

# Puma Heritage Estate Planning Service

## Quarterly Report – Q1 2020

Puma Heritage Estate Planning Service (EPS) invests in private trading companies, including Puma Heritage Ltd, which have a conservative trading strategy focused on secured lending.

In the three-month period to 31 March 2020, Puma Heritage Ltd has completed three new loans, all with the benefit of first charge security. Details of one of these loans is included in this document.

### The Service



#### Speed

Investments are expected to benefit from Business Relief (BR) after two years



#### Flexible access<sup>2</sup>

Built-in flexibility, so you can apply to top up your investment or set up ad hoc or regular withdrawals, if your circumstances change



#### Life protection<sup>3</sup>

Optional two-year life protection for investors aged up to 90 years and three months. Covering the BR qualifying period, this pays out 40% of the original investment amount on death



#### Experienced team

We have an extensive team of investment professionals and a successful 20+ year track record of investing in private companies. Puma Investments is part of the Shore Capital Group, established in 1985



#### Simple trading strategy

Investment into companies including Puma Heritage Ltd, with a conservative trading strategy focused on first charge property lending



#### Operational liquidity

Portfolio companies have a loan book of multiple short-term secured property loans that create natural liquidity as loans mature with different repayment timelines

<sup>1</sup> The total shareholder return for growth shares was 3.70% in the 12 months to 31 March 2019, and 3.11% in the 12 months to 31 March 2018. The total shareholder return is calculated using the net asset value of Puma Heritage Ltd, and is net of all fees, including the amount of deferred Advisory Fee that is accrued for the benefit of investors until the minimum 3% return per annum is met.

<sup>2</sup> Access to capital is not guaranteed. Please take note of the Risk Factors, in particular, the section titled Liquidity.

<sup>3</sup> Life protection for the Puma Heritage Estate Planning Service is subject to certain conditions. If these conditions are not met in full then Puma Investments will not be paid out by insurers and so no payment will be made to beneficiaries. The maximum payment being £300,000 on an original investment of £750,000.



TOTAL SHAREHOLDER RETURN  
FOR GROWTH SHARES <sup>1</sup>

3.33%

IN THE 12 MONTHS  
TO 31 MARCH 2020

£489m

LOANS PARTICIPATED IN  
TO DATE

474

LOANS MADE TO DATE

Note: Past performance is no indication of future results and share prices and their values can go down as well as up.

# Trading Update

to 31 March 2020

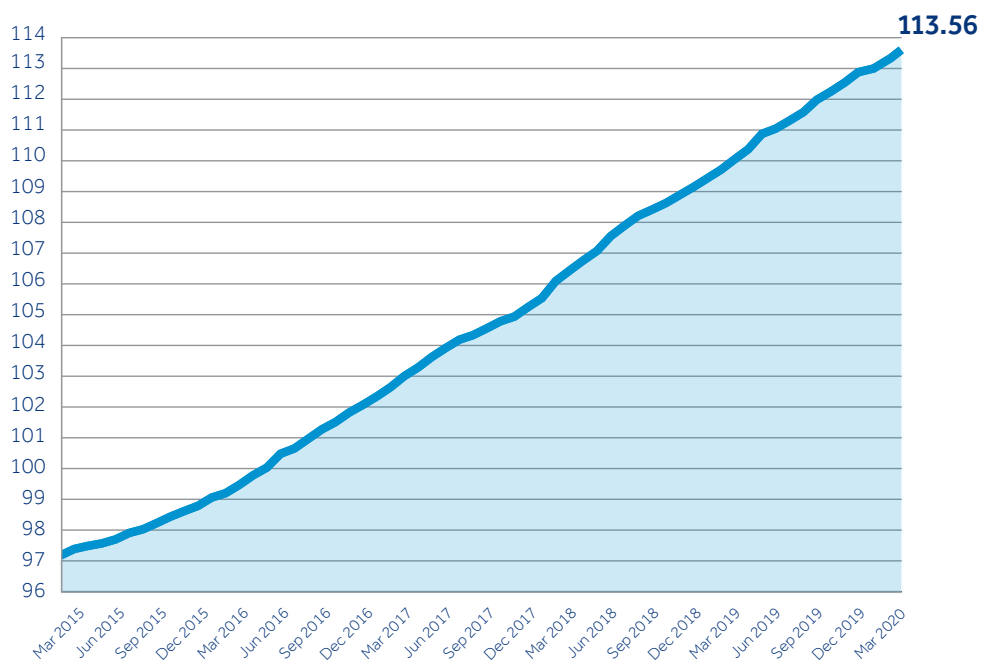


A highly diversified loan book by counterparty, sector and geography



Loans made in more than 55 UK counties

## NAV Performance for Growth Shares



NAV growth shown net of all fees over a 5-year period from 31/03/2015 – 31/03/2020.

## Sector Breakdown of Loans % of amount deployed

Residential Real Estate **26.9%**

Care Homes **22.4%**

Student Housing **12.4%**

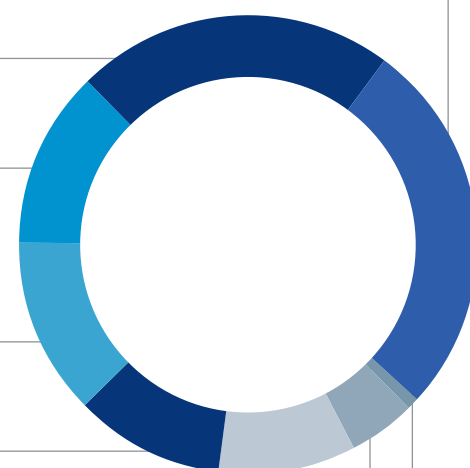
Commercial Real Estate **12.4%**

Hotel **10.7%**

Mixed Use (Commercial & Residential) **9.6%**

Supported Living **4.9%**

SME **0.6%**



Note: Past performance is no indication of future results and share prices and their values can go down as well as up. Figures correct at 31 March 2020.

Source: Puma Heritage Ltd

# Current Trading

At the time of writing, the situation regarding the Covid-19 pandemic remains uncertain and outcomes are impossible to fully predict. Notwithstanding that uncertainty, we believe that the loan book is well positioned to withstand the current disruption and resulting economic impact.

The book has a conservative weighted average loan to value of 60% with all loans benefitting from first charge security, as well as typically additional cover in the form of cost-overflow and interest guarantees. This provides significant downside protection in circumstances where projects are delayed or underlying asset values are reduced.

Furthermore, several of the loans benefit from known exits in that the assets have been forward sold to institutions, such sales to complete once the assets have been constructed. In addition, the book is well diversified both geographically and by sector.

Whilst the lockdown has inevitably had some impact on development activity, we are encouraged by the fact that around 80% of construction sites across the UK remain open. This trend has been borne out by our own experience, where the majority of the construction projects in the loan book have continued to operate through the lockdown, with one site temporarily closing but subsequently reopening.

We are understandably taking a prudent view currently with regard to underwriting new loans. However, we will continue to write new business where we believe the fundamentals of an opportunity are robust

Note: Past performance is no indication of future results and share prices and their values can go down as well as up. Figures correct at 31 March 2020, source: Puma Heritage Ltd.

“ Puma has a **comprehensive lending process** with a good level of **due diligence, good governance** around decision-making as well as a **diverse deal sourcing** channel.”

— Allenbridge, December 2019

## Recent Transactions

### West Midlands Completed Care Home



#### Overview of the loan

Puma Heritage Ltd provided an £8.8 million development exit loan to a care home operator near Walsall in the West Midlands.

#### Key features

##### Experienced developer:

The developers have over 15 years' experience in developing and operating care homes.

##### Additional site:

The loan has enabled the care home operator to purchase an additional site for a proposed care home. Puma has the right of first refusal to offer a development facility at a later date.

##### Strong demand:

An independent body conducted research and identified strong demand for care home beds in the immediate areas surrounding the properties.

## Risk Factors

An investor can only apply to subscribe for shares in Puma Heritage Estate Planning Service (EPS) through a financial adviser who has assessed that a subscription is suitable for them.

Here are the key risks of subscription, however, you should read the Investment Details and Investor Agreement in full prior to investing:

### General

Past performance is no indication of future results and share prices and their values can go down as well as up. The forecasts in this document are not a reliable guide to future performance. Actual outcomes and results may differ materially from what is expressed or forecast in such forward-looking statements. There can be no guarantee that any returns can or will be achieved.

### Capital at risk

As per the Investment Details and Investor Agreement, subscription for shares in private trading companies, including Puma Heritage Ltd. can be viewed as high risk. Shareholders'

capital may be at risk and shareholders may get back less than their original subscription.

### Tax reliefs

Tax reliefs depend on individuals' personal circumstances, minimum holding periods and may be subject to change. There can be no guarantee that Puma Heritage EPS will fulfil the criteria to obtain Business Relief.

### Liquidity

It is unlikely there will be a liquid market in the shares of private trading companies and it may prove difficult for shareholders to realise immediately or in full proceeds from the sale of shares. Access to capital is subject to the discretion of the directors, applicable law/regulation and the availability of sufficient cash reserves.

## Fees and Expenses

Initial charge	Dealing charge
1.5%	1% applied to the purchase and sale of shares
Annual charge	
1%	plus VAT. Deferred and only paid in full if the company achieves a minimum return of 3% p.a.
Optional life protection	
<b>ANNUAL FEE</b>	3.5% p.a. of the amount invested in the first two years

**Note:** The private trading companies are responsible for their operating costs including audit, directors' and administration fees. Puma Investments may receive transaction, monitoring and business support fees from private trading companies.

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