INGENIOUS ESTATE PLANNING (IEP) CLASSIC & CARE

Data as at 31 March 2022

Launch date	29 May 2014
Net Asset Value (NAV)	£191.69m

Target: Steady long-term return of 3-5% per annum, net of fees.

Investment strategy

The Manager of IEP Classic invests into one or more Portfolio Companies that operate a trading strategy suited to the core objectives of achieving stable growth and capital preservation, within one or more of the following sectors: real estate, media and infrastructure.

Performance insights

The Service has started the year well, with growth of 0.76% for the quarter. If performance continues at this rate, we would expect to meet our performance target with an annual return of 3.04%, however performance is not guaranteed and could go down as well as up.

Portfolio summary

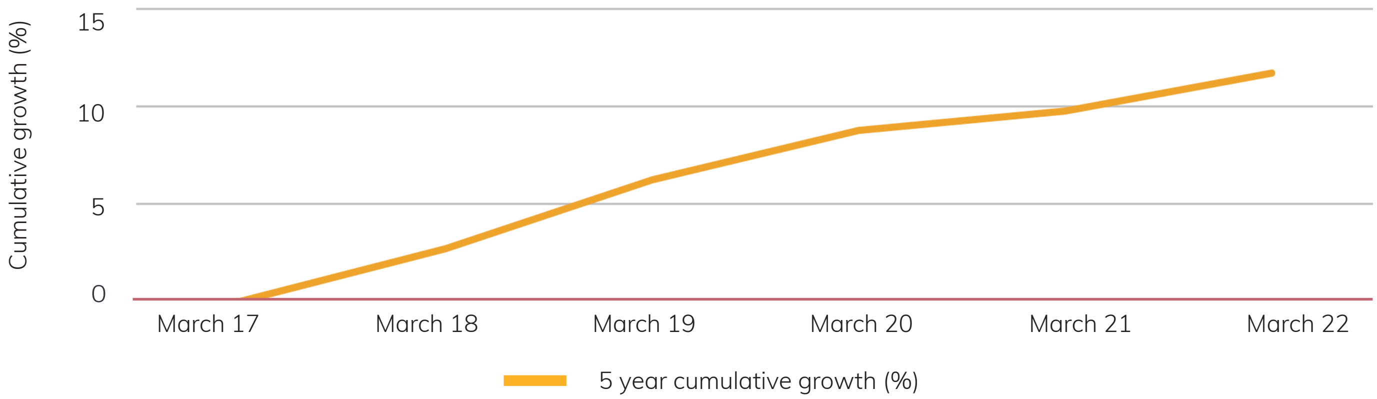
NAV per share:
124.84p

Trading share price:
124.84p

Quarterly change:
+0.76%

The valuations are for illustrative purposes only, and are calculated as per the Definitions section below. Actual returns on investment cannot be determined until a sale of shares is completed.

5 year growth



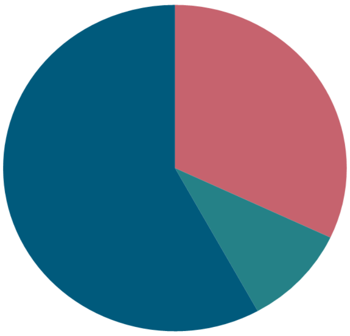
Cumulative growth (%)

1 yr	3 yr	5 yr	Since inception	5 yr annualised returns
1.79	5.15	11.74	24.84	2.35

Discrete annual growth (%)

March 2018	March 2019	March 2020	March 2021	March 2022
2.71	3.46	2.38	0.91	1.79

IEP Classic asset allocation Q1 2022



- Real Estate: 32%
- Media: 10%
- Infrastructure: 58%
- Working capital: 0%

Sector commentary

Real Estate

Number of loans: 30

Assets under management: £241.01m

The Real Estate strategy provides secured, asset-backed development and bridge loans in established markets across England. In this last quarter, the residential market has continued to see strong levels of liquidity and growth in UK house prices.

We have received c.£14m of repayments in the quarter from repaid bridge loans in Leatherhead and Southwark. A new light industrial development project in South West England was closed in the period illustrating our support for this highly performing sector.

In terms of new lending, we continue to take a conservative approach when reviewing opportunities in light of the wider economic environment. We ensure that there is an appropriate level of contingency in each development which is sufficient to manage any delays and increases to the cost of materials which may occur. We take a careful approach to the amount of lending which we are prepared to make against each development's valuation. Each valuation continues to be prepared by an independent expert with knowledge of the local market conditions and we utilise third party research information in support of identifying and recommending transactions to the investment committee. We also seek to pass on any increases in the base rate to the borrower. Our active management of the portfolio continues to ensure developments run smoothly and on time.

Against a more inflationary environment, we expect the Bank of England's increase to interest rates to dampen house price growth looking forward. We do not expect this to change our investment strategy as there remains a significant under supply of quality housing stock across the UK and this should also underpin rents which continue to hold up well. We always ensure each development has sufficient equity invested alongside our loan capital to preserve the capital and return on each project.

Media

Number of loans: 25

Assets under management: £42.54m

The Media strategy provides commercial and asset-backed loans to film and television production companies.

As at 31 March 2022, there was a senior secured loan book of £18m across 25 loans, with an average loan size of £0.7m. There were no new drawdowns in the period. The largest repayment in the period relates to *Ghosts of War*, a 2020 supernatural horror film written and directed by Eric Bress, which is now available on Netflix.

Similar to the real estate approach, we carefully consider all new opportunities and will only lend when we have a high level of confidence in the underlying asset-backed security being taken.

Infrastructure

Number of loans and owned and operated equity: 20

Assets under management: £187m

The first quarter of 2022 to the end of March witnessed higher than usual gas and electricity prices persisting from Q4 2021.

Low gas storage levels across Europe and lower than usual pipeline imports from Russia into Europe, have been further exacerbated by the outbreak of war in Ukraine, leading to higher gas and electricity prices to meet demand on a global scale. The market expectation is that gas and electricity prices will continue at above historical levels for the next couple of years.

Whilst long-term forward power prices, on which the valuations of the clean energy assets are partly based, have increased in the short-term, long-term power price forecasts have been falling for several years creating a drag on valuations. Long-term power prices have been negatively affected by the growth in clean energy assets, such as solar and wind, as increased clean energy capacity has tended to reduce long-term power prices as the assets typically provide energy at broadly the same time and this energy cannot always be stored and released at peak times (and for higher prices) when it is required most.

The recent increase in power prices is not expected to persist for the long-term however and recent rises only largely recover previous falls in long-term power prices over the last few years. The rate of return used by holders of energy-generating assets, amongst other inputs into the valuation, have typically fallen over the last few years to compensate for the long-term fall in power prices and we have increasingly felt that that the risk/return trade off of holding solar and wind assets in services which seek stable, long-term returns that protect capital is no longer in investors' best interests. Accordingly, after the quarter end in May, we sold the Service's holding in solar and wind assets which will be reflected in your next statement. The proceeds have been used to repay the debt facilities associated with the solar and wind assets which will reduce the level of gearing in the Service and will provide additional liquidity to increase lending activities which we consider to be a more appropriate investment strategy.

The anaerobic digestion portfolio continues to transition from the operational phase to optimisation. We are working closely with our external partners to target steady state operation and consistently high levels of output. Performance in the quarter was stable and in line with expectations. We continued to implement the actions arising from the technical review and invest in the improvements required to deliver consistent output.

Definitions

NAV per share:

The total assets of the company(ies), minus the liabilities, divided by the number of shares.

Assets under management:

Total gross value of secured loans and owned and operated equity.

Trading share price:

The value, at the current reporting date, at which investors enter and exit. The share price does not trade at a premium to the NAV per share, meaning the NAV per share and the Trading share price are the same.

Important information