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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 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 Investments is part of Shore Capital group, an independent investment group with a 36-year history and circa 200 staff across five offices (located in Guernsey, London, Liverpool, Edinburgh and Berlin). Shore Capital has a strong balance sheet which can be viewed via its annual report, available online. Shore Capital, which incorporates Puma Investments, manages circa £1.8bn. Puma Investments specialises in tax-efficient investing, including Inheritance Tax Services, VCTs and EIS. Puma Investments has raised over £600m in tax efficient investments.

Puma Investments comprises an experienced multidisciplinary team of investment professionals. The Manager’s investment team is supported by a strong finance team as well as the compliance and legal teams of Shore Capital group.

**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:** £140,000 on an investment of £350,000
* **Maximum age:** 88 years and two months at the investment date
* **Assessment:** Medical exclusions apply (please refer to the Investor Agreement for full details)

**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 Q4 2022, Puma Property Finance had arranged more than £1 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 30 months.

**Developing the Service’s investment strategy**

We consider that asset-leasing also offers the opportunity for delivering steady returns to investors with the benefit of downside protection. As well as considering asset leasing opportunities, the Service will also contemplate investment in trading businesses which offer the ability to generate stable returns for investors. For example, the Service may consider investing in businesses that own and operate in the hospitality and leisure, retail and healthcare sectors, and have consistent operating cash flows and established management teams. The Service may also consider investing in infrastructure and renewable energy businesses that are underpinned by long-term, Government-backed subsidies, typically providing minimum pricing for 10-20 years. We believe that the successful acquisition and operation of these businesses would facilitate longer term growth potential for investors.

**Costs**

Please refer to the Investment Details for full details of the costs associated with this offer. There is a 1.5% promoter fee (no VAT applies), a 1% dealing fee on entry (no VAT applies), 1% (+VAT) annual advisory fee and a 1% dealing fee on exit (no VAT applies). There is also a 0.4% (+VAT) annual admin fee, however this charge is borne by the Private Trading Companies. There are no performance fees and a deferral of the annual advisory fee for five years or the exit (whichever is earlier), which is only paid in full if the Company achieves a minimum return of 3% p.a. We believe the charging structure compares very favourably with the similar investment opportunities on the market. We can also facilitate up front and ongoing adviser charges to financial intermediaries.

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.

**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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**Date published: March 2023**