

Praetura Inheritance Tax Planning Service

— *for your future and theirs* —



MORE THAN MONEY

Please take 2 minutes to read Praetura Inheritance Tax Planning Service Risk Summary

Don't invest unless you're prepared to lose all the money You invest. This is a high-risk investment, and you are Unlikely to be protected if something goes wrong. Take 2 mins to learn more via this warning.

Medium Term Investment (2-5 years)

Investments in Business Property Relief qualifying companies must be held for at least two years (and held at the date of death) to benefit from inheritance tax relief. The fund arranges investments in unquoted companies whose shares are not easy to value and sell relative to companies listed on a recognised Stock Exchange. Praetura cannot guarantee that an investor's funds will be returned in the target timeframe set or if a request to redeem is made due to other circumstances.

Investment value

The value of an investment through Praetura Inheritance Tax Planning Service may go down as well as up and investors may not get back all the amount they originally invested. Investors should not consider investing unless they already have a diversified portfolio and are able to bear the financial risks associated with investing in this fund.

Business Risk

The performance of the companies in which PITPS arranges investment is dependent on several factors including the quality of their customer bases and their respective revenue streams, the strength of management and controls, and the value of any assets held as security.

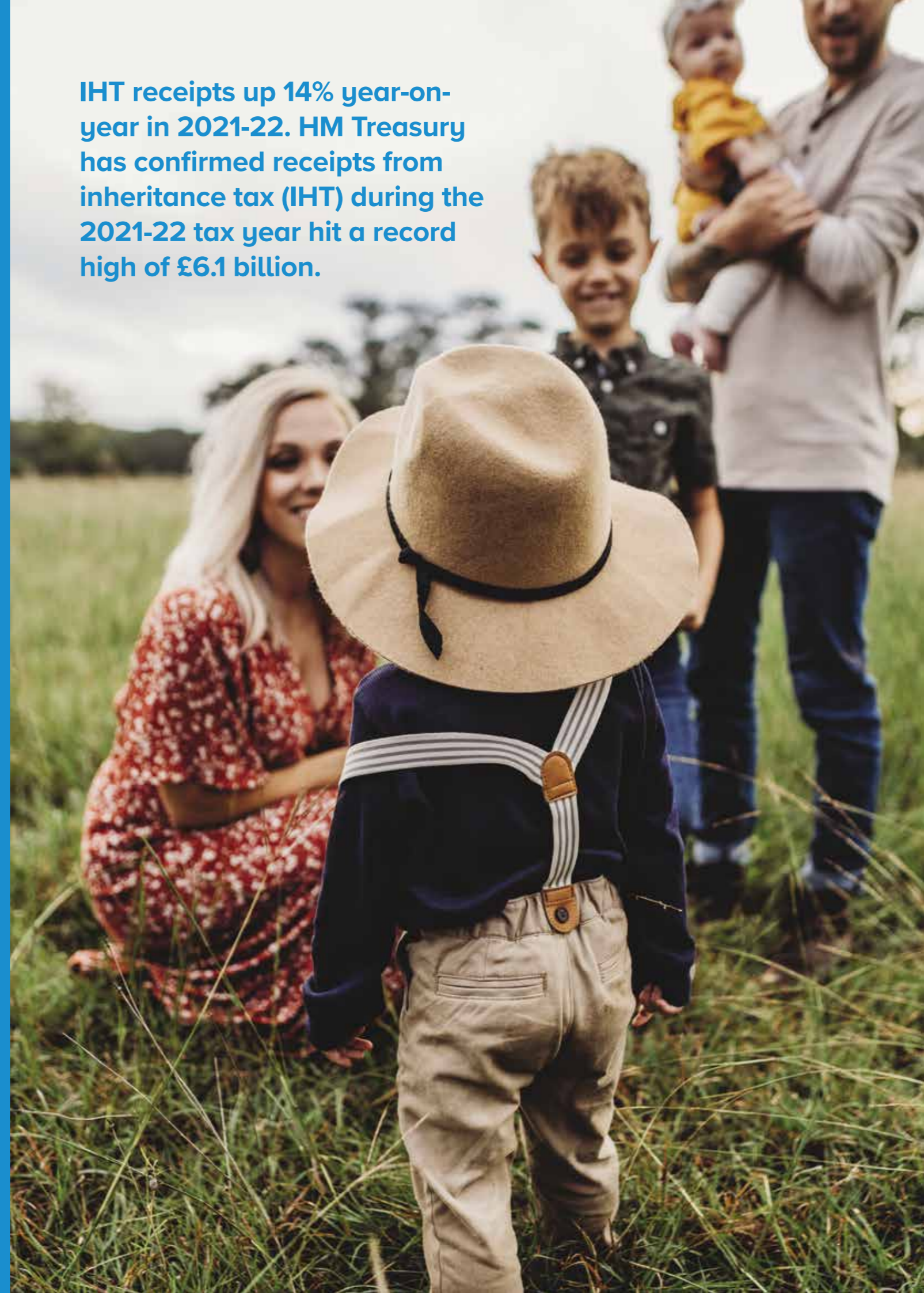
Diversification

While the underlying opportunities you access through the service will be diversified, your investment may be arranged into a single company. This limited diversification could increase the risk for investors.

Business Property Relief Qualifying Status

Business Property Relief depends on individual circumstances. Tax reliefs may be lost by investors taking, or not taking, certain steps or by changes in the tax regime. Levels, bases of, and relief from taxation are subject to change. Such changes could be retrospective. The tax treatment of a sale could be affected by the mechanism of the withdrawal and thus result in income tax being due. The availability of business relief is assessed by HMRC on a case-by-case basis, based on the circumstances at the time of death of the investor.

IHT receipts up 14% year-on-year in 2021-22. HM Treasury has confirmed receipts from inheritance tax (IHT) during the 2021-22 tax year hit a record high of £6.1 billion.





What is the Praetura Inheritance Tax Planning Service?

The Praetura Inheritance Tax Planning Service (PITPS) is an investment fund management service that allows investors to mitigate their inheritance tax, whilst enjoying predictable and secure levels of growth.

Business Property Relief was established as a tax relief in 1976.

Its purpose is to incentivise investment in trading businesses within the UK; providing much needed support to the UK economy.

By investing in PITPS, investors are subscribing for shares in a Business Property Relief qualifying company. By accessing Business Property Relief, investors are able to invest in secure assets whilst aiming to achieve 100% inheritance tax exemption after two years.

KEY FEATURES



INHERITANCE TAX

BPR Investment reduces the impact of IHT in just two years.



EXPERIENCE

A proven track record from an experienced team who have invested or lent over £887m.



DIVERSE

Through funding a wide range of businesses and organisations across multiple industries, investors benefit from access to a highly diversified, secured lending strategy.



TARGET GROWTH

Targets a net return of 4.5% per annum.



PREDICTABLE RETURNS

The service aims to deliver stable and predictable growth to investors.



NORTHERN FOCUS

A born-and-bred Manchester based business with three offices across the North West.



LIQUIDITY & CONTROL

The service is designed to allow you to withdraw all or part of your capital if your plans change.



UNCORRELATED

The service targets consistent positive performance through full economic cycles that is uncorrelated with traditional equity markets.

How does the service work?

Investors in Praetura Inheritance Tax Planning Service purchase shares in Quay Street Trading Ltd, a trading business, operated to provide stable and predictable returns to investors with the additional benefit of BPR qualification after two years.

Quay Street Trading Ltd will provide loan facilities, predominantly, to already established lending businesses, which are operated by highly experienced management teams with significant track records across secure lending. Additional governance and oversight is provided by the board of Quay Street Trading Ltd.

Why Loan Facilities?

Asset-backed loans provide a relatively secure and predictable return allowing Quay Street Trading Ltd to generate the net target return of 4.5% per annum to its investors.

<0.1% written off

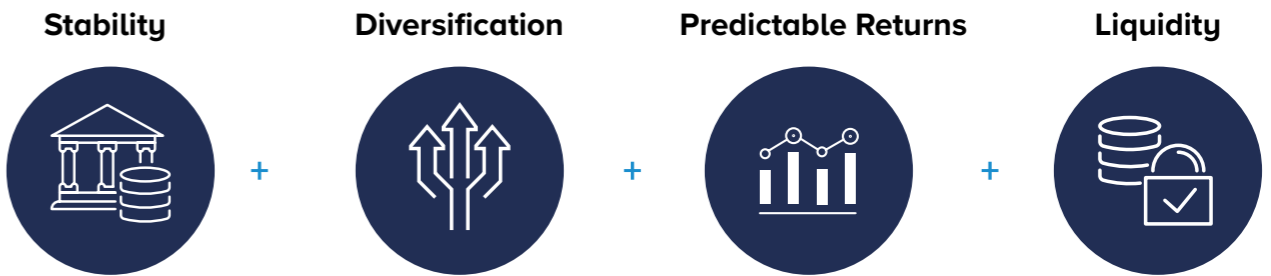
£770m advanced to customers



Quay Street Trading Ltd provides diversification across a wide range of lending contracts, securing predictable and stable returns to investors.



How a typical PITPS investment looks



praetura
ASSET FINANCE

Praetura Asset Finance (PAF) was co-founded in 2013 by Praetura and an excellent management team from Close Brothers Finance, quickly establishing itself as one of the UK's leading asset-based lenders to SMEs.

praetura
COMMERCIAL

Praetura Commercial Finance (PCF) is run by entrepreneurs for entrepreneurs. Founded in 2016 by a highly experienced leadership team, the company's reputation for taking a relationship-led approach to deals to benefit SMEs is second to none.

Zodeq

Zodeq was acquired by Praetura Group in 2022 on the back of the company's impressive track record, providing invoice finance and invoice discounting to SMEs, with a focus on the recruitment sector.

Quay Street Trading continues to assess other third party secure lending opportunities.





The average inheritance tax bill was over £216,000 in 2021.

Support UK businesses, make a predictable return and preserve your assets for those who matter to you.

Significant Diversification

Access to PAF, PCF and Zodeq provides investors with a **significantly diversified portfolio** of secured loans. **Diversification** is provided across the number of arrangements, sectors, term to maturity, average loan size and yield.

		
Number of agreements	2879	373
Average remaining term	40	15
Average advance	£76k	£381k

Asset Diversification

Investors into PITPS via Quay Street Trading Ltd will have exposure to a highly diversified asset backed lending book with over 3,100 agreements. This mitigates investors exposure to individual loans and provides diversification across the entire underlying lending books.





Performance

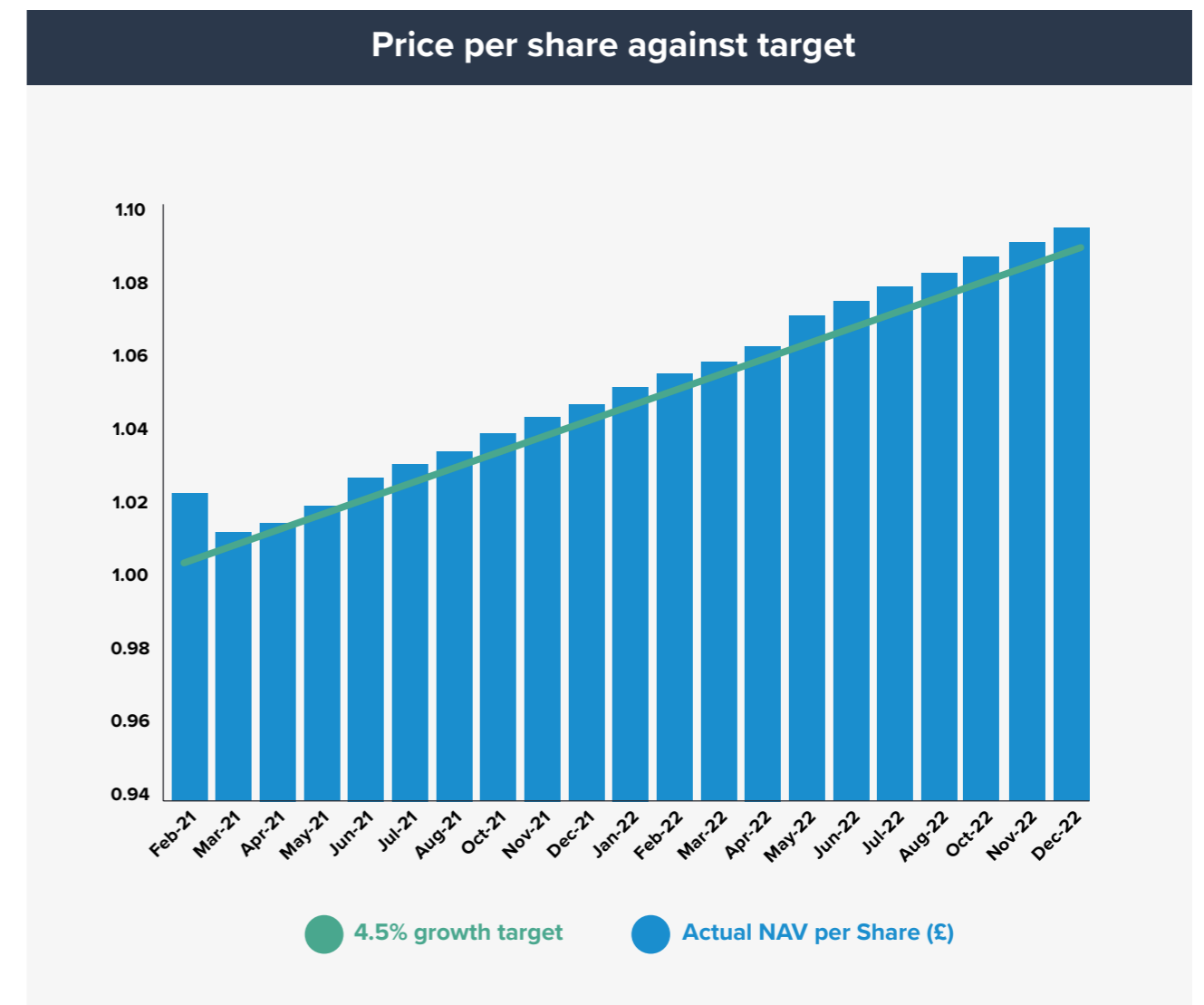
Quay Street Trading Ltd's (QST) share price is based upon Net Asset Value (NAV), which is calculated on a monthly basis and verified by the board of directors.

QST adopts a diversified lending strategy in fund deployment via Praetura Asset Finance, Praetura Commercial Finance and Zodeq into a wide variety of underlying sectors.

The board of QST continually assess the credit risk within portfolio of lending companies it lends to and ensures the companies adopt the highest quality of underwriting and credit processes.

The results of this are demonstrated in the fact that capital write offs within the underlying portfolio are less than 0.1% across £770m of customer advances.

The QST share price is calculated at each month end based on NAV and continues to perform in line with expectations, with predictable, stable returns. The performance of QST does not take into account initial fees, dealing fees and annual management fees associated with the service.



Past performance is not a reliable indicator of future performance.

Governance

SECTOR EXPERIENCE

PAF, PCF and Zodeq are underpinned by strong management teams with significant sector and financial services experience.

The management team of PAF were, prior to co-founding the business, the senior management team of Close Asset Finance. Similarly, the PCF team were the senior

management team of Centric Commercial Finance. In addition to our Sector Experience, PITPS also offers a 'First Loss' position to investors.

Praetura Lending Division credit process

Loans are secured against assets

First loss position*

Contingent AMC**

4.5% Target return

* Each facility will include a first loss capital position which acts as a buffer to the BPR exposure. This will be calculated based on three years historic/estimated capital write offs in addition to a set minimum limit. In the case of PAF, PCF and Zodeq, there is a minimum limit of £3m. These limits are set at the outset by the board of Quay Street Trading Limited and subject to periodic review by the board, based on performance and economic outlook.

** Praetura shall also receive an Annual Management Charge of up to 1% per annum for managing the service. This charge is deferred until full or partial withdrawal from the service and is contingent upon the investor achieving a minimum net compound return of 4.5% per annum on the amount invested in BPR qualifying companies, after taking account of the deferred Annual Management Charge. Accordingly, Praetura will not achieve the full 1% Annual Management Charge unless an investor's gross return is 5.5% per annum. Exit Dealing Fees are excluded from this calculation.

Meet the Senior Team

Subscribers to the PITPS will be issued with shares in Quay Street Trading Ltd, a trading entity whose business activity will be to provide loan facilities, predominantly, to already established lending businesses. Quay Street Trading Ltd will be operated by a diverse Board of Directors with experience in facilitating and managing debt facilities and stakeholder interests



David Foreman
Co-founder and Managing Partner of Praetura Ventures

David is a co-founder of Praetura Group and boasts well over a decade of corporate finance and venture capital experience, having previously qualified as an ACA at KPMG. As MD of Praetura Ventures, he has helped raise over £125m in funding since 2019.



David Allanson
Non-Executive Director of Quay Street Trading

David Allanson has held a number of senior positions at Lloyds Banking Group over the last 20 years. Throughout his career, he has supported SMEs and larger regional businesses such as Euro Garages, JD and Redrow. More recently, he has worked in non-executive and board advisory roles for the likes of KPMG and Tosca Debt Capital.



Peadar O'Reilly
Co-founder and MD of the Praetura Lending Division

Peadar is a co-founder of Praetura Group and has over 25 years secured lending experience, having held senior roles at ABN Amro and Bank of Ireland, where he helped to establish a successful UK ABL business.



Danny Summer
Chief Financial Officer of Praetura Group

Danny has been instrumental to the establishment and expansion of the Praetura Lending Division and Praetura Ventures. He has extensive board experience within the speciality finance space and technology sector.



Business Development Team

As one of the largest independent finance companies in the UK, we've attracted incredible talent, with expertise spanning finance, wealth management and entrepreneurship. Meet the people who will be helping with your plans.

BUSINESS DEVELOPMENT TEAM



Jonathan Prescott
Director of Praetura Ventures

Jon has over 25 years experience within the financial services sector. Having spent 15 years at AJ Bell in a Business Development role Jon subsequently joined Octopus Investments as Regional Sales Director for the North of England, Scotland and Northern Ireland. Jon has a thorough understanding of the VCT, EIS and BPR arena.

✉ jon.prescott@praetura.co.uk
☎ 07710 087 636



Stephen Green
Business Development Manager

Steve has over 30 years experience in financial services. Steve has thorough knowledge of tax wrapper planning, personal taxation and the use of appropriate investment solutions.

✉ stephen.green@praetura.co.uk
☎ 07838 506 800



Mo Hussain
Business Development Manager

Mo is a highly knowledgeable BDM with over two decades of experience in the financial sector. Mo mainly focuses on the southern region in his role as a BDM for Praetura Ventures.

✉ mo.hussain@praetura.co.uk
☎ 07548 759 491



Mike Mannion
Business Development Consultant

Having worked in financial services for 17 years, including consultant roles at AJ Bell, Mike is a specialist in pensions, ISAs, GIAs and tax advantaged solutions.

✉ mike.mannion@praetura.co.uk
☎ 07816 860 906

150+ team of experts

4 OFFICE LOCATIONS IN THE NORTH WEST



Fees and Charges?

PRAETURA VENTURES CHARGES

Fee		Description
Initial Charge	2% for Advised Clients 3.5% for Non-advised Clients	An initial charge is payable to Praetura, this charge will be reflected in the number of shares issued upon investment.
Annual Management Charge	1%	Praetura shall also receive an Annual Management Charge of up to 1% per annum for managing the service. This charge is deferred until full or partial withdrawal from the service and is contingent upon the Investor achieving a minimum net compound return of 4.5% per annum on the amount invested in BPR Qualifying companies, after taking account of the deferred Annual Management Charge. Accordingly, Praetura will not achieve the full 1% Annual Management Charge unless an Investor's gross return is 5.5% per annum. Exit Dealing Fees are excluded from this calculation.
Dealing Charge	1%	Dealing charges will be payable to Praetura for executing investments and withdrawals in the service, based on the amount invested/withdrawn. These are calculated on the amount being invested/withdrawn and are taken from within the service.
Adviser Charges	—	Initial and ongoing adviser charges may be facilitated subject to investor approval
Other Praetura Fees	—	Praetura provides a range of administration, secretarial, deal monitoring, transaction and new business arrangement and other services to the underlying BPR qualifying companies, such as Quay Street Trading Ltd, allowing them to access the full range of our skills and expertise. The companies pay Praetura a service charge of up to 2% p.a. for these activities. An arrangement fee may also be payable to Praetura by the companies in which investments are made.

Please Note...

This document and its contents relate to the Praetura Inheritance Tax Planning Service. This document is for distribution to and for use only by individuals defined as an 'investment professional' in accordance with article 19(5) of the Financial Promotion Order (in relation to a financial promotion).

The purpose of this document is to give investment professionals an overview of the service and structure of the product. This document does not contain all of the important information required to assess the suitability of the service. This document is not the Information Memorandum. Any decision to invest must be made after careful review of the Information Memorandum and consideration of an individual's knowledge and experience in this type of investment, financial situation; investment objectives and attitude to risk. We draw your attention to the Risk Factors section in the Information Memorandum which highlights important but not an exhaustive list of the risks of investing in the Praetura Inheritance Tax Planning Service.



Book a conversation with one of our business development managers

INVESTORS@PRAETURA.CO.UK

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Praetura Ventures Limited is authorised and regulated by the Financial Conduct Authority (FRN 817345)

