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**Template Information Letter**

**Puma Heritage Estate Planning Service**

*The factual information set out below does not constitute a suitability letter or a personal recommendation by Puma Investments (“the Manager”) to you or your underlying clients to subscribe to the Puma Heritage Estate Planning Service (“EPS”) with Optional Life Protection (“the Service”) and should not be treated as such. The information is provided to assist you in determining whether the Service is suitable for your clients. We have set out some of the key features of the Service which should be read in conjunction with the Investment Details, the Investor Agreement and the Intermediary Agreement for the Service. You must ensure you are satisfied that any subscription by you and/or your underlying clients into the Service complies with the FCA’s rules and your own Compliance Department Guidelines. You should refer to the Investment Details and the Investor Agreement as the basis for a subscription into the Service. Please see the disclaimer at the end of this document.*

**What is Puma Heritage Estate Planning Service**

The Service is a discretionary portfolio service intended to provide access to Business Relief (BR) qualifying investments. The Service draws from Puma Investments’ deep expertise across the spectrum of BR qualifying investments. With the Puma Heritage EPS, investors have the option to protect themselves from Inheritance Tax (IHT) during the initial two-year holding period. Puma Investments has taken out a master policy to provide investors with the peace of mind that should they die within two years of their investment in portfolio companies, an amount equal to 40% of the investment should be paid. Provided that the Insurer settles the claim, Puma Investments will assist in facilitating the payment of the proceeds to the investor’s beneficiaries, taking into account his or her expression of wishes.

**An established manager with a proven track record**

Puma Investments has an extensive track record of making BR qualifying investments across the full spectrum of BR qualifying investment opportunities, from private trading companies through to listed equity investments managed by Puma Investments’ award-winning AIM team.

Puma Capital Group grew out of the Shore Capital Group - a privately held, independent investment group that specialises in equity capital market activities, alternative asset management and principal finance with circa 200 employees. With close to 40 years of heritage behind them, the Shore Capital Group is highly regarded across their specialist markets in which they operate and we are proud to have this legacy. Shore Capital Group manages circa £1.8bn. Puma Investments specialises in tax-efficient investing, including Inheritance Tax Services, VCTs and EIS and manages over £1 billion.

In 2012, Puma was established as an independent company. It was initially created to build upon a series of Venture Capital Trusts (VCTs), known as the Puma VCTs, which had been successfully designed and managed for a number of years by Shore Capital.

**The IHT advantages**

Under current legislation, an individual’s estate can lose up to 40% of its value to Inheritance Tax. Unlike gift or trust solutions, which can take seven years to be fully exempt from Inheritance Tax, any subscription to the Service is intended to benefit from 100% relief from Inheritance Tax after just two years.

In addition, investors will not lose permanent control of their assets as is the case when making a gift or placing assets in trust. Furthermore, an investor shall be entitled to request a withdrawal of cash and/or assets held in his/her portfolio at any time by giving written notice to the Manager. At least 30 days’ notice is required for withdrawal of investments. Upon receipt of that notice, the Manager shall arrange for the transfer of the investor’s cash and/or assets as directed by the investor. In respect of withdrawals, the investor should note that he/she may lose Business Relief in respect of investments held in the portfolio and recognise that investments comprise non-readily realisable investments and so any withdrawal will be subject to liquidity (from a timing perspective).

**Life Protection**

The Service offers investors the option of two-year life protection to mitigate the potential impact of Inheritance Tax in the first two years.

If the life protection is not taken, then unlike many other IHT planning solutions (such as gifts or trusts) the investor should benefit from BR after a two-year holding period, rather than waiting seven years, providing that the shares are held at the point of death.

**Life Protection key facts**

* **Term:** Two years
* **Pay-out:** 40% of original investment on death
* **Maximum pay-out:** £200,000 on an investment of £500,000
* **Maximum age:** 88 years and two months at the investment date
* **Assessment:** Medical exclusions apply (please refer to the Investor Agreement for full details)
* **Premiums:** Vary depending on investor age (please refer to the Investor Agreement for full details)

**Investment strategy – Private Trading Companies**

At present, the Service allocates to Puma Heritage Ltd, which focuses on first charge lending in the real estate sector. The Service therefore offers investors the opportunity to invest in businesses whose trade is first charge lending. We will invest in companies that have a strong reputation for providing senior secured loans to well-run businesses, predominantly in the real estate sector, which have experienced management teams, robust business plans and substantial tangible assets over which security may be taken.

Puma Heritage Ltd focuses on providing secured loans that are underpinned by real estate, at conservative loan to values. We require portfolio companies to undertake a prudent underwriting approach, taking security over assets, typically being their freehold or long leasehold properties, stock or contracted revenue streams.

Puma Investments has a strong track record in the real estate sector and acts as Trading Adviser to Puma Heritage Ltd. Specifically, Puma Property Finance is the team within Puma Investments that advises Puma Heritage Ltd on implementing its business plan. As at Q2 2024, Puma Property Finance had arranged more than £1.4 billion of real estate loans and construction projects, while incurring 0% capital losses to date. It operates with a conservative lending policy, working with experienced counterparties and typically targeting loans between £10 million to £50 million with durations of up to 36 months.

**Developing the Service’s investment strategy**

In addition to secured lending, the Manager believes there may be opportunities to invest in trading businesses focusing on asset leasing. Asset leasing companies generate income by leasing out assets, such as plant, machinery or vehicles, they own to organisations which will use the assets in their businesses to operate and grow. The asset leasing company receives a regular operating income which is underpinned by the value of the portfolio of underlying leased assets.

The Manager may also consider for the Puma Heritage EPS portfolio other types of trading business which offer the ability to generate attractive returns for its investors underpinned by real estate. For example, the Puma Heritage EPS may consider investing in businesses that operate in the hospitality, leisure and healthcare sectors, and which have the potential to generate consistent operating cash flows underpinned by the value of real estate assets owned or leased by those businesses.

**Costs**

Please refer to the Investment Overview for full details of the costs associated with this offer.

**Initial promoter Fee**: 1.5%

**Initial Dealing Fee**: 1% dealing fee on entry

**Annual Ongoing Fee**: 0.5% of NAV (+VAT) annual ongoing management fee payable by each portfolio company to the Service's Investment Manager. In an effort to align our interests with investors, if a minimum average return of 3% per annum over the duration of an investment (or every 5 years if earlier) is not met, Puma Investments commits to pay some or all of that shortfall. See the “Fees and expenses explained” section of the Puma Heritage EPS Investment Overview for more details.

**Exit Dealing Fee**: 1% dealing fee on exit

The private trading companies in which Puma Heritage EPS invests, may agree to pay Puma Investments and other third-party advisers transaction-related fees for assisting in the origination and execution of transactions.

**Business support fee**

Puma Investments receives an annual fee of up to 0.9% plus VAT of the gross asset value of a portfolio company for business support services (plus VAT if applicable) and a monitoring fee equal to 0.8% plus VAT of the aggregate amount of loans in respect of which a portfolio company is currently acting as lender plus VAT if applicable.

**Administration fee**

Investments in portfolio companies in which Puma Heritage EPS invests, will be subject to an annual administration fee of 0.4% plus VAT of the net asset value of a portfolio company. These costs relate to the normal running and administration costs of the companies that investors in the Service subscribe to, including any custodian or nominee fees. This does not include the annual management charges or the operating costs of the portfolio companies.

**Optional Life Protection**

For investors who choose to add Optional Life Protection to cover the initial two-year qualifying period for Business Relief, there is an annual fee of 4.5% p.a. or 6.5% p.a of the amount invested during this two-year qualifying period. Respectively this refers to clients aged 84 / under and 85-88. There is also a Joint Life Second Death cover with an annual fee of 2.75% p.a. of the amount invested during this two year qualifying period.

**Risk warnings**

A subscription for the *Puma Heritage Estate Planning Service* carries risk. Highlighted below are some of the key risks; however you should read in full the Investment Details, in particular the section headed “risk factors”.

**General:** The value of shares can fluctuate. Investors may not get back the full amount invested. Past performance is no guarantee of future performance. Forecasts set out in this document should not be taken as a reliable indicator of future performance.

**Capital at Risk:** The investment opportunity highlighted in this document may be viewed as high risk. Investors’ capital may be at risk.

**Tax Reliefs:** The value of any tax reliefs, as well as levels and bases of tax, depend on Investors’ personal circumstances and are based on current legislation which may be subject to change. There can be no guarantee of relief from tax or that the criteria to obtain reliefs will be fulfilled or that HMRC will not challenge entitlements to such relief.

**Potentially Illiquid Investment:**

Private Trading Company shares are illiquid. They are characterised by significant spreads and low trading volumes. It may prove difficult for Investors to realise immediately or in full proceeds from the sale of such shares.

**Disclaimer**

An investment in the Puma Heritage Estate Planning Service carries risk and investors should review the section headed “risk factors” in the relevant offering documents, including the Investment Details and Investor Agreement.

This document is directed at investment professionals only and is an exempt financial promotion not subject to section 21 of the Financial Services and Markets Act 2000. Persons who are not investment professionals should not rely on this document.

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