INGENIOUS

INGENIOUS ESTATE PLANNING (IEP)

Private Real Estate

IMPORTANT INFORMATION

This document is intended for Retail and Professional Investors resident in the UK.

All capitalised terms have the meaning given to them in Schedule 1 of the Investor Agreement unless otherwise defined.

For each individual Investor in IEP Private Real Estate, a discretionary investment management mandate is provided by the Manager, who selects and manages the Investor's Portfolio of Shares. Those shares will be Shares in one or more Portfolio Companies – unquoted companies of which a number of ordinary shares are beneficially acquired for an Investor and included in the Investor's Portfolio. All of this will be carried out in line with the terms of the Investor's Investor Agreement which, together with specified areas of the Brochure and the Application Form, comprise the entire agreement between the Investor and the Manager.

This Brochure does not constitute investment, tax, legal or other advice; is provided as of the date written; and is subject to change without notice. Every effort has been made to ensure the accuracy of the information provided, but Ingenious Capital Management Limited (hereafter; ICML or the Manager) makes no warranty, express or implied, regarding such information.

Our investments are considered high risk and investment decisions regarding them should be made with the guidance of a regulated adviser. Except as otherwise required by law, ICML shall not be responsible for any trading decisions, damages or losses resulting from, or related to, the information, data, analysis, or opinions or their use.

The Tax Benefits described in this Brochure are not guaranteed and are based on current tax legislation and our interpretation of that legislation. There is no guarantee that any Shares issued to you by Portfolio Companies we invest in on your behalf will be wholly or partly Business Relief (BR) or Investors' Relief (IR) qualifying at the date of a future transfer of your shares. Tax rules could change in the future and the value of any tax relief will depend on your personal circumstances.

Past Performance is no guarantee of current or future returns and Investors may receive back less than invested. The price of investments and any income deriving from them can go down as well as up and are not guaranteed. Full details of the risk factors and associated mitigation strategies can be found on pages 18 and 19 of this Brochure and in the Investor Agreement, which should be read in conjunction with this Brochure.

Ingenious Capital Management Limited is authorised and regulated by the Financial Conduct Authority under FRN 562563. Registered Address: Parcels Building, 14 Bird St, London, W1U 1BU

August 2023

RISK SUMMARY

Don't invest unless you're prepared to lose all the money you invest. This is a high-risk investment.

Due to the potential for losses, the Financial Conduct Authority (FCA) considers this investment to be high risk. We care about our investors, and we want to help you fully understand our products and services ensuring that they are appropriate for your needs. It is therefore important that you read the following.

What are the key risks?

1. You could lose all the money you invest

If your investment fails, you are likely to lose up to 100% of the money you invested.

2. You are unlikely to be protected if something goes wrong

Protection from the Financial Services Compensation Scheme (FSCS), in relation to claims against failed regulated firms, does not cover poor investment performance.

Check if your investments are FSCS protected: www.fscs.org.uk/check/investment-protection-checker/

Protection from the Financial Ombudsman Service (FOS) does not cover poor investment performance. If you have a complaint against an FCA-regulated firm, the FOS may be able to consider it. Learn more about FOS protection: www.financial-ombudsman.org.uk/consumers

3. You're unlikely to get your money back quickly

While we will always look to settle your request for a withdrawal as soon as possible, there is no guarantee withdrawals will be paid immediately upon request. Investments in unquoted companies are less liquid than listed shares so our ability to meet your request might take several months to complete if there are several other distribution or withdrawal requests at the same time or when economic or other circumstances make it hard for the business to sell its assets.

4. Don't put all your eggs in one basket

Putting all your money into a single business or type of investment for example, is risky. Spreading your money across different investments makes you less dependent on any one to do well.

A good rule of thumb is not to invest more than 10% of your money in high-risk investments. Consider the following questions before you invest: www.fca.org.uk/investsmart/5-questions-ask-you-invest

5. The value of your investment can be reduced

The value of your investment can be reduced dependent on the performance of the underlying investee companies.

If you are interested in learning more about how to protect yourself, visit the FCA's website: www.fca.org.uk/investsmart

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IEP PRIVATE REAL ESTATE

A comprehensive service proven to deliver financial and well-being benefits through a straight-forward investment strategy, in a tax-efficient manner.

1. **Market-leading risk-adjusted returns[1]**
   Preserving and increasing wealth whilst carefully managing risk

2. **Low volatility**
   Seeking steady growth with low volatility compared to BR-qualifying AIM investments, which can be more sensitive to market sentiment

3. **Optimised tax efficiency**
   Mitigate the impact of Inheritance Tax (IHT) on death and Capital Gains Tax (CGT) on earlier disposal

4. **Flexibility to adapt**
   Retain access and control of the investment in case circumstances change

5. **Not just an investment service**
   Plan for complex health or care needs

6. **Competitively priced[1]**
   Pay less than most other comparative services for a more comprehensive solution

7. **Supportive of ESG[2] objectives**
   We support the UK Government priority to deliver more quality housing across the UK and are a member of the UK Green Building Council

[1]Tax Efficient Review, March 2020

[2]Environmental, Social and Governance

AN INVESTMENT DESIGNED FOR BOTH INVESTORS AND THEIR BENEFICIARIES

As people are living for longer and spending more time in retirement, they have a number of important objectives, both for themselves and their beneficiaries.

Whilst investments focused on capital growth can increase an investor's savings throughout their life, in the absence of efficient tax planning, IHT liabilities can ultimately leave beneficiaries with a poor outcome. On the other hand, by focusing too much on just IHT planning and ignoring how their wealth is being invested, investors may be left with little or no growth in their savings, whether that be due to the negative impact of poor investment management, volatility, or high fees – all of which may reduce an investor's options in later life.

Only through striking a balance between preserving and carefully growing their savings, whilst doing so in a tax-efficient manner, can investors achieve desired benefits for themselves and their beneficiaries.

To deliver careful investment growth, each loan put forward by our team of experts must meet the following requirements:

- Growth above inflation
- Robust risk mitigation
- Steady returns with low volatility
- Low fees and charges
- Maximum tax efficiency

And, we are able to provide the following additional benefits to further enhance the outcome for investors and their beneficiaries:

- Access and control in case plans change
- An additional service to plan for complex health and care needs

COMPREHENSIVE INVESTING THAT DELIVERS MORE

1 **Invest in a tax-efficient manner** to optimise wealth transfer for investors and their beneficiaries.

2 **Carefully grow the investment** to preserve savings or drawdown to pay for life's needs.

3 **Consider health and care needs** and plan for future well-being through a care advisory service.

DESIGNED TO MEET INVESTORS' FINANCIAL NEEDS

IEP Private Real Estate investment strategy

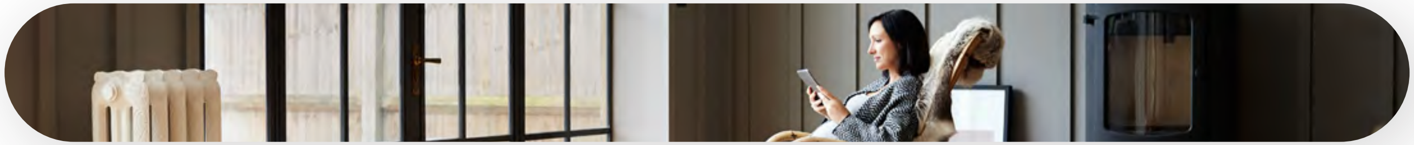
Objectives

1	Steady long-term return of 3-5% per annum, net of fees
2	Low volatility
3	Low correlation to listed assets and IHT-qualifying AIM investments
4	Invests in Business Relief-qualifying companies for IHT efficiency
5	Invests in Investors' Relief-qualifying companies, to provide tax-efficient access to the investment and returns

The Ingenious real estate team has experience in managing £450 million of loans to private real estate companies since 2013, building an extensive network of relationships.

Why real estate?

Land and buildings are intrinsic to our daily lives, providing the spaces in which we live, work and relax. And they offer an investment opportunity that we can relate to. No complicated algorithms or financial instruments to explain, simply an investment based on bricks and mortar.



The opportunity

IEP Private Real Estate is a number of individual discretionary managed portfolios and the Manager has the flexibility to align investment strategies with the most appropriate real estate opportunities. Currently, an Investor's portfolio is focused towards the affordable end of the residential sector for the reasons explained below, whilst also considering some commercial and mixed use developments, such as those that take advantage of the rapidly growing logistics industry. We keep Investors up to date through our quarterly reporting.

Structural deficit

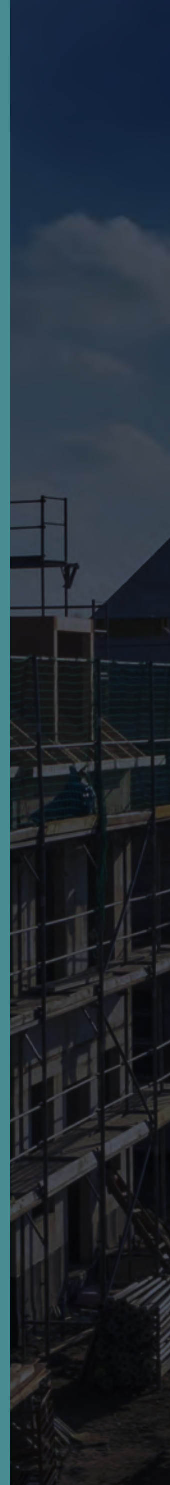
Longstanding structural housing shortage in the UK. In 2018 alone, Savills reported a house building deficit of 80,000 dwellings.

Pent up demand, attractively priced

Political and economic uncertainty has also fueled the pent up demand for real estate both domestically and internationally. Devaluation of sterling makes UK real estate particularly attractive to international investors.

Government support

Government policy has been supportive of residential real estate for some time. This has heightened as the housing market is a focal part of the economy's recovery from the COVID-19 pandemic.



REAL ESTATE INVESTMENT PROCESS

The primary objective of IEP Private Real Estate is to invest in one or more Portfolio Companies that undertake a lending trade; loans are provided to experienced developers, who will then deliver the scheme on time and on budget.

Given the scale of the UK real estate market, this objective allows the team to be highly selective in the developers and projects they lend to. They do this through combining a strict screening process with robust lending criteria.

Since December 2017, the team has reviewed £5bn of lending opportunities, providing funding to less than 10%.

Strict screening process

Review of macro and local market conditions, including buyer demand and price points for the type of property being developed

Financial assessment of the development including valuation, cost to build, sales process and contingency

Full legal review of transaction and all associated documents to ensure Investors' interests are fully protected

Counter party risk assessment of the developer and contractors, assessing experience, track record and reputation

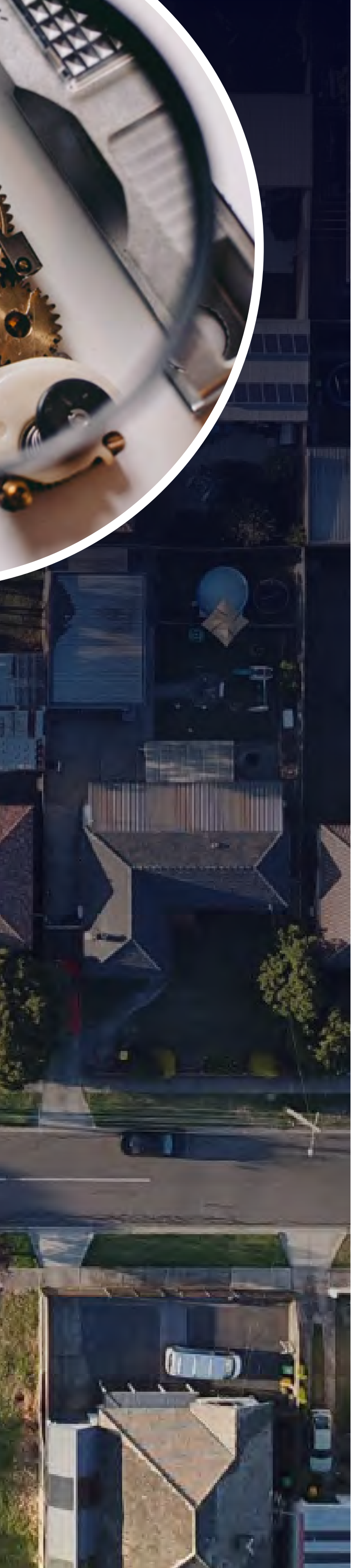
Independent review and certification of project costs

Identify sustainability and ESG credentials of the project and discuss with the developer, including environmental ground surveys as appropriate

Robust lending criteria

Developer or third party must invest their own equity in the project in addition to the loan to align interests fully

External valuation always provided by a reputable source



Depending on the type of finance, the loans typically have the following terms

Development finance

A loan to help finance the construction of property. The loan is typically repaid from the sale or the refinance of the property once it is constructed.

£5m-£25m target loan size	75% max loan to value
90% max loan to cost	18-24 months typical loan term

Bridging finance

A loan that is generally used to finance the acquisition of land or property by a developer in order that it might subsequently be approved for conversion or development. The loan is usually repaid by either the sale of the land or the refinance of the land by a new development loan to fund the build out of the approved scheme.

£3m-£15m target loan size	70% max loan to value
12-18 months typical loan term	

Risk management

The loans benefit from the same security arrangements that you would expect to see from a traditional lending bank. The lender takes a senior position on each development, and the loans are secured against the property associated with the project. This means that the lender is the first to be repaid on completion of a development, from sales, by virtue of its 'first legal charge' and in the rare event that a project stalls, or loses value, resulting in a developer defaulting on their loan, these assets can be used to recoup the debt. This approach offers Investors a number of favourable risk metrics in comparison to an equity investment or unsecured loan.

How risk is mitigated for Investors

1. **Execution risk**
   Proven lending model benefiting from strong underlying banking security.
2. **Liquidity risk**
   Liquidity is often provided by sale of individual units and there is good visibility over timing of repayments.
3. **Volatility risk**
   Contractual interest terms and significant equity buffer are set up to seek to provide consistent returns.
4. **Valuation risk**
   Transparent valuation through audited NAV and a simple valuation methodology compared to equity assets.

DESIGNED TO DELIVER TAX EFFICIENCY

Business Relief

Whilst prudent investment management can deliver steady, consistent returns to maintain and grow an Investors' wealth, the value available to their beneficiaries on death can be significantly reduced by IHT, meaning they may not achieve the outcome they desire.

Business Relief (BR)-qualifying investments can reduce the impact of IHT whilst allowing Investors to retain control over their money for unexpected circumstances.

IEP Investors acquire Shares in one or more Portfolio Companies that are engaged in a BR-qualifying trade. This means any transfer of the Shares should be free of IHT after just two years (or sooner if the investment constitutes replacement business property).

Comprehensive financial benefits:

Careful investment management

Business Relief for tax efficiency

DESIGNED TO GIVE INVESTORS FLEXIBILITY

Tax-efficient access

We understand it is important for Investors to maintain control of their assets. Investors can be tempted to lock their savings into a trust, or gift them to family members to seek IHT efficiency. But when people are subsequently faced with unexpected costs, retrieving investors' savings can be complicated.

There are several ways in which IEP Private Real Estate Investors can, subject to liquidity, access their investment, including regular draw-down of growth, set annual payments, emergency payments or partial or full redemption.

Investors' Relief

20%>10%

CGT EFFICIENCY

Just as IHT can reduce the value of an investor's savings, Capital Gains Tax (CGT) can reduce the value of withdrawals for all-important life needs.

Incoming Investors into IEP will receive newly issued shares, so after three years, a disposal of the shares should qualify for Investors' Relief. This means that the applicable rate of CGT should be 10% rather than the higher rate of 20%.

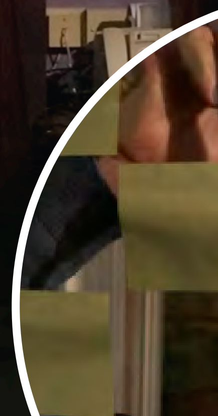
All realisations will be subject to the terms and conditions set out in the Investor Agreement. Any funds withdrawn during the Investor's lifetime may give rise to tax charges. Further detail on the taxation of the investment can be found in the Taxation section of this Brochure on page 20.

DELIVERING ADDITIONAL WELL-BEING BENEFITS: THE IEP CARE SERVICE

Through recognising that financial outcomes and well-being go hand in hand, investors can ensure they make holistic plans, especially in later life, preparing not only for financial outcomes, but also for potential care needs. At Ingenious, we recognise that this is a specialist area with limited support, so investments in IEP Private Real Estate include complimentary access to the IEP Care Service.

The IEP Care Service offers independent, specialist advice, delivered by a third party care adviser, Grace Consulting, to help families plan for care needs. The support is provided by a team of care industry experts, on a bespoke basis, to Investors and their immediate family. Not all Investors need the service immediately, but they have the peace of mind that support is on hand if they or a loved one require it. For complete details of how the service works, please refer to the Investor Agreement.

"My experience of planning for my husband's care needs changed overnight with the use of the IEP Care Service. The value of being listened to and have someone spend the time to thoroughly consider his options has given me total confidence that he is now receiving the best possible care."
IEP Care Service client.



What does the IEP Care Service offer?

The IEP Care Service is a tailored and bespoke service, so there are a wide range of ways in which it helps people, but here are some of the most common uses.

Visit

Personalised visit or phone conversations with a dedicated specialist to assess the specific situation

Guidance

Guidance on appropriate care options for the circumstances with the individual's best interests at heart

Search

Detailed, bespoke search and assessment of the most appropriate, local providers

Advice

Advice about potential cost of care in the area and how to prepare

COMPETITIVE FEES MAXIMISE INVESTOR RETURNS

One off charges	Ongoing charges
Investment Fee 1.5% of the subscription in the Service	**Management Fee** 1% of the value of the portfolio per annum*. This Management Fee accrues on a daily basis and is paid at the end of each quarter or redemption
Dealing Fee[3] 1% of the subscription upon investment and 1% of the value of the shares sold upon withdrawal	**Administration Fee** 0.25% of the value of the portfolio per annum* paid to cover administrative costs and expenses of the Manager in relation to the Service. The administration fee accrues on a daily basis and is paid at the end of each quarter or redemption

*Unless stated otherwise, all fees are paid to the Manager. *Calculated by reference to the applicable portfolio NAV, prior to deduction of fees for the relevant accrual period.*

The Manager and/or any affiliated company may provide or procure certain additional administration, management and other services to, or on behalf of, the Investor and/or some or all of the Portfolio Companies (as applicable). Examples of which may include, but are not limited to, custodian, nominee or similar services; legal, accounting, company secretarial, taxation, audit, administration and transactional services; and assistance in the sourcing of opportunities, structuring of opportunities, financing of opportunities, due diligence, monitoring and day-to-day trading operations, in consideration of which the company/ies providing such services shall be entitled to charge or recover (as the case may be) their reasonable costs and/or fees.

With the aim of reducing risk while maintaining quality deal flow for Portfolio Companies, Ingenious may arrange mezzanine finance to sit behind a Portfolio Company's loan. Such finance, if provided at all, may be partly or fully provided by part of the Ingenious Group or related parties in return for which the providers of such finance will earn a return commensurate with the risk position taken.

Ongoing charge paid to the Custodian

Approximately 0.1% of the investment in the Service is paid to the Custodian for custodial and nominee services.

Adviser charges

Investors may have agreed an upfront and/or ongoing charge payable to their financial adviser. These fees can be specified in the adviser charge section of the Application Form in order for the Manager to facilitate the payment to the adviser. Upfront adviser charges will be taken from the Subscription before Shares are allotted. Ongoing charges will be paid through realisation of Shares in companies invested in by the Service. Further detail can be found in the Application Form. Investors should consult their financial adviser for any financial and tax implications of adviser charges.

All fees and charges will be subject to any applicable VAT.

[3]The Manager reserves the right, in the event of an increase in the applicable rate of stamp duty, to increase the dealing fee charged upon disposal of shares by an equivalent amount.

For an illustrated example of how the Service's fees impact an investment, please refer to the illustration on our website; www.theingeniousgroup.co.uk

INVESTING FOR THE FIRST TIME

To invest in IEP Private Real Estate, a potential investor should first read this Brochure and the Investor Agreement in full and speak to their financial adviser who can assess if the investment is right for them.

To apply, a potential investor should complete the Application Form that can be downloaded at:

theingeniousgroup.co.uk

The form contains full details on the application process.

The minimum initial investment is £25,000.

Once Shares are allotted, an Investor's portfolio consists of a number of Shares in one or more Portfolio Companies. The Manager has full discretion to manage the rights of each investment in an Investor's portfolio and determine the appropriateness of each investment selected.

How the investment works

1. The potential investor should discuss the investment with a financial adviser and fully read and understand the Brochure and Investor Agreement.

2. The potential investor should complete the Application Form, providing all requested information.

3. Shares are allotted, usually within 21 days, though this can take longer. The countdown for the two year BR-qualification period and the three year IR-qualification period begins.

4. The Investor gains immediate access to the IEP Care Service for themselves and their immediate family. This can be used at any time.

5. The Investor and their adviser both receive a login for the myIngenious portal where the investment can be tracked and relevant documents and communications can be found.

6

Ingenious should be instructed if the Investor would like to draw regular payments from the investment. If not, the full amount will remain invested, including any growth, though it can be accessed at any time, subject to liquidity.

7

If an email address is provided upon application, the Investor begins to receive quarterly emails from Ingenious, updating on where money is invested and the investment performance.

8

After 2 years, Shares qualify for BR, so if the Investor were to die, they can be transferred to loved ones free of IHT.

9

After a further year (a total of three years), Shares qualify for Investors' Relief and so if the Investor elects to draw on growth, they should only pay CGT at a rate of 10%.

Topping up or drawing down

Topping up

After initial investment, further investments of at least £10,000 can be made. Smaller amounts may be accepted at the discretion of the Manager.

Regular withdrawal

The Investor can draw down the growth generated by the investment, or take a fixed amount, annually (payable in February, subject to available liquidity). Alternatively, growth remains in the portfolio and should qualify for BR and IR along with the rest of investors' Shares.

Partial or full redemption

The Investor or their executor(s) can elect to realise some or all of the investment at any time. The Manager will aim to facilitate payments within one to six months, depending upon available liquidity.

Emergency payments

The Investor can request one emergency payment to be made in each calendar year, not to exceed the lesser of 10% of the total value of the portfolio or £50,000. The Manager will aim to facilitate payment within seven working days, subject to available liquidity.

Investors who already own BR shares

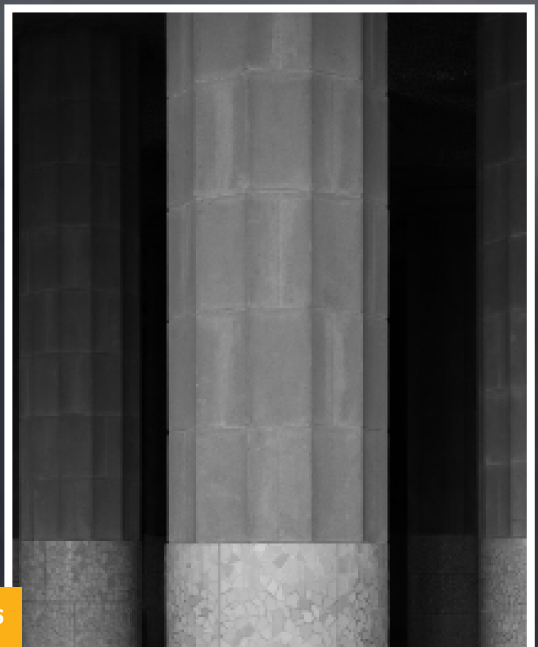
If the Investor already owns BR qualifying shares in another service, but would prefer to instead invest in IEP Private Real Estate, it is often possible to realise the existing investment and invest in IEP Private Real Estate without having to begin the two-year holding period for BR qualification again, through the replacement business property provisions. For more information, Investors should consult their financial adviser.

ROBUST GOVERNANCE

IEP Private Real Estate benefits from a robust governance process, delivered by the Manager.

The Manager's Investment Committee is separate from the Manager's Fund Management Team and the Non-Executive Chairman of the Board is independent from the Manager.

The key governance arrangements include:



Board

Oversees strategy, performance, target market assessment, valuations and liquidity.

Independent Non-Executive Chairman of the Board

Provides independent judgment and advice on issues of strategy, performance, resources and standards of conduct for IEP Private Real Estate.

Investment Committee

Responsible for reviewing and approving lending opportunities proposed by the Fund Management Team against investment objectives of the Service.

Fund Management Director

Day to day oversight, reporting, identification of risks and opportunities.

Fund Management Team

Identification of new lending opportunities and responsible for end to end transaction management and NAV preparation.

Technical Team

Monitor BR and IR qualification.

Net Asset Value (NAV) external audit

The quarterly Net Asset Value (NAV) of the portfolio that is communicated to Investors is externally audited every six months.

IEP Private Real Estate benefits from resources across Ingenious: The Remuneration Committee, Audit and Risk Committee, Board of Directors of the Manager, Risk Management & Valuation Committee and Compliance Function.

ENVIRONMENTAL, SOCIAL & GOVERNANCE

The Savills Financing Property Report 2020 identifies Environmental, Social and Governance (ESG) factors as the greatest developing influence on the property sector currently. Environmental qualities of developments increasingly dictate the ultimate value. Many projects with more efficient energy usage are commanding a higher price per square foot.

At Ingenious, we are passionate about lending to projects and businesses that have a positive impact within the communities they operate. This feeds into the real estate investment team who incorporate ESG opportunities and risks into the lending assessment of every deal.

For example, Ingenious is a member of the UK Green Building Council, an organisation that aims to radically improve the sustainability of the built environment through planning, design, construction and maintenance. We understand we are part of the force for change and this partnership enables Ingenious to be at the forefront of positive growth within the construction industry.

UK GBC Member

RISK FACTORS

A potential investor should carefully consider all of the information set out in this Brochure and whether a subscription in the Service constitutes a suitable investment in light of his or her personal circumstances, tax position and the financial resources available to him or her. A subscription in the Service involves risk and may not be suitable for all potential investors. A potential investor should, therefore, seek professional advice before making any decision to invest. A potential investor is also recommended to consult a professional adviser regarding his or her personal tax position.

This section contains material risk factors that the Manager believes to be associated with a subscription in the Service. If any of the following events or circumstances arise the value of the Investor's Shares and/or results of the Service could be materially and adversely affected; as could the availability of tax reliefs to an Investor. In such circumstances, an investor may lose all or part of his or her investment. Additional risks and uncertainties not presently known, or that are deemed to be immaterial, may also have an adverse effect on the Investor's funds and the risks described do not necessarily include all the risks associated with a subscription in the Service.

Financial performance risks

Whilst the Investment Strategy for an Investor's portfolio targets steady growth and low volatility, this cannot be guaranteed. The valuation of an investment can go down as well as up and Investors could lose some or all of their investment. Assumptions, projections, intentions or targets included within this Brochure are not a forecast of how an Investor's portfolio will perform. The past performance of the Manager is not a guide to future performance of the investments made through this portfolio management service.

Diversification of projects is one method by which the performance risk is mitigated. If the availability of suitable deployment opportunities is limited or a Portfolio Company is capitalised with limited funds, the opportunities for diversification may be reduced, which may adversely impact returns.

Risks relating to taxation and Business Relief

The Business Relief-qualifying status of investments made is contingent upon the Manager being able to identify Portfolio Companies that carry on, and continue to carry on, a sufficient level of permitted activity for the purposes of Business Relief. There is no guarantee that the investment made will qualify for Business Relief throughout the life of the investment and in this case, a liability to IHT may arise if a transfer takes place at such a time.

The tax outcomes described in this Brochure, including the treatment for Capital Gains Tax, are based on our interpretation of the current legislation and HMRC practice. These may change from time to time and, as such, they are not guaranteed and any such changes can affect the return an Investor receives from his or her portfolio. Neither the Manager nor Custodian accept any liability for tax reliefs not being available, or being reduced. In addition, tax reliefs may depend on personal circumstances. For example, if the Investor borrows to acquire shares in the Service then the investment is unlikely to qualify for Business Relief.

Market risks

Portfolio Companies operate in competitive industries where commercial risks exist, these include, but are not limited to counterparty credit risk, project risk and interest rate risk.

The Portfolio Companies undertake a trade; loans are made to property developers in the residential and commercial property sectors in the UK. As part of the selection criteria for any lending opportunity presented to a Portfolio Company, the Manager will have due regard for: the availability of a sufficient number of suitable opportunities to lend money, the proposed valuation of the developments post completion at some point in the future, the financial viability of the developer, the size and appropriateness of the development budget including the level of contingency, the experience of the developer and the level of complexity associated with the development, the liquidity in the market for buyers/tenants of the proposed property, the enforcement rights available should the development not go to plan, any associated risks posed by any underlying planning consent, as well as projections for interest rates and inflation rates. These are illustrative of the risks assessed by the Manger and the Boards of Portfolio Companies and are not necessarily a complete list of all possible risks associated with each loan made. Any of the assumptions associated with managing market risk are subject to change, the impact of which could be that the loan and interest on the loan are not recovered in full which would negatively impact the projected return to Investors.

Liquidity risks

An Investor's access to funds is subject to the Manager's policy on acceptable payment requests. Care is taken to balance the need to fund future legal commitments made by Portfolio Companies to developers on properties in the course of construction, the funding of new development opportunities and the requirement to fund Investor withdrawals from the Service. Whilst the Manager will seek to facilitate Investor requests for withdrawals as promptly as possible, the Manager's ability to fund such requests immediately is driven by the underlying availability of liquidity of the Portfolio Companies invested in and so can take several months, especially if a number of withdrawal requests are made at the same time, and then only once a sufficient number of underlying borrowers have completed repayment, such is the nature of an investment in a private company where there is unlikely to be a ready market to purchase Shares.

Investor access to capital is only available after the first 12 months of investment (although any request for disposal is always subject to the Manager's discretion). As investments made by the Manager are in unquoted companies, those investments are therefore likely to have less liquidity than investments in listed shares. The realisation of such investments in unquoted companies may take considerably longer than targeted, particularly if a number of material company or asset disposals were to coincide.

Valuation risks

The valuation of the loans made requires a forward-looking assessment of the value that the property may be sold for/rented for in the future and the costs associated with completing the construction. The Manager will work with independent, external experts where appropriate to monitor the valuations, including Project Monitors during construction, in order to assess the appropriate carrying value of each loan made. The NAV of IEP Private Real Estate is subject to audit every 6 months.

Indebtedness risks

The Portfolio Companies may access bank funding in order to provide additional liquidity to grow and expand their lending activities with the aim of increasing returns to Investors and diversification within Investors' portfolios. Analysis by a bank of the loans being made adds further independent scrutiny to the activities of the Portfolio Companies and the loans being proposed. The use of bank funding may increase the financial risk to Investors in situations in which the proposed valuations of the properties being developed are reduced and the bank facilities come under pressure to be repaid. This is because the bank will have a first legal charge over the portfolio of loans made to developers, which they have helped to fund and will therefore have the right to be repaid first in any distribution of capital from Portfolio Companies.

Conflicts of interest

Conflicts of interest may arise in situations where the Manager has an interest in the activities being undertaken. Where such conflicts arise, the Manager will ensure that the conflicts are appropriately managed through independent decision-making and in line with the Manager's conflicts of interest policy for dealing with such situations.

Financial services compensation scheme

Although the Manager and the Custodian are covered by the Financial Services Compensation Scheme (FSCS), the FSCS is only available when an authorised firm goes into default and is unable or is likely to be unable to pay claims made against it by clients. An Investor's access to the scheme depends on the type of business and the circumstances of the claim, and compensation is limited to a maximum of £85,000. Further information about compensation arrangements is available on request from the Manager, or from the FSCS.

The Investor should not place undue reliance on forward-looking statements, which speak only as of the date of this Brochure as they may not be a representation that such trends or activities will continue in the future.

Forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “continues”, “expects”, “intends”, “may”, “will”, “would” or “should”.

Forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, not historical facts.

Subject to any requirement under applicable laws and regulations, the Manager gives no undertaking to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

TAXATION

This summary is based upon current UK tax law and practice and is intended as a guide only. It is not intended to constitute legal or tax advice and a prospective Investor is recommended to consult his or her own professional advisers concerning the possible tax consequences of investing in, purchasing, holding, selling or otherwise disposing of Shares. The value of any tax reliefs will depend on the individual circumstances of an Investor and may be subject to change in the future. The Service has been structured to allow for the value of an Investor’s portfolio to be eligible for relief from IHT and benefit from IR, as described here.

IHT Business Relief

The Shares should constitute relevant business property (as defined at s105 IHTA). Accordingly, once such Shares have been held for a period of two years, they should qualify for 100% Business Relief, which would reduce the IHT liability on a transfer of the Shares to nil.

Where an investment in relevant business property is made from the proceeds of a disposal of other relevant business property, the new investment should qualify when the combined ownership period over the last five years reaches two years.

Where relevant business property is inherited from a spouse, the ownership period of the transferee spouse includes the ownership period of the transferor spouse.

The ownership period commences on the date the Investor acquires beneficial ownership of the underlying Shares, and not from the date of subscription in the Service. There may be a period of time between the Investor making a subscription in the Service and the Manager allotting Shares on the Investor’s behalf.

The process for claiming Business Relief

To obtain Business Relief the executors of the estate will need to complete a copy of probate return form IHT412 and return this to HMRC. The relief is assessed by HMRC and cannot be guaranteed. The estate may need to provide additional information if requested.

Investors’ Relief

The Shares should constitute qualifying shares (as defined at s169VB(2) TCGA 1992. Provided such Shares have been held for the required 3 year period, Investors should be able to claim a 10% rate of Capital Gains Tax on any gains made on a disposal of the Shares. There is a lifetime limit, currently set at £10m on the amount of relevant gains that can access this lower rate of Capital Gains Tax. Investors will need to make a claim for Investors’ Relief before the first anniversary of 31 January of the following tax year of disposal.

Taxation of payments

A realisation in value from an Investor's portfolio may be facilitated by the Manager by way of either a sale of the applicable Shares or a reduction in capital. Any return for an Investor from investments held in their portfolio will be subject to either Income Tax or CGT, and will be dependent on the form of the transaction. If a realisation is achieved by way of sale of shares, any gain will be subject to CGT. If a capital reduction is undertaken, income tax charges may apply to any returns in excess of the amount originally subscribed for the shares. The form of the transaction will depend on the liquidity available at the time of the request, and the Manager cannot guarantee that payments will attract capital treatment in all cases. Where payments are subject to Income Tax, exit fees are not deductible from the profits for tax purposes.

Stamp duty

Share disposals arranged by the Manager on behalf of an Investor may be subject to stamp duty at the prevailing rate (currently 0.5%). This will be a liability of the Manager and will be paid from the Manager's Dealing Fee, except in cases where the Dealing Fee is not applicable, where the cost of stamp duty will be borne by the Investor. The Manager reserves the right, in the event of an increase in the applicable rate of stamp duty, to increase the Dealing Fee by an equivalent amount.

Rooftop of the development at 300 Kings Road, Reading.

INGENIΘUS

Parcels Building
14 Bird St
London
W1U 1BU

www.theingeniousgroup.co.uk