

Praetura Inheritance Tax Planning Service

—— *for your future and theirs* ——



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 £500m.



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

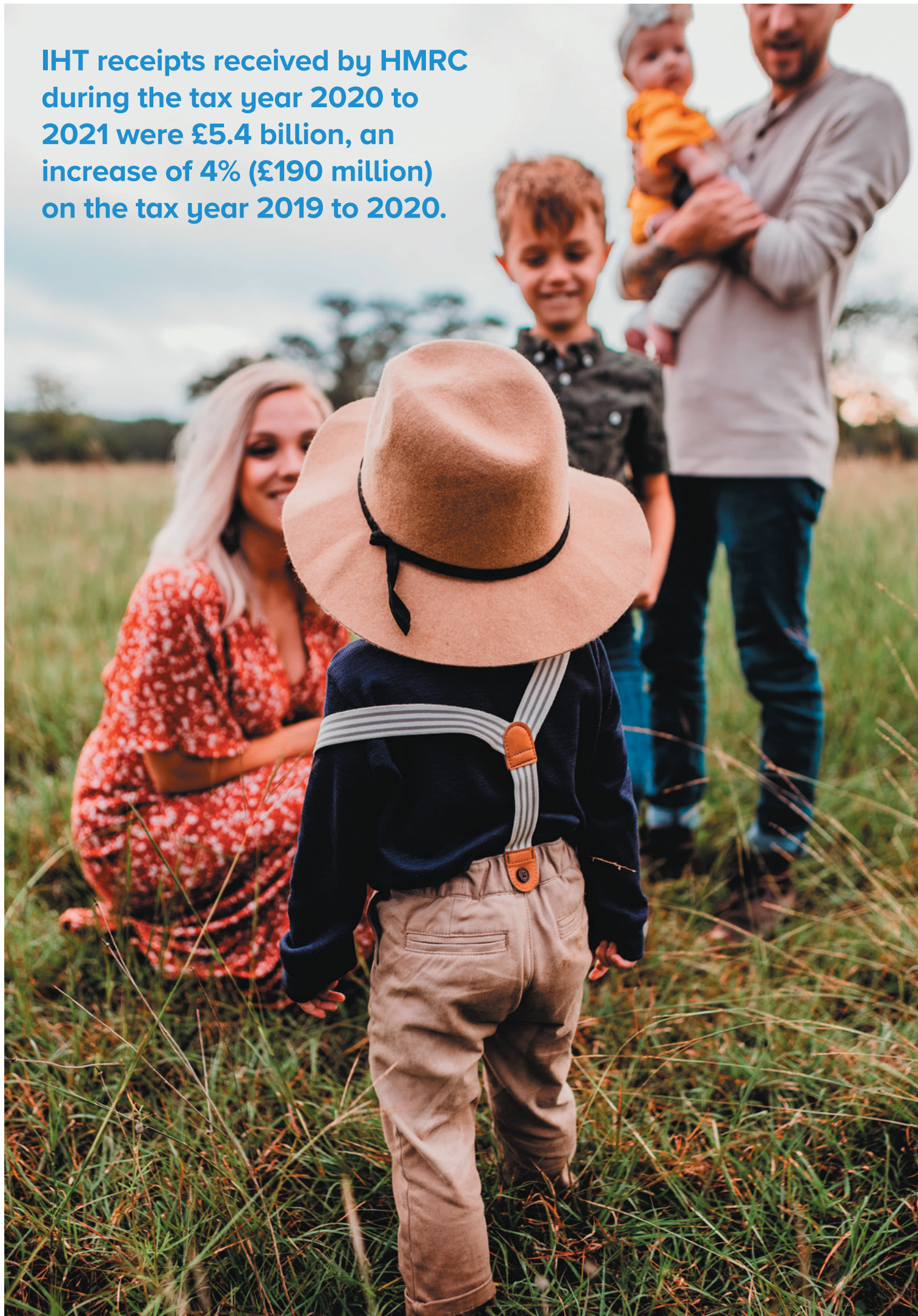
The service is designed to allow you to withdraw all or part of your capital if your plans change.



UNCORRELATED

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

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.

£529m

Advanced to customers

£350m

Capital redeemed

<0.2%

Written off

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

Wholesale & Retail



Arts & Entertainment



Construction



Health & Social



Manufacturing



SECTOR
DIVERSIFICATION



Industrial Machinery



Transport & Storage



Professional



Automotive

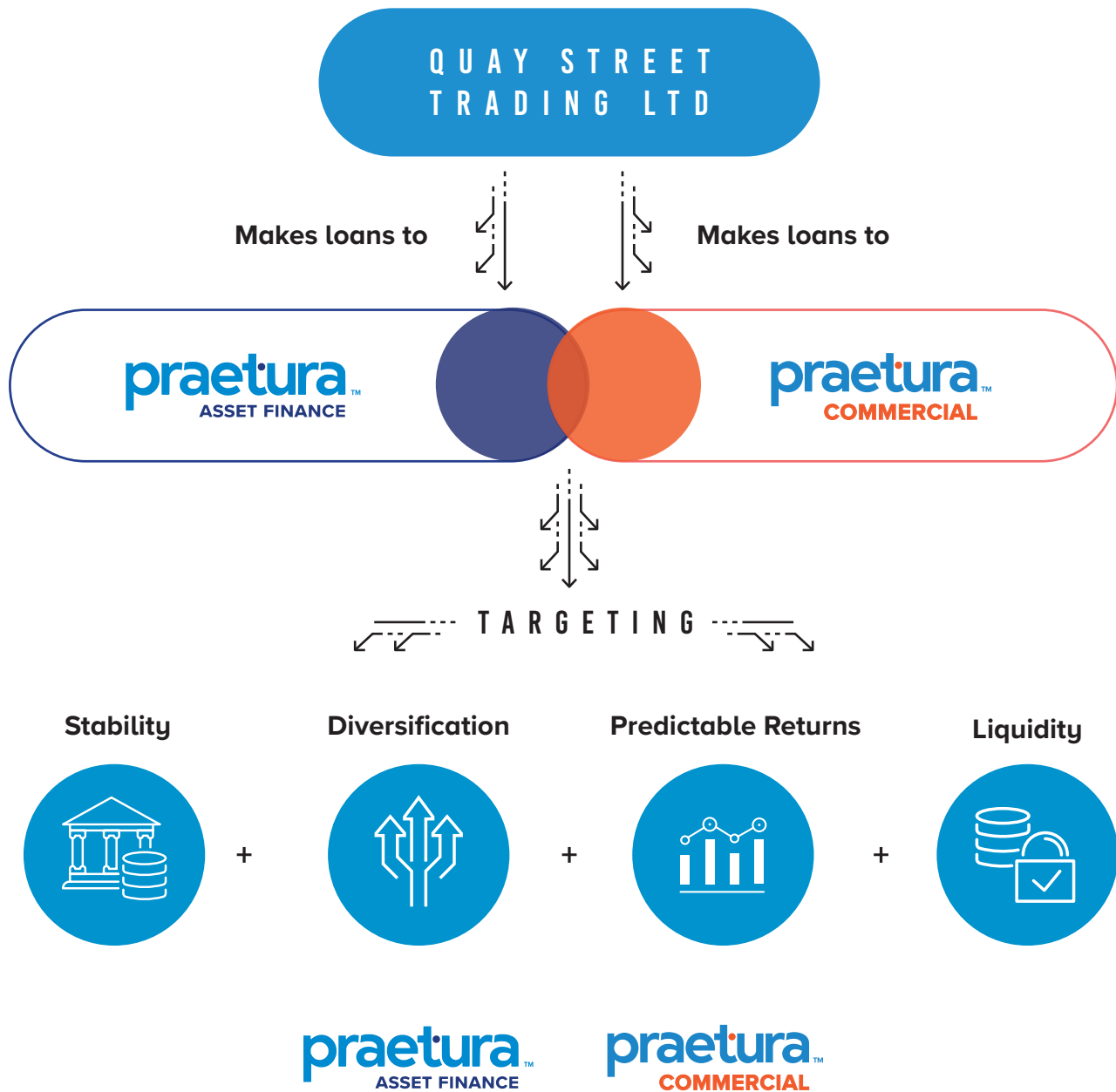


Mail Services



Postal Activities

Praetura Inheritance Tax Planning Service



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. PAF's experienced underwriting team conducts a thorough assessment of borrowers' circumstances, asset quality and the value of the additional securities such as personal guarantees. When lending against 'hard' assets (such as trailers, vans, machinery) the company differentiates itself from many in the market by focusing on forced-sale value of the asset as determined by industry-recognised standard and specialised valuers. PAF have a proactive collections and recoveries Approach. This has led to historical capital write-offs of less than 0.2%.

Praetura Commercial Finance (PCF) was co-founded by Praetura and a management team from Centric Commercial Finance. The management team joined Praetura having scaled Centric and eventually sold the business to Shawbrook. The company provides funding to UK SMEs secured on, predominantly, the value of trade debtor invoices and stock. PCF take security primarily over the entire debtor book, the receipts for which are controlled through a trust account. The business has built a £58m lending book achieved through robust origination and operational processes, credit underwriting and due diligence, diversification and managing risk. The strength of PCF's ability to manage the credit process is demonstrated through their zero capital write-offs to date.

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

A warm, intimate photograph of a woman with glasses and a grey sweater, wearing a red apron, smiling as she kneads dough with a young child. The child, also in a red apron, is focused on the task. They are in a kitchen setting with soft lighting. The text is overlaid on the left side of the image.

**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 and PCF 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.



c 2 6 0 0 L O A N S

praetura
ASSET FINANCE

28 MONTH

Average remaining term

£ **67** K

Average advance

praetura
COMMERCIAL

20 MONTH

Average remaining term

£ **1.9** M

Average advance

T A R G E T R E T U R N 4.5%

ASSET DIVERSIFICATION

Investors into PITPS via Quay Street Trading Limited will have exposure to a highly diversified asset backed lending book with over 2600 agreements.

This **mitigates investors exposure** to individual loans and provides **diversification** across the entire PAF and PCF lending books.



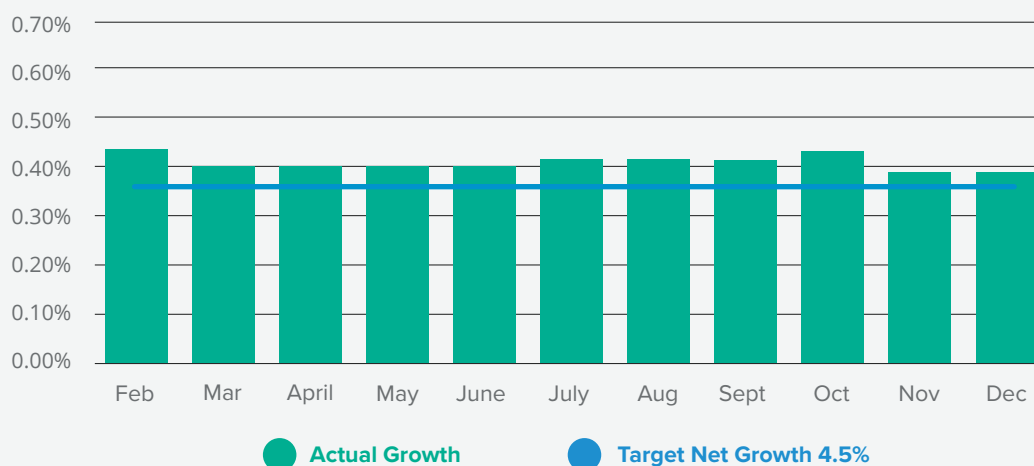
Performance •

Quay Street Trading Limited (QSTL) Net Asset Value is calculated monthly and is verified by the Board of Directors. QSTL employs a diversified lending strategy lending across ten sectors via Praetura Asset Finance (PAF), Praetura Commercial Finance (PCF) and will continue to assess the market for other high quality lending opportunities.

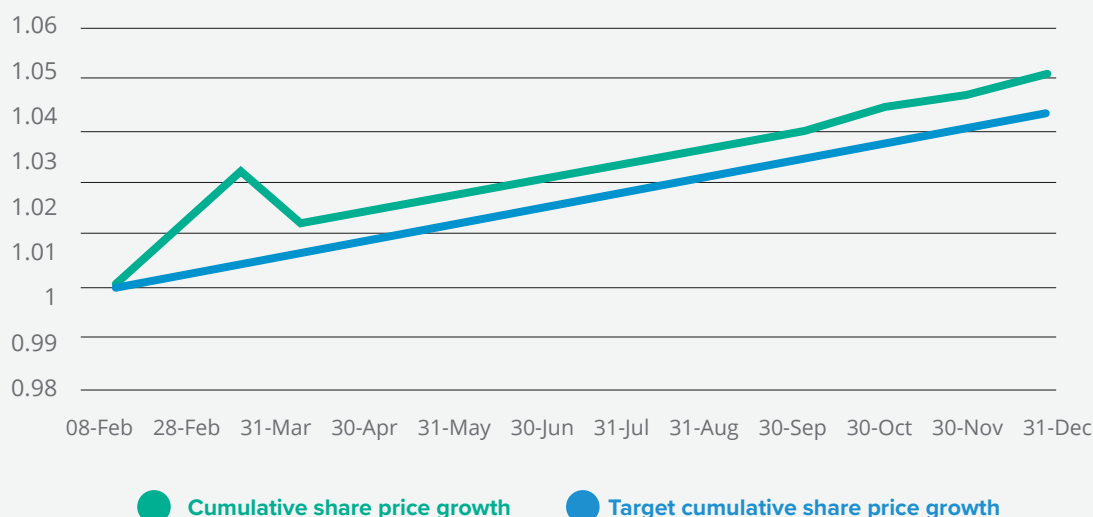
The Board of QSTL remain very comfortable in continuing to make loans to PAF and PCF due to the high quality credit process and underwriting reflected in bad debt of less than 0.2% across £528m of lending.

QSTL share price is calculated monthly and continues to perform in line with expectations. The performance of Quay Street Trading Limited does not take account of initial fees, dealing fees and annual management fees associated with investing in the Praetura Inheritance Tax Planning Service.

Monthly Share Price Growth to 31st December 2021



Cumulative Share Price Growth to 31st December 2021



Past Performance is not a reliable indicator of future results.

Governance •

SECTOR EXPERIENCE

PAF and PCF 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 this minimum limit will be £5m. These limits will be 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 •



Peadar O'Reilly
Director

Peadar is CEO of Praetura's Debt Services division, where he has responsibility for both Praetura Asset Finance and Praetura Commercial Finance. Peadar is a founding partner at Praetura and has over 20 years' secured lending experience having previously held senior roles at Bank of Ireland and ABN Amro. Prior to founding Praetura, he helped establish a successful UK ABL business for Bank of Ireland and is responsible for raising over £200m of bank facilities from mainstream and specialist institutions for the Praetura Group's companies.



David Foreman
Director

David co-founded Praetura and is now Managing Director of the Group's Venture Capital division, Praetura Ventures. With a background of over 12 years in corporate finance and venture capital, David is experienced in assessing investment opportunities. He also has considerable experience in Fund Management and in the creation and management of tax advantaged investment solutions. He qualified as an ACA with KPMG and has considerable experience in advising and backing financial services and recurring revenue businesses.



David Allanson
Non-Executive Director

David Allanson 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, to grow their businesses. Most recently, he was appointed to the advisory board of Tosca Debt Capital. David has a wealth of experience and industry insight of working with regional businesses on both corporate and leveraged debt structures.



Danny Summer
Executive Director

Danny joined Praetura in early 2014 and was instrumental in the establishment of several significant Praetura investments including Praetura Asset Finance, Praetura Commercial Finance and Sorted Group, acting as Finance Director of each upon inception. Danny has several years of board experience within the financial services, speciality finance and technology sectors. He has significant experience in raising external finance; £300m of institutional debt facilities for Praetura investments to date, including the £75m pre-securitisation facility for PAF.



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

Jon has over 20 years experience within the financial services sector. Jon spent over 15 years at AJ Bell as business development manager, forging links with advisers across the country. More recently, as Area Sales Director at Octopus Investments for the North, Scotland and Northern Ireland, he was responsible for a team of business development managers and for implementation of the group's sales strategy across the region. 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. His time was spent at Standard Life Aberdeen as business development manager and strategic account manager supporting adviser relationships in the North of England. 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



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. His experience and knowledge contributes to his ability to work with advisers, understand the challenges they face and guide investors through the Praetura journey.

✉ mike.mannion@praetura.co.uk

☎ 07816 860 906

100+ team of experts

3 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 can be facilitated subject to investor approval

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 Page 47 of 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

SALESTEAM@PRAETURA.CO.UK

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

