

# KID Inheritance Tax Planning Service

## Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

## Product

**Name:** Praetura Inheritance Tax Planning Service  
**Manufacturer:** Praetura Ventures  
**Contact details:** 0161 641 9475  
[praeturaventures.com](https://praeturaventures.com)

**Competent authority:** Financial Conduct Authority (FCA No. 817345)

**Date of production of this document:**  
 This key information document ("KID") has been approved by Praetura for publication on 1st December 2020

## What is this product?

The fund is an Alternative Investment Fund ("AIF") for the purposes of the Alternative Investment Fund Managers Directive. There is no specified maturity date or unilateral termination date.

To offer potential for IHT exemption through Business Property Relief ("BPR") on the net invested amount after two years by selecting investments with stable and predictable cashflows, low market correlation and relatively low default rates to deliver modest returns with low volatility. The value of the return on an investor's portfolio will depend on the performance of the underlying investments:

Clients of financial advisers, regulated by the FCA who have passed the suitability criteria for investors defined under the FCA Conduct of Business (COBS) rule (COBS 9) or professional investors (COBS 3.5) or certified high net worth (COBS 4.7.9) or certified or self-certified sophisticated investors (COBS 4.7.9) or restricted investors (COBS 4.7.10). Intended retail investors are those seeking inheritance tax relief, who are willing to invest for the long term, who understand the risks of investing in higher risk products and who have the ability to bear any losses that may result from such an investment.

## What are the risks and what could I get in return?

### RISK INDICATOR:



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 6 out of 7, which is the second-highest risk class. To qualify for IHT relief, the investment must be held for at least two years but a longer holding period is recommended. Capital may be at risk as the value of investments may go down as well as up and is not guaranteed and therefore investors may not get back the amount originally invested. Past performance is not a guide to future performance.

This product does not include any protection from future market performance so you could lose some or all of your investment. The Praetura ITPS targets a net investor return of 4.5% p.a. on the portfolio value.

In order to achieve the target return of 4.5% p.a. net of fees per annum, PITPS will invest into Quay Street Trading Ltd which will provide you with access to a portfolio of highly diversified, asset backed lending contracts. The asset based nature of such lending contracts provides you with significantly reduced risk of default and our expertise at the Praetura Group allows us to assess the underlying risk and exposure on any opportunities undertaken by PITPS.

## PERFORMANCE SCENARIOS

### Investment £10,000

Scenarios		3 years	5 years
<b>Stress</b>	What you might get back after costs	£6,810	£7,350
	Annualised return each year	-12.0%	-6.0%
<b>Unfavourable</b>	What you might get back after costs	£9,080	£9,800
	Annualised return each year	-3.2%	-0.4%
<b>Moderate</b>	What you might get back after costs	£10,215	£11,025
	Annualised return each year	0.7%	2.0%
<b>Favourable</b>	What you might get back after costs	£11,350	£12,250
	Annualised return each year	4.3%	4.1%

This table shows the capital that would be returned to you under a range of performance scenarios over a 3 and 5 year holding period. The scenarios show how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence of how the value of this investment varies and are not an exact indicator. What you get back will vary depending on how the market performs and how long you keep the investment. Your maximum loss would be that you lose all of your investment.

The figures shown include all the costs of the product itself but may not include all the costs that you pay to your adviser. The figures do not take into account your personal tax situation, which may also affect how much you get back. This does not include any of the tax benefits you may receive.

### What happens if praetura ventures are unable to pay out?

Praetura Ventures participates in the Financial Services Compensation Scheme (FSCS). The FSCS may provide compensation to eligible claimants in the event of the firm being unable to meet its liabilities. The FSCS does not cover losses in the event of the poor performance of a fund or failure of an investee company. Further information about the FSCS can be found at [fscs.org.uk](https://www.fscs.org.uk)

### This table shows the impact on returns per year

Scenarios	If you cash in after 3 years	If you cash in after 5 years
<b>Total costs</b>	£497.01	£690.10
<b>Impact on return (RIY) per year</b>	1.6%	1.2%

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one- off, ongoing and incidental costs. The amounts shown here are the cumulative costs of the product itself, for three different holding periods. The figures assume you invest £10,000. The figures are estimates and may change in the future.

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs and show you the impact that all costs will have on your investment over time.

## What are the costs?

One-off costs	Entry costs	2%	The impact of the costs you pay when entering your investment.
	Dealing fee	1.0%	The impact of the costs that we take on entry and exit from the service
On-going costs	Annual administration fee	2% + VAT	Costs are charged to the investee company.
	Annual management charge	1.0% + VAT	The annual management charge is not payable if the investor's net return is below 4.5%, prior to the deduction of any adviser charge.
Performance fees	-	-	The product does not have any performance fee or incentive costs.

## How long should I hold it and can I take money out early?

### Recommended holding period: 5 years

An investment in Praetura ITPS should not be considered a short to medium term investment since investments in BPR qualifying companies must be held for at least two years in order to benefit from the IHT relief and a longer holding period is typically recommended. Our calculations above for the Summary Risk Indicator and Performance Scenarios are based on a recommended 5 year holding period.

If you withdraw any of your holdings after two years, you will lose the relief on the amount withdrawn and retain IHT exemption only on your remaining investment. Investors can withdraw funds from the service on an ad-hoc basis. Normally, we would expect your withdrawal to take place within 30 days from the end of the month in which we receive written instruction. However, if there are substantial withdrawals then it may take longer. There is no guarantee that it will always be possible to meet the above target timeframe. We should also recognise that any withdrawals may no longer be eligible for IHT relief. The minimum balance in PITPS after making a withdrawal is £25,000, unless an Investor wishes to withdraw all of their funds.

## How can I complain?

The Manager has established procedures in accordance with the FCA Rules for consideration of complaints. Details of these procedures are available from it on request. Should an investor have a complaint about the product or this KID, he should contact the Manager. Where the investor is categorised by the Manager as a Retail Client, if for any reason the Investor is dissatisfied with the Manager's final response, the investor is entitled to refer its complaint to the Financial Ombudsman Service. A leaflet detailing the procedure involved will be provided in the Manager's final response.

Complaints should be addressed to Spencer Jacobs,  
**Praetura Ventures, Bauhaus, Quay St, Manchester,**  
**M3 3GY t: 0161 641 9484 .**

## Other relevant information

The cost, performance and risk calculations included in the KID follow the methodology prescribed by EU rules. Current factsheets and other marketing documentation can be found at [www.praeturaventures.com](http://www.praeturaventures.com)

An investment in the Fund must only be made on the basis of the information set out in the Investor Guide and Customer Agreement, dated **1st December 2020**.

The depositary of the Fund is The Share Centre.

## Inheritance Tax

Investors in the Praetura ITPS will be allotted shares in Quay Street Trading Ltd, a company that the Manager believes qualifies for Business Property Relief ("BPR"). Shares in BPR qualifying companies held for at least two years and held at the point of death should fall outside an individual's estate for the purposes of inheritance tax.

There is a risk that HMRC determines that shares in the Praetura ITPS are not BPR qualifying. Praetura ITPS receives ongoing legal advice on the qualifying status of the solution.

There is also a risk that BPR itself is materially changed by government such that the inheritance tax benefit no longer applies. This is out of the control of Praetura, but we closely monitor the legislative environment and do not consider that this is a material risk in the medium term.