

# BR Factsheet

## Downing

# Estate Planning Service

### **BR (Business Relief) investments are suitable for:**

- Investors who understand the risks of investing, are happy to make a long-term investment and are seeking a competitive return alongside potential Inheritance Tax relief.
- Investors able to bear losses without it materially affecting their standard of living, and who can hold the investment for the recommended period without relying on liquidity
- Tax-efficient investors wishing to reduce the value of their estate for Inheritance Tax purposes without giving up control or access to their assets.
- Investors who typically have an estate expected to be subject to Inheritance Tax and who are seeking relief through Business Relief.

These investors benefit from maintaining ownership and control of their wealth while achieving potential Inheritance Tax relief after two years, supporting a range of established UK businesses and public sector organisations. Investors should have the financial capacity to bear potential losses.

#### **IMPORTANT INFORMATION**

This document aims to emphasise key aspects of the investment and should not be taken as a complete and comprehensive analysis of the risks of investing in the investment. It should be read alongside the Downing Estate Planning Service Brochure and Supporting materials, which you are advised to review thoroughly. In case of any discrepancies between this document and the Brochure, the latter's provisions will prevail.

## Principal Parties:

<b>Investment Manager</b>	<b>Downing LLP</b>
<b>Custodian</b>	<b>Thompson Taraz LLP</b>

## Investment Manager: Downing LLP

Downing LLP is the investment manager of the Downing Estate Planning Service (DEPS). Downing is authorised and regulated by the Financial Conduct Authority (FCA number 545025). The Downing group has assets under management of circa £2.3 billion (as at March 2025).

Downing has been helping investors manage their money for more than 35 years. We exist to make investment more rewarding: rewarding by being profitable for our investors, rewarding by helping businesses grow, and, through their success, ultimately rewarding for society. We design and manage investment products that help investors make good choices for the future.

<b>Key Details:</b>	<b>Downing Estate Planning Service</b>
First Added to Titan Alternatives Panel	2025
Product Launch Date	February 2013
Product AUM	£1,053m
USP	The Downing Estate Planning Service is a discretionary portfolio that has been running since 2013. It offers access to two complementary strategies: asset backed trading businesses such as care homes, education and specialist care, and renewable energy and infrastructure. The service targets steady annual returns of 3% to 4.5% net of fees.
Total Offer Size	Evergreen
Minimum Investment	£25,000
Maximum Annual Investment	No maximum (Business Relief is not currently capped).
Subscription Amounts Invested	98% deployed for tax relief (2% Initial fee is charged upfront)
Level of Tax Relief Available	Up to 100% Inheritance Tax relief after two years (subject to conditions)
Target Number of Portfolio Companies	2 Portfolio Companies (76 subsidiary companies with over 9000 assets)
Target Return	3 - 4.5% net of fees
Target Hold Period	Minimum of 2 years to qualify for Business Relief; recommended 5+ years
Liquidity Target for Withdrawals	Within 10 working days
Does the product participate in the HMRC Direct Payment Scheme for IHT?	Yes. This actioned via the IHT423 form.
Provisional Next Close Date	Fortnightly allotments

## Fees

Fee (Excluding VAT)		Charged To
Initial Fee	2%	Investor
Dealing In Fee	N/A	
Annual Management Fee	0.5%	Investee Company (subject to performance)
Other Investee Company Costs	1.5% + VAT Annual Admin/Service Fee	Investor
Dealing Out Fee (Exit)	N/A	
Performance Fee	N/A	

## Materials

### Product Provider (Manufacturer) Materials

Brochure

Factsheet

Reports

Value Assessments, Terms & Conditions, Wealth Guard Info

## Overview

### Investment Strategy

The Downing Estate Planning Service is focused on capital preservation and steady, predictable growth. Investors' funds are allocated across two complementary strategies:

Pulford Trading Limited invests in asset backed businesses including elderly care homes, specialist care, special educational needs schools, nurseries, funeral care and property development. These businesses are supported by tangible assets such as land and buildings, providing recoverable value if a business fails. Pulford's investments aim to generate stable revenues while delivering a positive impact, for example by expanding specialist education provision and developing new elderly residential care homes.

Bagnall Energy Limited focuses on renewable energy generation and infrastructure, including solar, wind, hydropower and battery storage. The portfolio prioritises inflation linked and contractually fixed revenues, with 93% of assets now in core renewables following disposal of fossil fuel interests.

By combining asset backed businesses with renewable energy infrastructure, the Service provides diversification, predictable revenues and resilience, while targeting steady returns of 3%

### Sectors:

- Elderly care homes
- Specialist care homes (learning disabilities, autism, complex needs)
- Special educational needs schools
- Early years education nurseries
- Funeral care
- Residential property development / lending to developers
- Hospitality (pubs)
- Renewable energy generation (solar, wind, hydropower)
- Battery storage and flexible energy infrastructure

to 4.5% per annum net of fees. Downing's investment teams apply rigorous due diligence and active oversight to protect investor capital and support long term value creation.

### Notable Merits & Consideration Points

- **Business Relief Eligibility:** Shares are expected to qualify for Business Relief, providing 100% inheritance tax relief after two years (provided they are held at death).
- **Capital Preservation Focus:** Strategy aims to protect capital by investing in businesses with tangible assets and predictable revenues.
- **Target Return:** The Service targets annual growth of 3% to 4.5% net of fees, though returns are not guaranteed.
- **Sectors Targeted:** Investments span asset backed trading businesses (care homes, specialist education, nurseries, funeral care, property development) and renewable energy infrastructure.
- **Wealth Guard:** Automatic protection feature covers the net initial investment against falls in value of up to 20% (conditions apply).
- **Liquidity Option:** Withdrawals can be requested at any time, but access is subject to liquidity and cannot be guaranteed.
- **Track Record:** Established in 2013, the Service now manages around £1,053m across Business Relief qualifying strategies.

### Key Risks

- **Capital at risk:** The value of your investment may fall, and you may not get back the full amount invested. FSCS protection does not cover poor investment performance.
- **Tax reliefs not guaranteed:** Business Relief rules may change, and qualifying status of portfolio companies could be lost, delaying or removing IHT relief.
- **Illiquidity:** Although liquidity is offered twice monthly, withdrawals can be delayed and there is unlikely to be an external market for the shares.
- **Long-term nature:** Shares must generally be held for at least two years and at death to qualify for IHT relief. Investments in unquoted companies are higher risk than listed securities.
- **Concentration and debt:** Portfolio exposure may be concentrated by sector or strategy, and the use of debt within portfolio companies can amplify losses.
- **Market and macroeconomic risks:** Broader events such as property downturns, credit shortages, or currency and interest rate changes may materially affect portfolio value.

Please note that this is a summary of the key risks and potential investors should refer to page 30-31 of the brochure.

## Tax Relief

- **Inheritance Tax Relief:** The Downing Estate Planning Service is designed to provide 100% relief from inheritance tax on the amount invested after two years, provided shares are still held at the time of death. Post April 2026, full relief will be given on up to £1million on unquoted business relief qualifying assets, after which amounts above £1million will be reduced by 50% relief.
- **Preservation of IHT Allowances:** Business Relief does not use up the nil rate band or residence nil rate band, allowing other allowances to be preserved for additional estate planning purposes.
- **Immediate Qualification on Replacement:** 100% relief can be established immediately if the investor has recently sold another Business Relief-qualifying asset.
- **Tax Status Dependency:** Relief is dependent on the investee companies maintaining their Business Relief qualifying status throughout the holding period. HMRC assesses this at the time of the investor's death.
- **Withdrawal Impact:** Withdrawals from the service result in the withdrawn amount no longer qualifying for inheritance tax relief. Only the remaining invested portion may still benefit, subject to conditions.
- **Tax Treatment Subject to Change:** Levels, bases of, and relief from taxation are subject to change and could be retrospective. Investors should consult with a tax adviser regarding their individual circumstances

## Client Suitability

- **Inheritance Tax Planning:** Suitable for UK investors with estates expected to be subject to inheritance tax who wish to reduce the value of their estate using Business Relief, while retaining control of their assets.
- **Long-Term Horizon:** Designed for investors able to commit to the medium to long term and retain their holding until death in order to secure IHT relief.
- **Capacity for Loss:** Investors should have sufficient wealth to bear potential losses without it materially affecting their standard of living and should not rely on this investment for everyday financial needs.
- **Understanding of Illiquidity:** Suitable only for investors who understand the risks of investing in unquoted companies, including limited liquidity and the possibility that withdrawals may be delayed or restricted.
- **Advised Investors:** Investors should typically receive regulated financial advice, or in exceptional cases be able to demonstrate they fully understand the risks, tax implications and nature of the Service without advice.

## Consumer Duty

Advisers should review relevant consumer duty materials and ensure that investors align with the intended target market as outlined in the documentation provided.

## Conclusion

Having launched an Estate Planning Service in 2013, Downing have built a significant AUM within the discretionary portfolio service that offers investors a choice of one or both of their Business Relief portfolios across assets within energy and infrastructure (Bagnall) and those within an asset-backed strategy (Pulford).

Bagnall's investment strategy focuses on interests in renewable energy generation, energy infrastructure and other infrastructure assets.

Pulford focuses on asset-backed businesses such as elderly care homes, property development, specialist care, specialist education, hospitality, early years education and funeral care.

Where an investor chooses a mixed allocation, they gain diversification across both portfolios within the Service which involves 76 subsidiary companies, holding over 9000 assets. An investor can choose their split or leave Downing to choose for them (which is typically 50/50 across both).

With a team of over 90 dedicated staff members focused on investment, support, and administration Downing have proven their ability to deliver a comprehensive service to Advisers and Investors over a long period of time.

Their overriding strategy seeks to minimise risk and preserve capital by investing in businesses that benefit from predictable revenue streams and those that own land and/or buildings which they have security over.

The two complementary strategies offer investors diversification across sectors, assets and geographies. The experienced investment teams involved aim to reduce the impact of economic conditions, mitigate risk and provide consistent returns.

Furthermore, Downing offers a somewhat unique feature within their Estate Planning Service with the 'Wealth Guard' which, at no extra cost, automatically protects an investors net initial investment from falls in value of up to 20%. This has been recognised by many Advisers and Investors alike as an additional and welcome comfort designed to provide extra security (please see Key Features within DEPS Brochure which details eligibility).

In addition, Downing also offer a more commonly available risk mitigation of Life Cover as an option, which is designed to cover the period up to the investment qualifying for Business Relief (please see details and eligibility within the DEPS Brochure).

The two separate portfolios (Bagnall & Pulford) have different Boards and Risk Committees, both of which include non-executive Directors with specialist experience and are independent from the day to day management of the Company and the Manager and are involved in the review and approval of the quarterly valuation process.

With fortnightly dealing and deployment timeframes, liquidity targets of providing withdrawals within 10 working days, along with their participation in the HMRC Direct Payment Scheme for IHT, we perceive Downing to offer a high level of service at all stages of the investment.

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*Investments that qualify for Business Relief (BR) are high-risk and may not be suitable for all investors. The availability of BR depends on individual circumstances and current UK tax legislation, which may change in the future. Tax reliefs are not guaranteed. The value of investments and the income from them can fall as well as rise, and investors may not get back the full amount invested. Shares in unquoted or AIM-listed companies can be difficult to sell and may be subject to sudden and significant changes in value.*

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