	3.85%	3.44%	£118.41	3rd	£16.05
Triple Point Navigator (Note 2)	4%-5%	3.94%	3.31%	£117.69	4th	£16.20
Solar Growth Ltd (ProVen)	4.5%	3.65%	3.23%	£117.25	5th	£15.50
Seneca IHT Service Growth	4%	3.77%	3.21%	£117.10	6th	£21.90
Ingenious Private Real Estate	3%-5%	3.50%	2.98%	£115.82	7th	£10.53
Seneca IHT Service Income	4%	3.50%	2.94%	£115.61	8th	£21.90
Downing Asset Backed (Pulford)	3%-4.5%	3.11%	2.69%	£114.21	9th	£17.95
Guinness SEPS (Note 1)	3%-5%	3.09%	2.67%	£114.10	10th	£13.84
Time Advance BR Service	3%-4.5%	3.29%	2.56%	£113.50	11th	£15.13
Puma Heritage	3%	2.99%	2.47%	£112.97	12th	£22.56
Deepbridge Estate Planning Service	4%	3.47%	2.42%	£112.69	13th	£18.80
Octopus ITS	3%	2.79%	2.17%	£111.35	14th	£23.12
Triple Point Generations (Note 3)	1.5%-2.5%	2.23%	1.62%	£108.36	15th	£15.83
ProVen Legacy (ProVen)	4.5%	1.97%	1.56%	£108.04	16th	£15.50

Note 1: New charges regime started September 2022. The 5 year return if the new charges had been in force would have been £115.30
Note 2: Triple Point Navigator - AMC charged at 1%, going forward it will be 0.5%. Triple Point charge investee companies up to 1.9%pa to cover corporate running costs incurred by Triple Point and expect all VAT to be fully recoverable
Note 3: Triple Point Generations - AMC charged at 1%, going forward it will be 0.5%. Triple Point charge investee companies up to 1.9%pa to cover corporate running costs incurred by Triple Point and expect all VAT to be fully recoverable

Source: Providers Report produced 13/05/2025 14:18:47

3. Actual return on gross amount invested (£100) as a percentage

4. Total 5 year for £100 invested

5. Return ranking of the Offer

Total Fees levied by each Offer over 5 years

TER have asked the product providers for this information as at 31st December 2024. This does not mean that the highest returning and lowest charging offers will necessarily get the highest score, as there are additional factors such as the level of funds under management, diversification of underlying trades and degrees of underlying risk which also need to be considered. The aim of the table is to provide a useful comparison of the market now that it has reached this level of maturity. However, performance of IHT offers is difficult to compare as fees and charges are levied at different times (on investment, during holding period and at exit) and different places in the structure (in the service and in the underlying investee companies).

We asked all the other providers with a 5-year track record, for a calculation of the outcome for an investor entering the product on 1 January and exiting 31 December 2024, net of all fees and charges. The responses are in Table 3 and show that over the 5-year period to 31st December 2024 Puma Heritage would have returned £112.97 per £100 invested.

The target net return of 3% per annum has been achieved if one looks at the net investment amount, but it misses the 3% target return over 5 years on a gross investment basis. There is no performance fee on Puma Heritage, but there is an effective "performance floor" in that Puma only receive their 1% AMC if the investor averages 3% per annum return over the time they hold their shares in Puma Heritage and this is covered in more detail in the fees section.

Table 4 below shows that Puma Heritage has been consistent in achieving the 3% level of target return for investors.

Table 7 shows their Average Interest Rate to be a 9.14%, which is an increase on the 8.04% average interest rate in the previous review of Puma Heritage. This increase is to be expected as older loans are repaid and newer loans are issued at higher interest rates. This is also broadly in line with the peer group as can be seen in Table 8. As mentioned earlier, Puma Heritage moved from fixed rate lending to lending on a floating rate of around 3-4% over SONIA (Sterling Over Night Index Average). They have also increased the average loan size considerably as AUM has increased.

It is important to note that these loans are predominantly to fund property development, which means interest is rarely paid over the duration of the loan. Instead it is accrued and paid at the end once the property development has been completed and sold/refinanced.

In previous reviews, Puma Heritage has displayed a higher level of commitments made for loans than loans drawn (i.e. money has been delivered to the borrower to deploy). In this review, as at 31 December 2024 Puma Heritage had

Table 4: **Annual performance before fees**

Period	Actual growth achieved before investor fees	Actual growth achieved after investor fees
01/01/2020 - 31/12/20	3.67%	3.052%
01/01/2021- 31/12/21	3.88%	3.254%
01/01/2022- 31/12/22	3.78%	3.160%
01/01/2023- 31/12/23	3.88%	3.257%
01/01/2024- 31/12/24	3.87%	3.248%

Source: Provider 01/04/25

loans drawn of approximately £345m with loan commitments of £714m and has a cash balance of approximately £18m.

The share price calculation at which investors enter and exit and these are not set by market forces but by the offer providers themselves. As there are differing methodologies for calculating these NAVs we asked Puma to explain their methodology. Puma tell us that they value shares based on Accounts based Net Asset Value. They provided the following description as to how they implement their valuation policy:

We define direct lending as the BR provider offering loans directly to borrowers/property developers and having responsibility for charging additional interest or enforcing on the security in the event of a default. We define third party lending as the process of the BR provider offering a lump sum, either directly or via an SPV, to a financial institution who then deploy the loans, liaise with borrowers directly and enforce security.

In the event of default, we see the potential to enforce any remedies as being more problematic in the case of third party lending (where any claim would involve a floating charge at a company level) versus direct lending (which should involve direct access to the underlying property), we asked Puma the further following questions:

1. What % of your loan book by value is third party lending. Puma reply was: *0%*

2. What % of your loan book by value has security ringfenced on individual properties by direct security charge. Puma reply was: *100%*

3. On your third party lending, are there any other parties or lenders with prior recoupment positions. Puma reply was: *N/A*

"Given the straightforward nature of the Heritage business, the NAV asset-based methodology is most appropriate method of valuation. Loan principal advanced is held at cost with interest accrued on performing loans. In the event a loan is not performing then interest will not be accrued until the position is resolved or the Directors may opt to undertake an impairment write down. The NAV is calculated at the end of each month and is then used from proceeding share allotments and redemptions once approved by the Directors. We believe this provides considerably more clarity and less valuation risk than on businesses who are valued based on enterprise value and assumptions on future earnings".

We asked whether any of the loans in are non-performing and we were told: *"No capital impairments have been made to the loan book since inception*"

In summary, the net returns to shareholders within Puma Heritage are just exceeding the 3% target return, and this places it mid ranking in the returns of the BR peer group in Table 3. But Puma have been consistent in achieving these returns.

These conservative returns might be improved if Puma Investments were to reduce the fees charged on Puma Heritage, which at £20.31 are second highest only to Octopus at £22.99 per £100. In response to this, Puma argue that they undertake all of their lending activites inhouse and do not lend to 3rd party loan books.

The Manager

Puma Investments is the manager of the Puma Heritage Estate Planning Service and acts as trading adviser to Puma Heritage Ltd. The Trading Adviser assists in originating, executing and monitoring transactions which will be undertaken by the Puma Heritage Ltd. The Trading Adviser also assists in identifying suitably qualified employees, operating/management teams and advisers for the Company and any trading subsidiaries it may establish.

Puma Investments is a trading name of Puma Investment Management Limited, which is authorised and regulated by the FCA, and is part of the Shore Capital Group, an independent financial services group specialising in asset management, principal finance and equity capital market activities. The Shore Capital Group has a 35 year history, has over 200 staff across its 5 offices located in Guernsey, London, Liverpool, Edinburgh and Berlin and has over £1.8bn of assets under management.

The Board of Directors will have overall responsibility for the Company's affairs. The Board comprises two directors, who act independently of Puma Investments, together with one director from the Shore Capital Group, the parent company of Puma Investments. A majority of the Board, including the Chairman, is independent of the Trading Adviser. The Directors have substantial experience in secured lending. The company Chairman changed in 2017 owing to the death of the previous Chairman Peter Wisher. The new Chairman, Michael Posen who had already been a Director of Puma Heritage since 2013, spent 14 years in property-related and general banking and was head of Continental Illinois Bank's credit committee. In 1987 he left banking to found Earl Estates, a property investment and development company.

In 2022 there was a change of independent director as part of the company's plan to rotate its Board. Jim Brydie has been replaced by another property lending veteran with a career in banking, Graeme Alfille-Cook. Graeme spent several decades at Lloyds bank and was Managing Director of Lloyds Bank's Real Estate Development Lending business.

The Board comprises of two independent directors and one Shore Capital/Puma Investments director:

- **Michael Posen – Chairman -** Michael is an economist by training. After 6 years in industry Michael joined Chase Manhattan Bank specialising in property finance. He became Managing Director of the merchant banking arm of Continental Illinois Bank and was subsequently Senior Vice President and General Manager of First Interstate Bank in London. He also became a non-executive director of HDG Harbour Development Group from 1979 to 1987 and then founded Earl Estates, a private property company encompassing property development, asset management, project management, property finance and investment. Michael has arranged finance for property in the USA, Germany, France and the UK. He has structured loans, mezzanine finance, equity participations and interest rate hedging instruments in excess of £1 billion

- **Graeme Alfille-Cook - Director** - joined the board in 2022. Graeme is a career banker and former Managing Director of Lloyds Bank's Real Estate Development Lending business. Graeme previously served as Lloyds Bank's Head of Liquidity Structures and as a Real Estate Development Lending Relationship Director. Since leaving Lloyds, Graeme has held several advisory roles including acting as an expert witness for Martello Financial Services. Graeme joined Lloyds Bank from the University of Exeter where he obtained a degree in Economic and Political Development

- **Michael van Messel – Director** - After a degree in Physics at Imperial College, Michael joined Hacker Young and qualified as a Chartered Accountant. He then worked as a specialist in their tax department and, subsequently, for Coopers and Lybrand within its financial services group. He joined Shore Capital in 1993 as Group Financial Controller and became Operations Director in 2000. He is the head of Shore Capital's finance team, including its treasury function, and is also responsible for all operations at Shore Capital including all banking facilities. Michael has been involved in assessing, and subsequently monitoring, each company to or in which Shore Capital has lent or invested money.

Puma also point out that they have a well-resourced lending team based in-house and do not outsource any aspect of the trade within the Puma Heritage EPS. This means there are no additional costs to running the business not reflected in Puma's fees unlike peers.

As part of the Shore Capital Group, the Trading Adviser also draws on the in house accounting, regulatory and legal personnel at Shore Capital Group, as well as the network of offices in Guernsey, London, Liverpool, Manchester, Edinburgh and Berlin.

Fees

The fees for Puma Heritage Estate Planning Service are as follows:

- **Initial fee**: 1.5% of the amount invested, which will be paid to the promoters (Puma Investments), plus a 1% dealing fee, making a 2.5% total initial charge.

- **Annual fee**: 0.5% annual fee, which Puma Investments takes and is reflected in NAV/performance but which will be repaid if the investors fail to achieve a return of 3% per annum over the duration of their investment in the Service (or every 5 years if earlier). If the target return achieved is between 2% and 3% per annum, up to 1% (twice the 0.5% annual fee) will be paid to the Investor so that the 3% minimum target return is achieved. The minimum target return will be calculated on a compounded basis by reference to the net asset value of the Share at the time of acquisition by the shareholder in question.

- **Performance fee**: As with other BR offerings there will be no performance related fees

- **Other fees**: Private trading companies, including Puma Heritage Ltd will pay an annual fee of 0.4% of the net asset value of the Company to PI Administration Services Limited, the Administrator. The trading subsidiaries may agree to pay the Trading Adviser transaction-related fees and may engage the Trading Adviser and/or Administrator to provide them with business support services. The Trading Adviser provides various business support services to the Subsidiary. As consideration for those services the Trading Adviser is providing, the Subsidiary pays to the Trading Adviser (i) an arrangement fee payable on a per transaction basis; (ii) a monitoring fee equal to 0.8% of the aggregate amount of loans in respect of which the Subsidiary is currently acting as lender and (iii) an amount equal to 0.9% of the gross asset value of the Subsidiary or such other sum agreed by the Subsidiary and the Trading Adviser

- **Exit fee:** A 1% dealing fee will be paid to the Administrator on the disposal by a shareholder of his shares (either by way of redemption or by way of the matched bargain service). Importantly, in the event of a matched bargain any stamp duty payable will be paid out of the 1% dealing fee so will not be an additional cost to investors.

In order to contain the Company's annual running expenses (including central running costs of the Company, the advisory and administration fees and any business support fees) to a maximum of 3.25% of the Company's net asset value, Puma Investments has agreed to reduce its annual advisory fee (if necessary to zero).

The 3.25% figure appears relatively benign, but in a scenario where investments are returning single digit levels, this maximum fee level of 3.25% could seriously erode earnings. However, the Puma Heritage business is now established and has reached critical mass with the result that annual fees are currently running in the region of 2.6% and may decrease further as the business continues to grow.

The overall level of fees levied by Puma Heritage are second highest out of the peer group being reviewed at £20.31 per £100 over five years. This is in a range which runs from the lowest level of £12.77 per £100 over five years and the highest at £23.49 per £100 over five years. Although it should be noted that there is no outsourcing within the Puma Heritage EPS offer and therefore the higher annual costs reflect the more extensive levels of in-house management and administration of their BR trading activities.

Given the long trading history of Puma Heritage (launched in 2013) and it's relatively straightforward trading strategy, it would behove Puma Investments to look to reduce these fees.

Puma highlights that while the fees to Puma may appear higher than many peers in the unquoted BR space – the costs incurred by Puma Heritage and the underlying trade are limited to these fees. Other managers that do not lend directly to borrowers and instead lend to third parties, or those who own and outsource the operation of assets to third parties, will likely have a significantly higher cost base – as evidenced by the relative gross returns on trades and the ultimate returns to investors.

In addition to those listed in Tables 5 & 6, we asked Puma to supply details of any fees or costs earned by the manager or any companies or individuals associated with or under common ownership of the manager from:

1. The investor (for example but not limited to initial fees, dealing fees, exit fees, AMC)

   Provider response: None

2. The portfolio company (where the investors hold the shares, for example but not limited to initial fees, service fees, AMC, custodian, monitoring, transaction, arrangement fees.)

   Provider response: *None*

3. The investee company (trading businesses, for example but not limited to arrangement, monitoring, transaction, service fees)

   Provider response: *None*

4. Borrowers or other third parties in relation to the trade (for example but not limited to arrangement/transaction/monitoring/financing fees)

   Provider response: *None*

Conclusion

Puma Heritage has recently reached £370m of AUM and it has always set out its trading strategy in the area of short to medium dated loans, backed by first charge property or land, at conservative loans to value. There are no renewable energy installations, SME lending or any of the more esoteric trades found in the other unquoted BR offers, nor do they partake in lending to 3rd party loan books or non-property based securities.

This simplicity and focus will appeal to some advisers and it certainly bring clarity to the Puma Heritage proposition. Last year saw the highest level of deployment to date from Puma Heritage, which points to the potentially slowing effect caused by rapid increases in base rates which was flagged in the previous review as being overcome. There has, however, been a marked increase in the average size of the loans undertaken by Puma Heritage, rising from £10m a few years ago to £30-£40m at the time of writing. ,

Historically, Puma Heritage was lending to property developers at interest rates of between 8% and 10%, and this was perfectly acceptable when interest rates were close to 0%. But in recent years, Puma Heritage adopted a floating rate approach to issuing loans, which is typically around SONIA + 3%-4%. This has seen a small uptick in the average interest rate on the loan book from 8.07% at the previous review, to 9.14% in this review. The past 12 months has seen a period of stability in the interest rates set by the Bank of England. Puma say that they have taken the higher margin enviroment as an opportunity to lend to larger, more robust counterparties.

But there are challenges within this market, the first of which is the usual risks of default on the underlying loans if the property developer fails to find a buyer or an opportunity to refinance. Puma say that, to date, they are yet to lose capital on a Puma Heritage loan. But there is increasing pressure on interest rates that Puma can issue loans at due to the increase in the new ‘challenger’ banks entering this area.

In terms of track record, Puma Heritage have managed to achieve their target return of 3% for their subscribers and are one of the few to hit their target return in this series of reviews. However, they have historically been one of the highest charging offers within this market, and no doubt returns could be increased further for investors if the fees for Puma Heritage were reduced. In response to this comment, Puma cite that other managers that do not lend directly to borrowers and instead lend to third parties, or those who own and outsource the operation of assets to third parties.

In conclusion, Puma Heritage offers advisers a simple unquoted BR offer which focusses on a single trade of a diverse loan book run inhouse by an experienced property lending team. This is actually quite refreshing to see at a time when many other unquoted BR offers are expanding into many different types of newer and less tested trades.

Tax Efficient Review rating: 88 out of 100 (for an established manager 100% focused on loans/leasing)

Table 5: **Simulated 5 year total fees charged to investors by the provider per £100 invested (initial, annual, performance and exit) assuming that provider meets any AMC target required for AMC to be paid**

Initial	Dealing in	Annual AMC	Performance fee	Dealing out fee	TOTAL
Deepbridge Estate Planning Service					
Fees charged to trading company, excluding exit dealing fee.					
£0	£0	Paid by investee Co	£0	£0.65	**£0.65**
Downing Asset Backed (Pulford)					
Assumed target 4% is met, 0.6% (inc VAT) AMC paid in sliding scale between 3% and 4%					
£2.00	£0	£3.00	£0	£0	**£5.00**
Downing Energy (Bagnall)					
Assumed target 4% is met, 0.5% (no VAT) AMC paid in sliding scale between 3% and 4%					
£2.00	£0	£2.50	£0	£0	**£4.50**
Foresight ITS					
Assumes growth of 3.0% net of all-inclusive fee of 2.4% (incl VAT). No AMC is charged for this product.					
£2.50	£0	£0	£0	£0	**£2.50**
Guinness SEPS					
2.0% (+VAT) Initial fee. Assumed average target 4.0% is met, 1.0% (+ VAT) exit fee paid. Initial Fee & AMC paid by investee companies					
£2.40	£0	£0	£0	£1.44	**£3.84**
Ingenious Private Real Estate					
Assumed target 3% is met. Initial fee and dealing in/out fees are VAT exempt. AMC paid by investee company					
£1.50	£1.00	£0	£0	£0.58	**£3.08**
Octopus ITS					
Assumed target 3.6% is met, 0.6% (inc VAT) AMC deferred to exit and paid after 3% is reached					
£2.00	£0.60	£6.33	£0	£1.19	**£10.12**
ProVen Legacy (ProVen)					
Only Initial fee charged to investor. All other fees paid by investee company(ies)					
£2.00	£0	£0	£0	£0	**£2.00**
Puma Heritage					
Assumed target 3.6% is met, 0.6% (inc VAT)					
£1.50	£0.99	£3.00	£0	£1.13	**£9.96**
Seneca IHT Service Growth					
Initial fee and exit fee charged to investor. Dealing out fee also includes the Withdrawal Fee. All other fees paid by investee company(ies)					
£2.10	£0.60	£0	£0	£1.20	**£3.90**
Seneca IHT Service Income					
Initial fee and exit fee charged to investor. Dealing out fee also includes the Withdrawal Fee. All other fees paid by investee company(ies)					
£2.10	£0.60	£0	£0	£1.20	**£3.90**
Solar Growth Ltd (ProVen)					
Only Initial fee charged to investor. All other fees paid by investee company(ies)					
£2.00	£0	£0	£0	£0	**£2.00**
Solar Income & Growth Ltd (ProVen)					
Only Initial fee charged to investor. All other fees paid by investee company(ies)					
£2.00	£0.98	£0	£0	£0	**£2.00**
Time Advance BR Service					
Assumed target 4% is met, 0.5% (inc VAT) AMC deferred to exit and paid after 3.5% p.a. is reached					
£2.50	£0.98	£2.50	£0	£1.15	**£7.13**
Triple Point Navigator					
Assumed target 5% is met, 0.5% (all VAT recoverable) AMC paid after 4% is reached					
£2.00	£0.98	£2.81	£0	£1.19	**£6.98**
Triple Point Generations					
Assumed target 2.5% is met, 0.5% (all VAT recoverable) AMC paid after 1.5% is reached					

Source Product providers   Report created 14/05/2025

Table 6: **Simulated 5 year total fees paid by investee companies to the provider or third party service providers per £100 invested**

BR product (alphabetical order)	Five year simulated charges (Note 1)	Calculation detail
Deepbridge Estate Planning Service	**£18.15**	Initial arrangement cost 2.5% + other fees 2.5% + 0.65% dealing in fee + 5*(Service fee 2%, custody fee 0.5%)
Downing Asset Backed	**£12.95**	5* (Arrangement/monitoring fees Avg 0.79% in 2020, Service Charge 1.8%)
Downing Energy	**£11.55**	5* (Arrangement/monitoring fees 0.81% in 2020, Service Charge 1.5% (no VAT))
Foresight ITS	**£12.00**	5* (admin fee of 2.40% annually inc VAT)
Guinness SEPS	**£10.00**	5* (An Annual Management Charge of 2.0% (excluding custodian, no VAT as recoverable) of the Net Asset Value is expected to be paid by the Investee Companies)
Ingenious Private Real Estate	**£7.45**	5* (AMC 1%+VAT and admin 0.25%+VAT)
Octopus ITS	**£13.00**	5* (Service fee 2.5%+VAT up to £3bn AUM & reduces by 0.25% for each incremental £500m plus 0.1% irrecoverable VAT on lending activity)
Proven Legacy (Proven)	**£13.50**	Transaction arrangement fee up to 1.0% plus 5* (Annual Advisory Charge of 1.5% inc VAT plus Annual Administration charges and support costs fee of up to 1.0% inc VAT)
Puma	**£12.60**	5* (Admin 0.48%, Bus Support Fee 1.08%, Monitoring fee on drawn loans 0.96%)”
Seneca IHT Service Growth	**£18.00**	5* (An Annual Management Charge of 1.2% (inc VAT) of the Net Asset Value and 2.4% (inc VAT) support costs is paid by the Investee Companies)
Seneca IHT Service Income	**£18.00**	5* (An Annual Management Charge of 1.2% (inc VAT) of the Net Asset Value and 2.4% (inc VAT) support costs is paid by the Investee Companies)
Solar Growth Ltd (Proven)	**£13.50**	Transaction arrangement fee up to 1.0% plus 5* (Annual Advisory Charge of 1.5% inc VAT plus Annual Administration charges and support costs fee of up to 1.0% inc VAT)
Solar Income & Growth Ltd (Proven)	**£13.50**	Transaction arrangement fee up to 1.0% plus 5* (Annual Advisory Charge of 1.5% inc VAT plus Annual Administration charges and support costs fee of up to 1.0% inc VAT)
TIME Advance BR Service	**£8.00**	5* (Service fee 1.6% including irrecoverable VAT)
Triple Point Navigator	**£9.22**	5* (Corporate running costs of up to 1.9%)
Triple Point Generations	**£9.22**	5* (Corporate running costs of up to 1.9%)

Note 1: Simulation assumes no growth in the amount initially invested in the service net of initial fee and dealing in fee. Some providers have higher annual costs to reflect the more extensive levels of in-house management and administration of their BR trading activities

Source Product providers   Report created 14/05/2025

Table 7: **Headline Lending Portfolio Information for PUMA**

Headline Lending Portfolio Information		Notes (data is weighted by loan size)
Total Number of Loans	59	
Total Loan Book Size (£)	£345,602,465	
Average Size of Loans (Net)	£5,857,669	*The lower Average Loan size reflects deployed loans as per above*
Average Interest Rate	9.14%	*Thehigher Average Interest rate reflects deployed loans as per above as well as the delayed increase in base rate as it filters into new loans*
Average Loan Term (Days)	930	
Manager Lending fees (to cover any charges paid by the borrower or lender to the manager)		
Average Arrangement Fee	1.42%	
Average Exit Fee	1.17%	
Average Other Manager Fees (Including Charge Backs, Non utilisation fees)	-	
Average Total Manager Fees	2.59%	
Average Annualised Total Manager Fees	1.02%	
Investor Lending fees (Fees that are charged to the borrower but benefit the investor)		
Average Arrangement Fee	-	
Average Exit Fee	-	
Average Other Investor Fees (Including Non utilisation fees)	-	
Average Total Investor Fees	-	
Average Annualised Total Manager Fees	-	
3rd Party Broker/Manager Fees		
Average 3rd Party Broker/Manager Fee	-	
Average Annualised Broker/Manager Fee	-	
Total Fee Breakdown		
Average Total Fees	2.59%	
Average Annualised Total fees	1.02%	
Total Annualised Lending Cost		
Average Annualised Total Fees + Interest Rate	10.16%	
Security Quality (LTVs)		
Average Weighted Net LTV (total capital and fees advanced)	60%	
Average Weighted Gross LTV (total capital and fees advanced + Accrued Interest)	62%	
Security Quality (Charge Basis)		
Number of 1st Charge Loans	59	
Total Value of 1st Charge loans	£345,602,465	
% of First Charge Loans	100%	
Number of 2nd Charge Loans	-	
Total Value of 2nd Charge loans	£0	
% of Second Charge loans	0%	
Number of 3rd Charge or Higher Loans	-	
Total Value of 3rd Charge loans	£0	
% of Third charge or Higher loans	0%	

Report created 14/04/2025 Data as at 31/12/2024 Source PUMA

Table 8: **Tax Efficient Review Loan Comparison Table**

	Downing	Foresight	Ingenious	Octopus	Puma	Proven Legacy	Seneca Income	Seneca Growth	Time	Triple Point Navigator
Data as at	31/12/24	31/12/24	31/12/24	31/12/24	31/12/24	31/12/24	31/12/24	31/12/24	31/12/2024	31/12/24
Loan Book Size (m)	£220.63	£294.41	£296.60	£456.23	£345.60	£2.51	£2.45	£37.70	£305.11	£166.98
Number of Loans	82	7	25	243	59	11	68	952	29	92
Average Duration (days)	959	850	771	582	930	1226	688	759	1204	713
Average Interest Rate (%)	10.69%	7.77%	8.90%	8.60%	9.14%	10.40%	9.41%	9.37%	8.96%	10.12%
Average Loan Size (m)	£2.69	£42.06	£11.86	£1.88	£5.86	£0.23	£0.04	£0.04	£10.52	£1.81
Weighted Gross LTV % (total capital and fees advanced + Accrued Interest)		44%	67%		62%	21%			44%	66%
Fees accruing to investors and other parties										
Average Arrangement Fees (%)	1.00%	-	4.00%	2.01%	1.42%	0.91%	-	-	1.00%	1.00%
Average Exit Fees (%)	-	-	1.00%	1.41%	1.17%	0.55%	-	-	1.00%	1.00%
Average Total Fees (%)	1%	0%	4%	5%	3%	1%	0%	0%	2%	2%
Average Total Annualised Fees and Interest (%)	11.07%	7.77%	10.79%	11.48%	10.16%	10.83%	9.41%	9.37%	9.57%	11.14%

Security quality

We describe third party lending as involving making large loans to lenders. In the event of default, we see the potential to enforce any remedies as being more problematic in the case of third party lending (where any claim would involve a floating charge at a company level) versus direct lending (which should involve direct access to the underlying property), we asked providers the further following questions (further details can be found in reach review)

	Downing	Foresight	Ingenious	Octopus	Puma	Proven Legacy	Seneca Income	Seneca Growth	Time	Triple Point Navigator
What % of your loan book by value is third party lending	4% of the DEPS portfolio is wholesale lending and 22% of the lending portfolio	100%	Nil	Nil	0%	Nil	40%	38%	0%	29%
What % of your loan book by value has security ringfenced on individual properties by direct security charge	100%	See review	100%	100%	100%	N/A as assets do not include property	60%	62%	100%	32%
On your third party lending, are there any other parties or lenders with prior recoupment positions	No	None	None	N/A	N/A	N/A	No	No	N/A	None

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