

Puma Heritage Ltd

Quarterly Report – Q2 2020

Puma Heritage Ltd has a conservative trading strategy focused on secured lending.

In the three-month period to 30 June 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 3.3% in the 12 months to 30 June 2019, and 3.5% in the 12 months to 30 June 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

3.1%

IN THE 12 MONTHS
TO 30 JUNE 2020

£523m

LOANS PARTICIPATED IN
TO DATE

477

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 30 June 2020

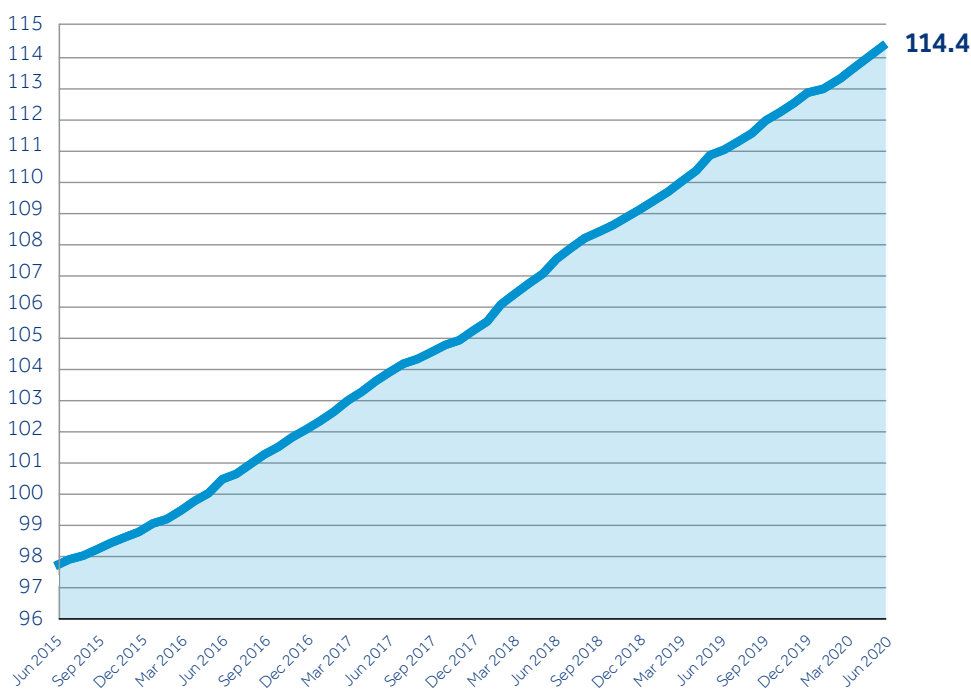


A highly diversified loan book by counterparty, sector and geography



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 31/06/2015 – 30/06/2020.

Sector breakdown of loans % of amount deployed

Commercial **6.9%**

Care Homes **14.9%**

Retirement Living **14.4%**

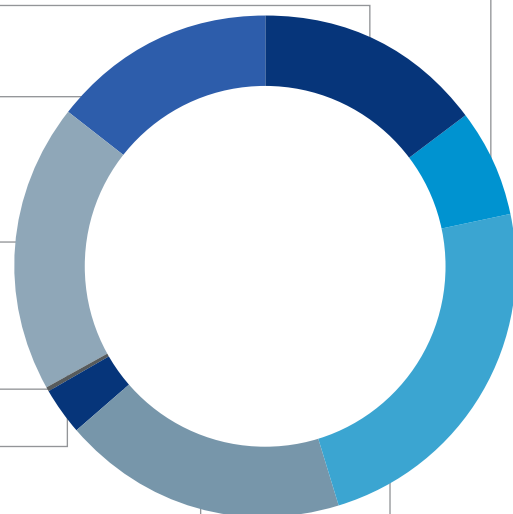
Hotel **18.5%**

SME **0.4%**

Supported Living **2.8%**

Student **18.4%**

Residential **23.6%**



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 30 June 2020 and may be subject to rounding errors.

Source: Puma Heritage Ltd

Current Trading

Since our last quarterly update to the end of March, we are pleased to say that the Company has continued to perform well in the face of these uncertain times. Whilst the situation regarding the Covid-19 pandemic evolves and the future remains impossible to predict, we continue to consider that the Puma Heritage Ltd loan book is well positioned to withstand the current disruption and resulting economic impact.

In the last quarter, Puma Heritage Ltd completed 3 new loans, all with the benefit of first charge security, totalling £33.6m. It is also pleasing to see that, notwithstanding the pandemic, loans continue to be repaid with over £18m repaid in full during the quarter. An additional £11.9m loan was fully repaid shortly after the quarter end.

As highlighted in our previous trading update, the Puma Heritage Ltd loan book has maintained its conservative weighted average loan to value of 61% with all loans benefitting from first charge security, as well as typically additional cover in the form of cost-overrun 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 with such sales to complete once the assets have been constructed. In addition, the book is well diversified both geographically and by sector.

During the last quarter we saw very strong levels of new loan enquiries across all sectors and across the UK. We are understandably continuing to take 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 30 June 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

Residential Scheme in Newcastle



Overview of the loan

Puma Heritage Ltd provided an £14 million development loan to fund a 37-unit residential scheme in Gosforth, a popular suburb of Newcastle upon Tyne.

Key features

Experienced developer:

The developer has significant experience in acquiring and developing a large number of schemes across North East England and beyond.

Excellent location:

Gosforth is an affluent and much sought-after area of Newcastle, with excellent transport links and very good schools.

Strong demand:

With little development land available in the sought-after Gosforth area, we anticipate keen demand for these properties once completed.

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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