

Praetura Inheritance Tax Planning Service

— *for your future and theirs* —



Product Summary

MORE THAN MONEY

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 investment. 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 £675m.



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 four offices across the North West.



LIQUIDITY & CONTROL

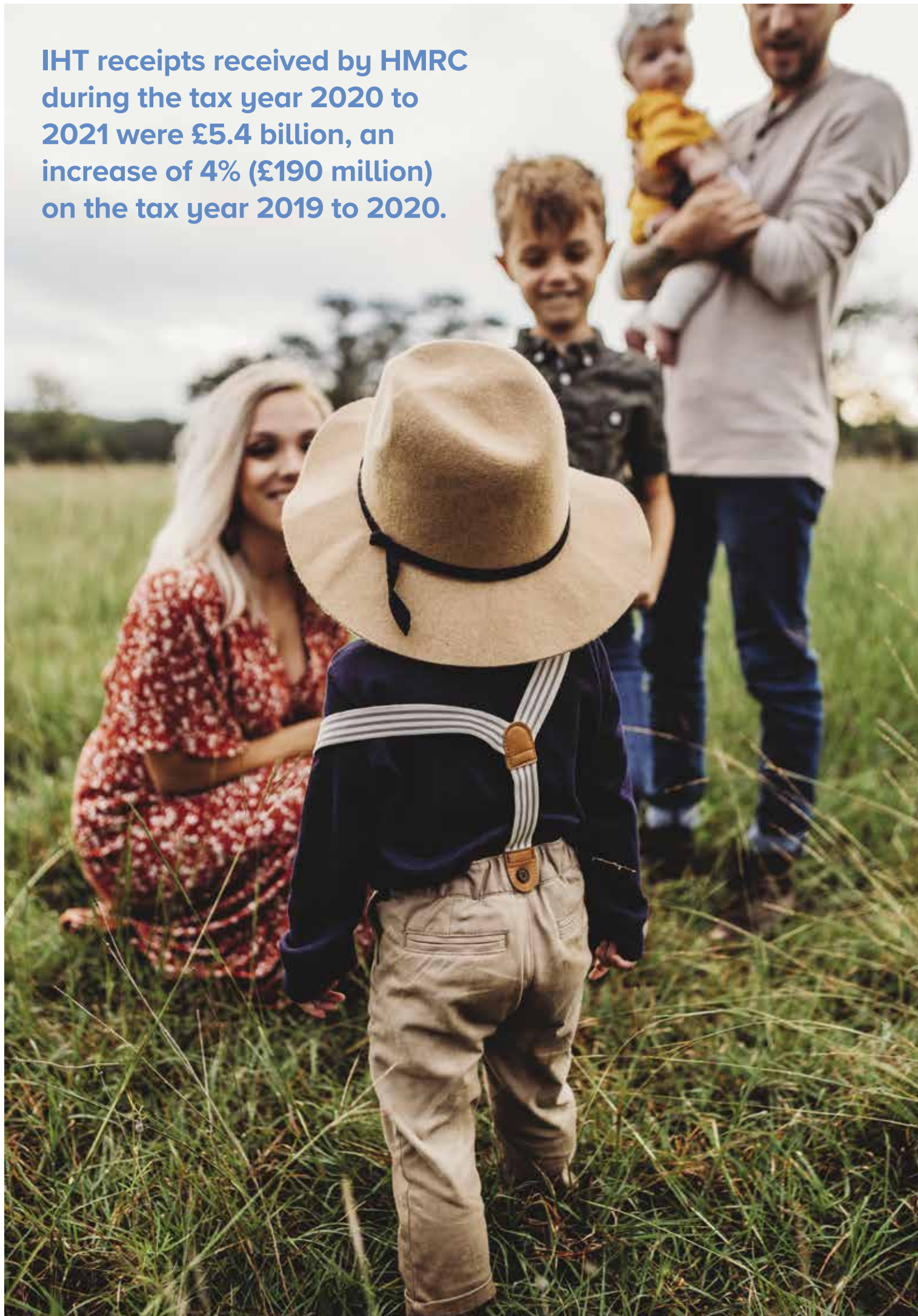
The service is designed to allow you to withdraw all or part of your capital if your plans change.



UNCORRELATED

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

IHT receipts received by HMRC during the tax year 2020 to 2021 were £5.4 billion, an increase of 4% (£190 million) on the tax year 2019 to 2020.



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 record 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.

£675m

Advanced to customers

<0.1%

Written off

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



SECTOR DIVERSIFICATION

Wholesale & Retail



Arts & Entertainment



Construction



Health & Social



Manufacturing



Industrial Machinery



Transport & Storage



Professional



Automotive



Mail Services



Recruitment



How a typical PITPS investment looks



Stability



+

Diversification



+

Predictable Returns



+

Liquidity



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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.

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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.

Consideration may be given in the future to making loans to other third party secure lending opportunities




A woman with glasses and a red apron is smiling as she kneads dough on a wooden surface. A young child in a red dress is also kneading the dough with their hands. The scene is set in a kitchen with warm lighting.

The average inheritance tax bill in 2018-2019 was £209,502.

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	2,860	280
Average remaining term	40	21
Average advance	£72k	£428k



ASSET DIVERSIFICATION

Investors into PITPS via Quay Street Trading Limited 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 Limited (QST) share price is based upon Net Asset Value (NAV), which is calculated on a monthly basis, and is verified by the board of directors.

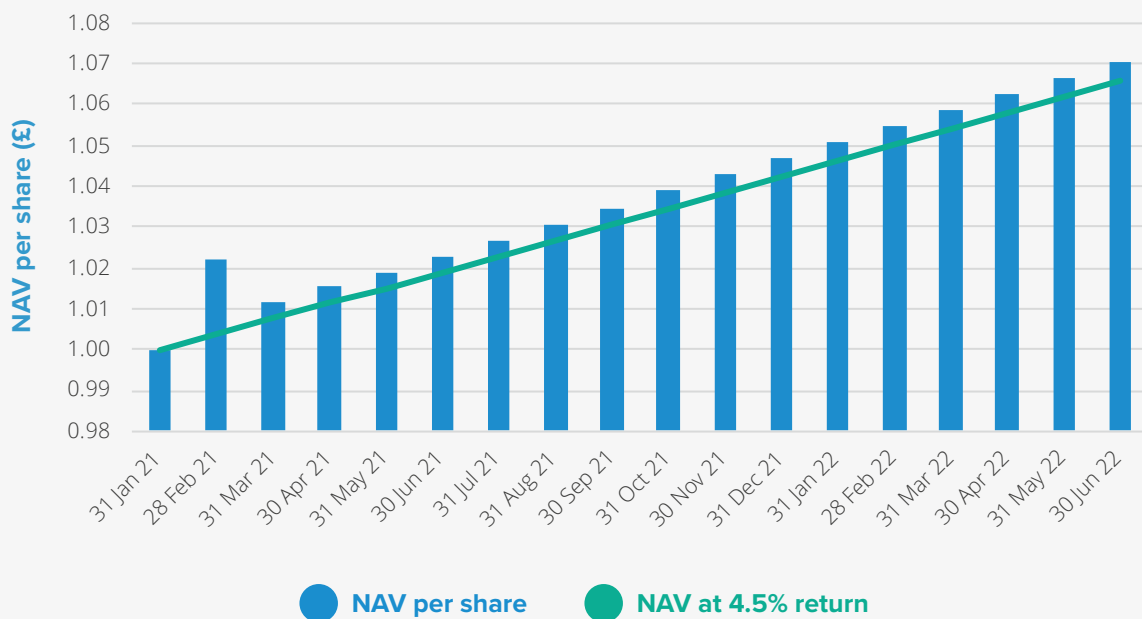
QST adopts a diversified lending strategy in fund deployment via Praetura Asset Finance, Praetura Commercial Finance and Zodeq into a wide variety of underlying sectors.

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 £675m 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.

Price per share against target



Past Performance is not a reliable indicator of future results.



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.



* 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 MD
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
Chairman
of Quay Street Trading

David has held a number of senior positions at Lloyds Banking Group over the last 20 years, supporting SMEs and mid-level businesses, across a range of sectors. Most recently, he was appointed to the advisory board of 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 20 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

140+ team of experts

4 OFFICE LOCATIONS IN
THE NORTH WEST



Fees and Charges?

PRAETURA VENTURES CHARGES

Fee		Description
Initial Charge	<p>2% for Advised Clients</p> <p>3.5% for Non-advised Clients</p>	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

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