

Puma Heritage Ltd

Quarterly Report – Q1 2020

Puma Heritage Ltd has 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 Company



Speed

Investments in Puma Heritage Ltd are expected to benefit from Business Relief (BR) after two years



Experienced team

Puma Investments, the Trading Adviser to Puma Heritage Ltd, has an extensive team of lending professionals and a successful 15+ year track record of secured lending. Puma Investments is part of the Shore Capital Group, established in 1985.



Simple trading strategy

A conservative trading strategy focused on first charge property lending



Operational liquidity

Puma Heritage Ltd has a loan book of multiple short-term secured property loans that create natural liquidity as loans mature with different repayment timelines

¹ The total shareholder return for growth shares was 3.40% in the 12 months to 31 March 2019, and 3.32% 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.



TOTAL SHAREHOLDER RETURN
FOR GROWTH SHARES ¹

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

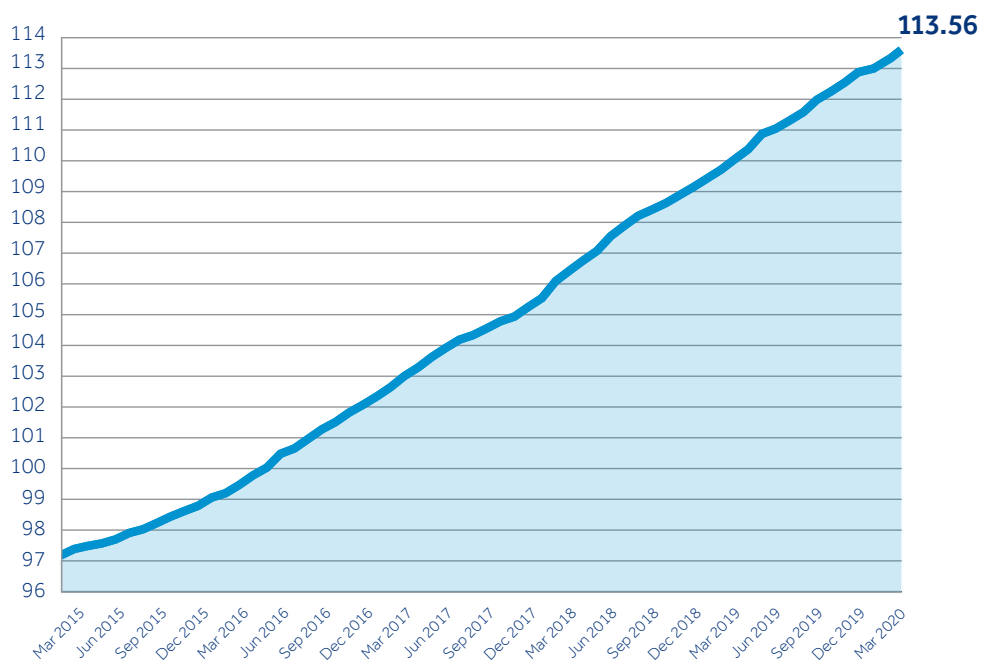


A highly diversified loan book by counterparty, sector and geography



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%**

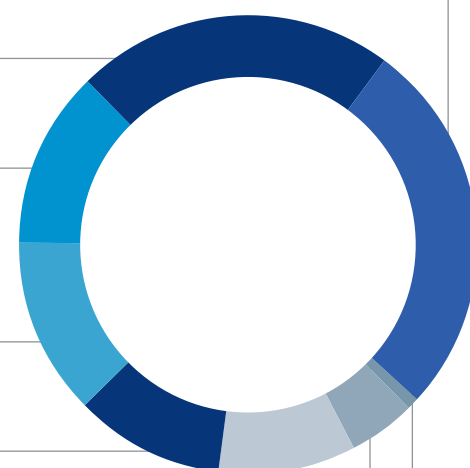
Commercial Real Estate **12.4%**

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

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“ 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

You can only apply to subscribe for shares in Puma Heritage Ltd through a financial adviser who has assessed that a subscription is suitable for you.

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. There can be no guarantee that any returns can or will be achieved.

Capital at risk

A subscription for shares in 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 Ltd will fulfil the criteria to obtain Business Relief.

Liquidity

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

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Puma Investments is based at Cassini House, 57 St James's Street, London SW1A 1LD.

For further information please contact:

PROMOTER

Puma Investments
Cassini House
57 St James's Street
London SW1A 1LD

Adviser Enquiries: 020 7408 4070

Investor Enquiries: 020 7408 4100

info@pumainvestments.co.uk
www.pumainvestments.co.uk