July 2024

Downing Estate Planning Service

Brochure

Downing

Important Notice

If you are in any doubt about the content of this brochure, the terms & conditions, or any action that you should take, please seek advice from a financial adviser who is authorised under the Financial Services and Markets Act 2000 (FMSA) and specialises in advising on investments of this type. This brochure constitutes a financial promotion in line with Section 21 of the FSMA.

It is issued by Downing, 10 Lower Thames Street, London EC3R 6AF. Downing LLP is authorised and regulated by the Financial Conduct Authority in the United Kingdom (Firm Reference Number 545025).

Downing has taken all reasonable care to ensure that the facts in this brochure are true and accurate in all material respects and that there are no other material facts whose omission would make any statement of fact or opinion misleading. All statements of opinion, views expressed, and statements made regarding future events, represent Downing's assessment and interpretation of information available to it at the date of this brochure.

No representation is made, or assurances given, that such statements or views are correct, or that the objectives of the service will be achieved. Investors and their advisers must determine for themselves what reliance they should place on such statements, views or forecasts; Downing does not accept responsibility in respect of these.

Nothing in this brochure constitutes investment, tax, legal or other advice from Downing.

All information contained in this brochure has been sourced by Downing, unless otherwise stated.

The value of your investment may go down as well as up and you may not get back the full amount you invested. Also, tax rules and regulations depend on personal circumstances and are subject to change.

Information correct as at 30 June 2024

Since May 2024, the FCA has been regulating the integration of Environmental, Social and Governance factors. Detail of how this applies to the Downing Estate Planning Service are in the Consumer Facing Disclosure.

For UK investors only

If you have any questions, please call us on 020 7416 7780.
Please note, telephone calls may be recorded for monitoring purposes.

Don't invest unless you're prepared to lose all the money you invest. This is a high-risk investment and you are unlikely to be protected if something goes wrong. Take 2 mins to learn more on page 3.

FCA Prescribed Risk Warning

Risk summary for non-readily realisable securities which are shares

Estimated reading time: 2 min

Due to the potential for losses, the Financial Conduct Authority (FCA) considers this investment to be high risk.

What are the key risks?

1. You could lose all the money you invest

- If the business you invest in fails, you are likely to lose 100% of the money you invested. Most start-up businesses fail.

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. Try the FSCS investment protection checker here: 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, FOS may be able to consider it. Learn more about FOS protection here: www.financial-ombudsman.org.uk/consumers

3. You won't get your money back quickly

- Even if the business you invest in is successful, it may take several years to get your money back. You are unlikely to be able to sell your investment early.
- The most likely way to get your money back is if the business is bought by another business or lists its shares on an exchange such as the London Stock Exchange. These events are not common.
- If you are investing in a start-up business, you should not expect to get your money back through dividends. Start-up businesses rarely pay these.

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. www.fca.org.uk/investsmart/5-questions-ask-you-invest

5. The value of your investment can be reduced

- The percentage of the business that you own will decrease if the business issues more shares. This could mean that the value of your investment reduces, depending on how much the business grows. Most start-up businesses issue multiple rounds of shares.
- These new shares could have additional rights that your shares don't have, such as the right to receive a fixed dividend, which could further reduce your chances of getting a return on your investment.

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

Contents

5 Who is Downing?

6 Understanding inheritance tax

8 The Downing Estate Planning Service

10 The Downing Estate Planning Service in action

12 How we invest your money

13 How we manage your money

15 Downing's approach to diversification

16 Our energy and infrastructure strategy

18 Our asset-backed strategy

20 What is the impact of your investments?

22 The Wealth Guard cover

25 Life Cover - an optional feature

26 Downing's commitment to responsible investing

27 Our transparent fee structure

28 How we support you

30 Key risks

Who is Downing?

Established investment manager founded in 1986, combining scale and experience with a focus on client service

What do we believe in?

At Downing we focus on investments that matter.

We aim to deliver not only attractive financial returns, but also enable our clients to invest their money in things they care about.

With over three decades' experience managing assets, we pride ourselves on our ability to take both an agile and considered approach, offering investment opportunities that can be both profitable and purposeful.

Our commitment to building long-term relationships and supporting good businesses combined with our entrepreneurial spirit, means we are always looking for new opportunities that create value for our customers.

Downing in numbers

£2bn* assets under management

2007 managing IHT solutions since

c. £1bn* total IHT assets

*as at March 2024

"At Downing, our vision is to be a leader in our markets so that we can deliver attractive returns for investors by investing in assets and businesses that can contribute to building a better future."

Tony McGing, Partner and Chief Executive Officer

Understanding inheritance tax

Will your estate have to pay inheritance tax?

The value of your estate that exceeds the tax-free thresholds could be subject to inheritance tax (IHT) at a rate of 40%.

IHT applies to property, savings, investments, and any other assets after deducting debts, such as your mortgage. Any part of your estate that's left to your spouse or civil partner is exempt from IHT if they permanently reside in the UK.

The **nil rate band (NRB) is currently £325,000** per person. This is the amount of value in your estate that can be passed on without paying IHT. Spouses and civil partners can transfer part or all of their unused NRB to each other.

The **residence nil rate band (RNRB) is £175,000** (for tax year 2024/25). If you own a home, ownership can transfer to a direct descendant after your death. There are conditions for this threshold to be available.

Did you know about Business Relief?

Full IHT relief is available after just two years by investing in companies that qualify for Business Relief (BR) – an established tax relief introduced in 1976 to ensure small businesses wouldn't have to be sold to pay IHT bills when an owner died. The tax relief has been extended to include people who own shares in qualifying UK trading businesses.

For you to benefit from BR, you must have held the shares for at least two years at the date of your death. The value of the shares can then be left to your beneficiaries completely free of IHT. You can access BR-qualifying companies by investing in an estate planning solution such as the Downing Estate Planning Service.

Find out more about BR on the HM Revenue & Customs (HMRC) website at hmrc.gov.uk.
Find the relevant page by entering 'Business Relief' in the search box.

Why consider an inheritance tax solution?

We understand that wanting to pass on as much of your wealth as possible to your loved ones leaves you with several options to consider.

Investing in an estate planning service can have a role to play in a wide range of circumstances. Perhaps you have recently sold a trading business, or have a lasting power of attorney in place, or you simply want flexibility and control over your estate.

What are the benefits of choosing a Business Relief solution?

Traditional estate planning solutions can be inflexible or involve a lengthy process. For example, if you give away your assets to family and friends during your lifetime, these gifts can take seven years before they become fully exempt from IHT.

BR can be a useful tool in your IHT planning toolkit and could:

Offer you eligibility for **IHT relief** after just two years (as long as shares are held at death)

Allow you to **retain access and control** over your assets (subject to liquidity)

Enable you to **invest in UK businesses**, with the potential for returns

The Downing Estate Planning Service

We aim to provide full IHT relief after two years and target steady returns of 3%–4.5% each year

Since 2013, we have helped investors pass on more to their loved ones, while supporting businesses that matter.

The Downing Estate Planning Service is a discretionary managed portfolio. We invest in companies that we expect to qualify for BR and these shares can then be left to your beneficiaries free from IHT (provided they are held for at least two years and at the date of death).

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

Why choose the Downing Estate Planning Service?

A simple and flexible solution for IHT planning that provides opportunties to invest in UK businesses

The benefits of investing

Speed

Your investment should become free of IHT after two years (as long as you hold the shares at the time of your death).

Steady returns

The service aims to deliver a steady return of 3%-4.5% every year (after all Downing ongoing fees).

Access your investment

You can request to sell down your shares at any time, or set up regular withdrawals. Please note this is subject to liquidity.

Wealth Guard

Your net initial investment is automatically protected from falls in value of up to 20% at no extra cost with our unique Wealth Guard cover (see page 22 for more information and conditions).

A choice of where to invest

State your preference on how you would like your money to be invested between our two main strategies: asset-backed trading businesses (such as care homes and specialist education schools) and renewable energy and infrastructure.

The risks of investing

Tax reliefs

Tax reliefs are not guaranteed, subject to change, and only apply if you hold your shares for a minimum of two years and at death. There is no guarantee that the companies that we invest in will remain BR qualifying.

Performance

Your capital is a risk. The value of any investment can fall as well as rise and investors may not get back the full amount they put in. Past performance of the portfolio is not a reliable indicator of future results.

Liquidity

The service invests in shares of unquoted companies that are not listed on any stock exchange. This means that the shares we invest in may take longer to sell than shares of companies listed on the London Stock Exchange.

The Downing Estate Planning Service in action

How much money could you save?

1

Meet Theresa, 70, who is considering **IHT solutions** to minimise the tax bill her beneficiaries will face. Theresa has an existing **£150,000** share portfolio.

2

Theresa consults with her financial adviser. She learns that her available nil rate band – the threshold of £325,000 that can be passed on without paying tax – will be taken up by her other assets, including her home. As a result, her beneficiaries could be left paying **40%** in IHT on the value of her share portfolio. That's a bill of more than **£60,000.**

3

Theresa's financial adviser advises her to sell her share portfolio and invest the proceeds in the **Downing Estate Planning Service.**

4

After the initial fee has been paid, the amount invested will be **£147,000**. The Downing Estate Planning Service targets annual capital growth of between **3%–4.5%**. If the investment grows by **4%** per annum, it would be worth **£159,000** after two years.

5

After two years, Theresa's investment is expected to qualify for BR. Provided Theresa still holds the investment when she dies, it can then be passed on to her children without any IHT to pay.

Theresa's beneficiaries could save more than £64,000 just two years after investing in the Downing Estate Planning Service

		
	Theresa keeps her share portfolio	**Theresa invests in the Downing Estate Planning Service**
Gross investment	£150,000	£150,000
2% initial charge (excluding adviser charges)	N/A	-£3,000
Net investment subscribed for shares	N/A	£147,000
Value of investment after two years assuming growth of 4% each year	£162,240	£158,995
Amount lost through 40% IHT on death	-£64,896	N/A
Cash value to beneficiaries	**£97,344**	**£158,995**

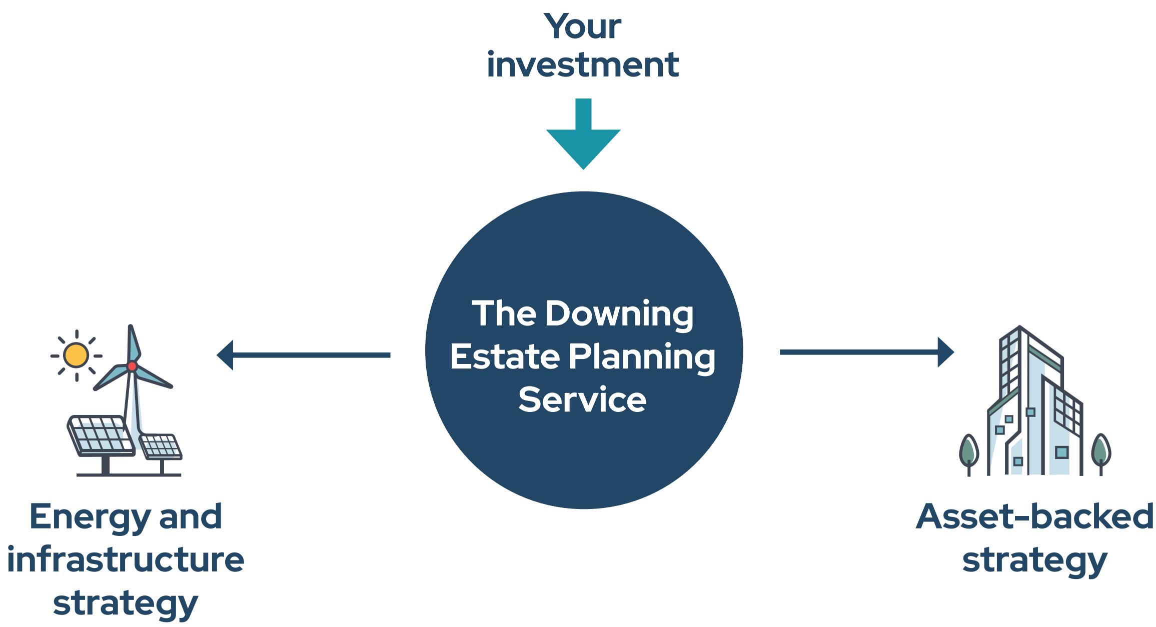
The above is for illustrative purposes only and should not be relied upon. The illustration assumes death at two years and does not include adviser charges. Please note that the initial charge for an unadvised investor is 4%. The service targets a 3%-4.5% return each year, but there is no guarantee that this will be achieved. Tax rules and regulations may change in the future and there is no guarantee that the underlying businesses will maintain their BR qualifying status.
For personalised advice, consult with a financial adviser.

How we invest your money

We invest in sectors we believe are attractive and have growth potential

Your money, your decision

The Downing Estate Planning Service is a discretionary managed portfolio but we believe it's important that you have a say in where you invest. You can state your preference on how you would like to split your investment between our two strategies. Or we can choose for you, which is typically 50/50 across both our strategies.



How we manage your money

We pride ourselves on being a dedicated and experienced investment manager

We're committed to actively managing your investment, carefully making selections based on your needs and objectives. Our commitment goes beyond just picking investments; we actively engage with the portfolio companies to ensure your investment stays on track. Our goal is to generate long-term value creation for our investors.

Experienced investment team

With a wide range of backgrounds, the investment team is responsible for deal origination and execution, portfolio construction, ongoing value optimisation and the implementation of commercial strategy for each of our assets.

Downing's team provides access to a wide network and specialist knowledge across each sector.

Our dedicated in-house management teams

Our commitment to excellence extends beyond investing your funds. We have established a diverse in-house team dedicated to the ongoing management, monitoring, and optimisation of our two strategies and the assets we invest in. Across the teams we have experts in: accounting, data analysis, regulations, legal, construction, engineering, energy markets, sustainability and reporting.

External oversight and governance

To support transparency and accountability, each of the underlying companies within the Downing Estate Planning Service has a board that is chaired and primarily comprised of independent members. These individuals are not employed by Downing, but rather serve as independent experts with a wealth of experience.

Their primary fiduciary duty is to act in the best interests of investors. They assume a pivotal role in the governance of these businesses, offering unbiased advice, diverse perspectives and informed judgment. Their oversight ensures that decisions are made with the utmost integrity, contributing to a culture of responsible and prudent stewardship.

Customer team

Our customer team are here to help you throughout your journey with Downing. They are a phone call away should you have any questions.

We consider sustainability factors when investing; the factors measured will depend on which are material for that business and sector. We follow this with active ownership and thoughtful dialogue about sustainability risk and opportunity with the businesses we've invested in. Our approach is underpinned by robust reporting, accountability and transparency. We believe this will enhance value for investors over the long term.

For nearly 40 years Downing has been investing in businesses on behalf of investors

Downing's approach to diversification

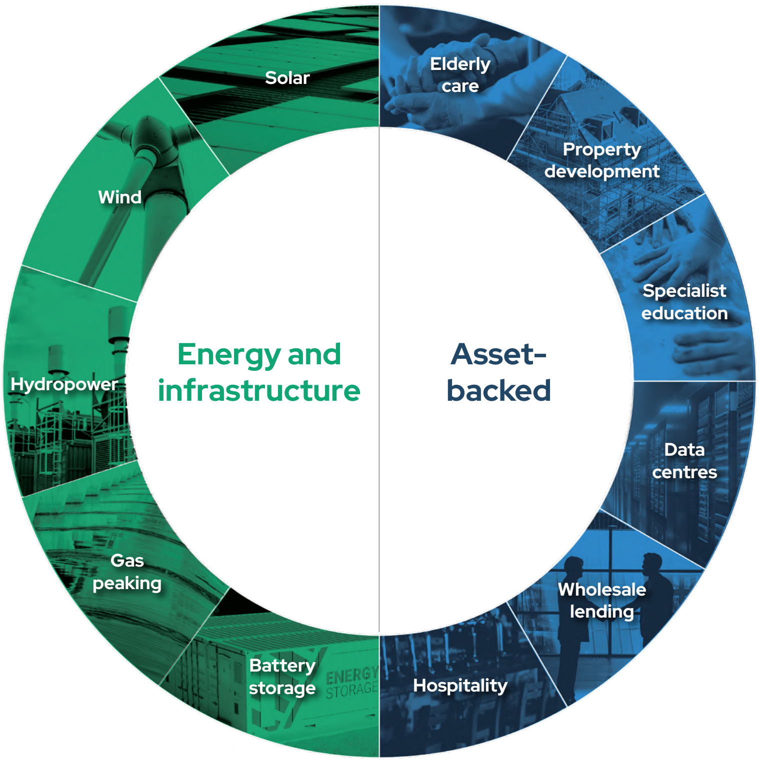
Investing in the Downing Estate Planning Service ensures a diversification of assets across business type, sector and geography

What are the benefits of diversifying?

We believe in diversification, which means we aim to spread your investment across different investment strategies, sectors, assets and geographies. Different sectors and assets typically respond differently to certain market conditions.

Our experienced and diverse investment teams look to reduce the impact of economic conditions. Through diversification, our goal is to mitigate risk and provide more stable, consistent returns for our investors.

Our two complementary strategies offer diversity by sector



This illustration is for illustrative purposes only and not a representation of the Downing Estate Planning Service's portfolio

> We believe there is power in diversification. As at March 2024, there are over **8,800 assets** within the Downing Estate Planning Service

Our energy and infrastructure strategy

Helping to create a more sustainable tomorrow

Renewable energy is generated from natural resources that can be utilised indefinitely. Unlike fossil fuels, which contribute to environmental pollution and climate change when burned, renewable energy sources are sustainable and have a much lower impact on the environment.

Here at Downing, we focus on core renewables with proven technologies, as well as flexible generation and storage projects. The core renewables we focus on include:

Solar energy

Solar energy is harnessed from the sun's rays. Through solar panels that convert sunlight directly into electricity.

Wind energy

Wind turbines capture energy from the wind and convert it into mechanical energy, which is then transformed into electricity.

Hydropower

Hydropower is generated from the energy of flowing water. Dams or other structures are built to control the flow of water and, as it is released or falls, it turns turbines that generate electricity.

The majority of the energy businesses we invest in have existing operational assets. A small proportion of the strategy will involve constructing new renewable energy assets, which is important for facilitating the UK's transition to Net Zero emissions and energy independence, reducing the reliance on energy from other countries. This is an important part of the portfolio that we believe helps to create a stable foundation for long-term growth while supporting a cleaner future.

Danielle Strothers,
Head of Infrastructure Asset Management

The power of asset management expertise

Danielle leads the dedicated asset management team that focuses on maximising asset value throughout the investment lifespan of the renewable energy assets. This team includes experts in energy markets, data analysis, regulations, construction, engineering, accounting, and reporting. Their proactive approach, supported by real-time reporting systems, enables data-driven monitoring and optimisation of investments, creating and protecting value.

Case study

Energy and infrastructure strategy

This solar portfolio is forecast to generate enough energy to power around 7,500 UK homes annually

Yorkshire Water solar farms

The Downing Estate Planning Service has provided funding to develop, design, build and operate a portfolio of 28 solar sites across Yorkshire, after being selected by Yorkshire Water.

This solar portfolio will provide clean energy directly to Yorkshire Water.

Yorkshire Water provides water and sewerage services to over five million people and 100,000 businesses in the Yorkshire region. The construction of the solar panel arrays will contribute directly to Yorkshire Water's 2030 net zero pledge, as all electricity generated will be consumed on site by Yorkshire Water.

This represents only one of the successful tenders from a UK regulated utility company that Downing has been awarded.

Our asset-backed strategy

Focusing on needs-based businesses

In this strategy we focus on asset-backed trading business: operating businesses that have tangible assets such as bricks and mortar. Examples in this strategy include: elderly residential care homes, specialist care homes, special educational needs schools, pubs, and lending to residential property developers.

With asset-backed businesses, your investment is secured against tangible assets, such as land or buildings, or an income stream. This may provide downside protection if anything were to go wrong.

We focus on businesses that generate reliable long-term returns, aiming for stability and enduring outcomes within your investment.

Experienced management teams

We focus on partnering with experienced management teams with a strong track record and sector knowledge.

Needs based businesses

Resilient sectors that have long term underlying needs-based demand drivers (such as the need for elderly care homes and special educational needs schools).

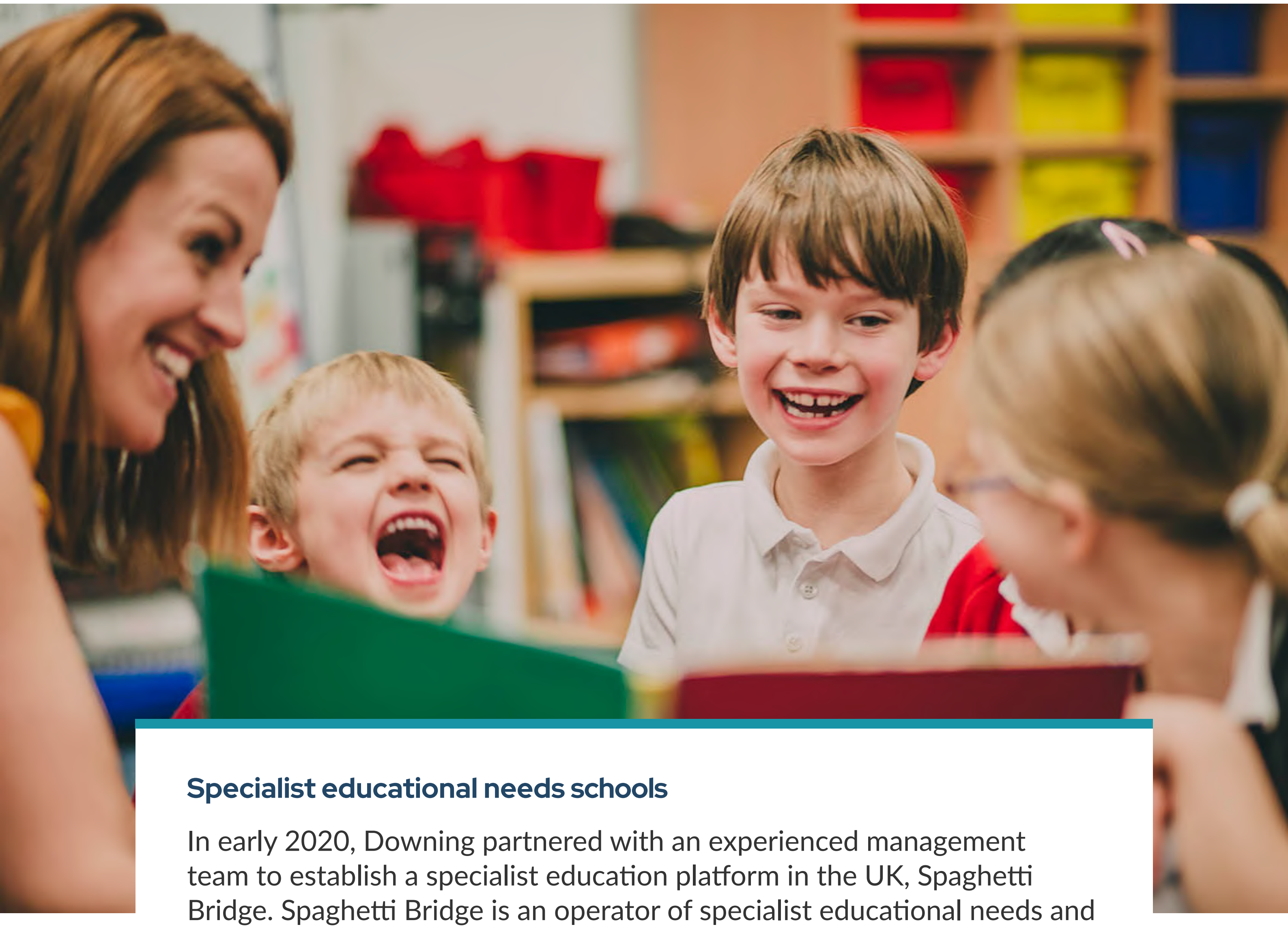
High quality assets

With the potential to add value through development, and/or driving operational improvement.

Here at Downing, we believe you don't need to sacrifice investment performance to achieve meaningful societal benefits. By investing in care and community, we can make a meaningful impact on the lives of individuals and families while aiming to generate solid returns for our investors.

Case study

Asset-backed strategy



Specialist educational needs schools

In early 2020, Downing partnered with an experienced management team to establish a specialist education platform in the UK, Spaghetti Bridge. Spaghetti Bridge is an operator of specialist educational needs and disabilities schools and caters for students with a range of special education needs, including associated challenging behaviours.

All students at the school have an education, health, and care plan.

Downing identified the specialist education sector as an attractive market to invest in due to growing demand and a shortage of high-quality schools in this space. The group was established with the acquisition of its first school site, Silver Bridge School in Taunton, Somerset.

Spaghetti Bridge now owns nine special educational needs schools sites, which will offer up to 705 school places to children.

About your investment

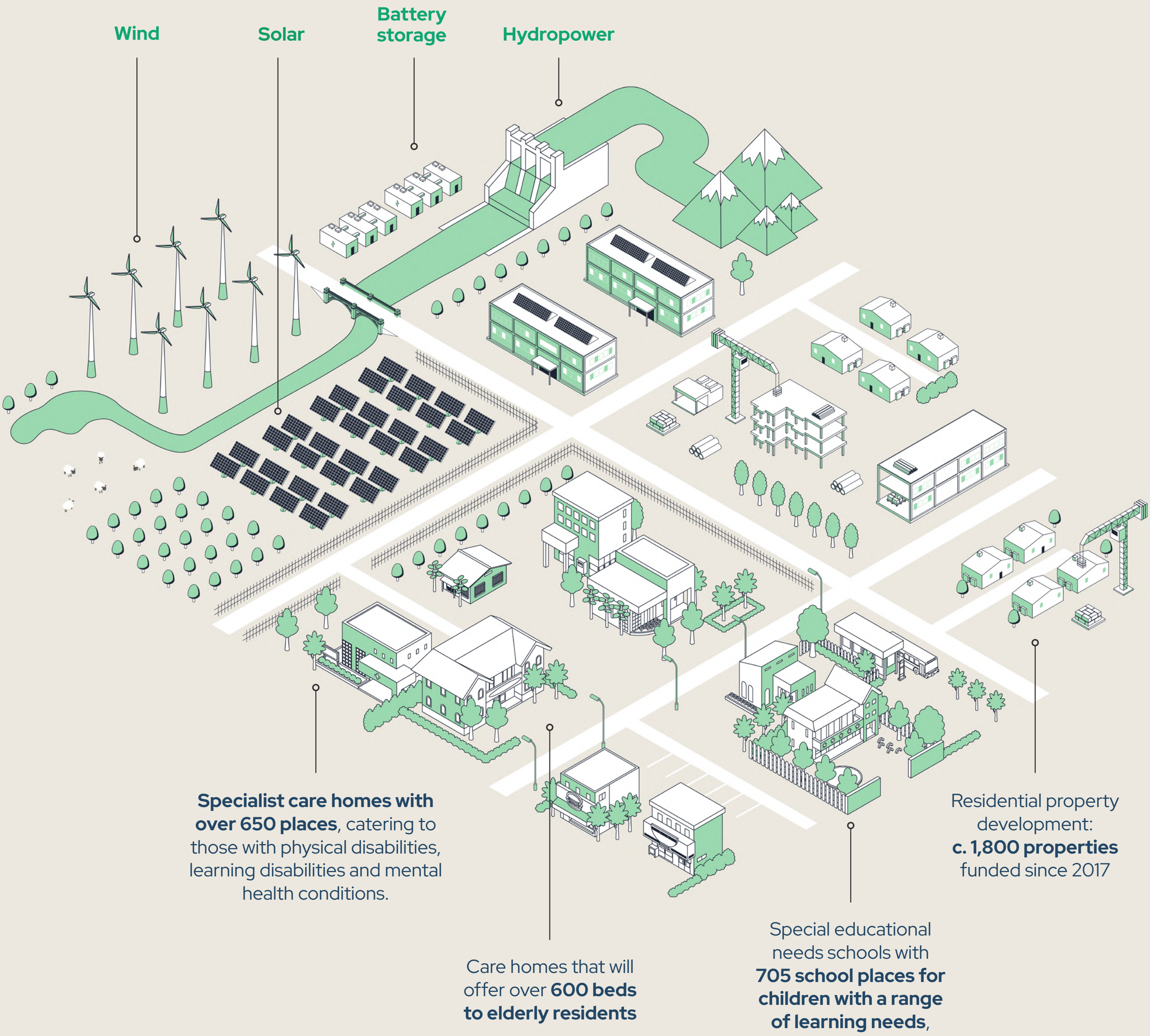
Through the Downing Estate Planning Service, we are committed to delivering long-term value while enabling our customers to invest in UK businesses.

We consider material sustainability factors when making investment decisions and assess the opportunities based on profitability and potential societal and environment benefit.

We believe that actively identifying, considering and monitoring material sustainability factors throughout the investment process and period of ownership enables us to create value for our investors.

About your investment
(continued)

Our renewable energy assets are forecast to generate **over 356 GWh of electricity every year**, enough energy to power **over 123,000 UK homes annually.**



The diagram above is for illustrative purposes only and reflective of the Downing Estate Planning Service portfolio as at March 2024.

The Wealth Guard cover

Designed to provide security during uncertain times

Investing comes with risk. We can't know for sure what the future will bring so it's important to plan for what may happen. While we manage the Downing Estate Planning Service in a way that seeks to mitigate risk, it can't be fully eliminated.

At no extra cost to you (provided you're under 90 at time of death), our **Wealth Guard** covers a fall in value of up to 20% of your net initial investment (i.e. the amount invested after charges). You are covered on your investment up to £500,000, which means there is a maximum payout of £100,000. Joint applications are treated separately for insurance purposes.

The cover has a minimum term of two years. Thereafter, it is renewable each year.

The Wealth Guard cover is provided through a group insurance policy with an A-rated insurer.

Downing's Wealth Guard cover

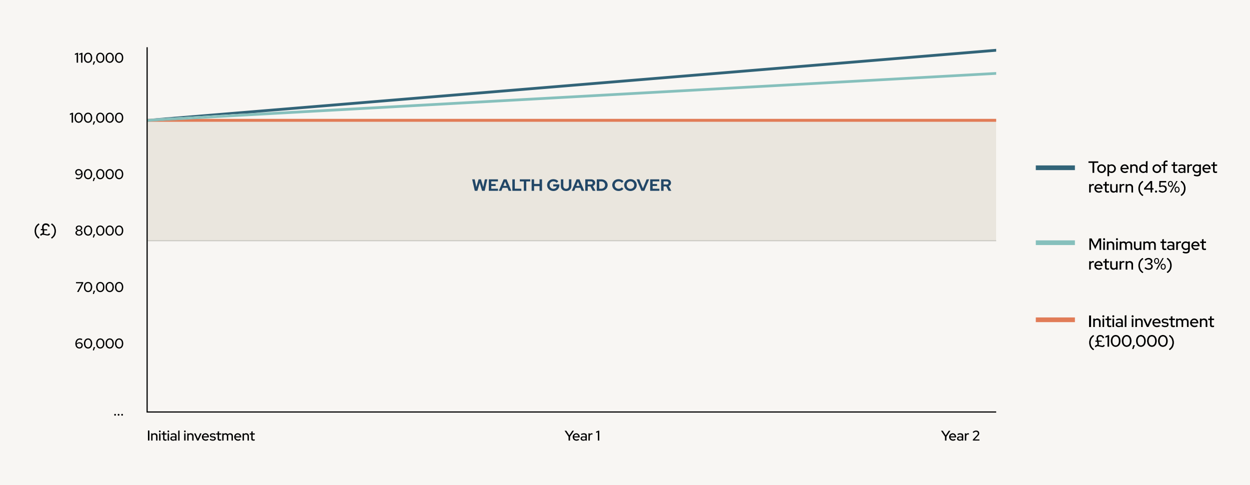
Key features:

- Covers a fall of up to 20% of the value of your net initial investment, when paying out on death.
- You are covered up to £500,000, which means there is a maximum payout of £100,000.
- The cover is available at no extra cost and is guaranteed for the first two years you are invested, after which it will be reviewed annually by the insurer.
- The cover will cease when you reach 90 years old.

Please note this is a summary only and investors should read the full policy and general exclusions which can be found in the terms and conditions.

How could Wealth Guard work for you?

What does the Wealth Guard cover?



An example of Wealth Guard in action

- Mrs Thomson invests £100,000 into the Downing Estate Planning Service (after Downing and adviser initial fees).
- After two years of holding the investment, Mrs Thomson passes away. Her beneficiaries look to sell her investment which is now valued at £85,000.
- Because Mrs Thomson's investment in the Downing Estate Planning Service benefited from Wealth Guard, the insurers paid out £15,000, which is the drop in value.
- As Mrs Thomson held her investment for at least two years and when she died, there was no IHT payable on the value of her shares. Her beneficiaries inherited £100,000.

Initial net subscription	£100,000
Value of portfolio at exit	£85,000
Wealth Guard payout	£15,000
IHT payable	£0
Amount left to the beneficiary(ies)	£100,000

Please note that the above is for illustrative purposes only, is not indicative of returns and should not be relied upon. Wealth Guard cover is not guaranteed to stay in place after two years and is subject to the age of the investor.

Life Cover - an optional feature

Life Cover is designed to mitigate the risk of having to pay inheritance tax when your investment hasn't yet qualified for business relief. If you were to pass away within two years of acquiring your shares, the insurance could cover the tax bill.

The policy covers 40% of your original gross investment upon death, subject to the conditions summarised in the Life Cover booklet and in the terms & conditions document.

For more information please request a copy of our Life Cover booklet, and read pages 14-16 of the DEPS terms & conditions document which includes more details of conditions and medical exclusions.

At a glance	Life Cover
Term	Maximum of two years
Cover	40% of the original gross investment on death
Maximum pay-out	£100,000 /£200,000 for joint life cover
Maximum age	Under 85 years at the investment date
Life Cover charge	2.25% + VAT per annum/1.86% + VAT per annum*

Please note: Medical exclusions/conditions apply and this option may not be available to everyone.

***Single life cover - 2.25% + VAT per annum/joint life second death cover - 1.86% + VAT per annum.**
The charge is calculated on the original gross investment and is allocated annually in advance.

There will be no refund of the charge in the event of death. In the case of funds being withdrawn, pro-rata charges will be rebated to reflect the new amount invested and the sum insured will be proportionately reduced. (See the Life Cover booklet and terms & conditions for details.)

Downing's commitment to responsible investing

Making investment more rewarding: investing responsibly for growth, profit and a better tomorrow

B Corporation

In 2022, we became a B Corporation. This means that we meet high standards of social and environmental performance.

Net zero and natural capital

In 2023, we made the Net Zero Asset Managers commitment. This is one of Downing's main contributions to limiting warming to two degrees and avoiding physical, economic and other irreversible impacts in this century.

Robust governance

We are committed to accountability, transparency and clear roles and responsibilities for Downing's Committees.

Our investment strategy and policies at firm and investment team levels are available at: www.downing.co.uk/sustainability

Downing published its second Annual Sustainability Report

Downing joins International Corporate Governance Network (ICGN) Stewardship Committee

Five-year ESG strategy approved by Executive Committee

2024

ESG KPIs across the firm's investment teams

Downing published its first Annual Sustainability Report

Launched: 'The Green Project' aimed at tracking greenhouse emissions from assets

Scope 3 Category 15 emissions calculated for the first time

2023

Environmental Finance Sustainable Investment Awards 2022 Winner Renewables fund of the year — Awarded for DORE

Certified B Corporation

Launched first impact fund

DORE plc qualified as an Article 9 fund under SFDR

Appointed a Head of ESG

Materiality mapping for private equity and fixed income assets

2022

Executive Committee take on ESG performance objectives

Awarded — Signatory of: UK Stewardship Code | 2021

Revised Voting and Engagement policy published for listed equities

Accepted — FRC

Signed up — United Nations Global Compact

2021

Downing Renewables and Infrastructure Trust plc (DORE plc) awarded Green Economy (London Stock Exchange)

Joined UKSIF — UK Sustainable Investment and Finance Association

Engaged ESG consultants — ensphere

Signatories — PRI Principles for Responsible Investment; Investing in Women Code

2020

3rd party ESG review of listed equities

Scored 'A' for Strategy — PRI Principles for Responsible Investment

First Responsible Investment Policy published

2019

Our transparent fee structure

We aim to be as transparent as possible with the costs associated with investing in the Downing Estate Planning Service. It's important you understand these fees fully - if you do not, we recommend you seek financial advice before investing

Charges for managing your investment			
	Advised investor charges	**Direct or execution-only investor charges**	**Description**
Initial fee	2%	4%	This is taken from your subscription and is the cost of setting up your investment.
Annual management charges	Up to 0.5% + VAT per annum of the value of the underlying businesses.		Taken annually and contingent on returning over 3% to investors. For returns over 3% up to 4%, the fee is taken on a sliding scale with the maximum being 0.5% + VAT.

Charges paid for management of the underlying portfolio company(s)		
	Cost	**Description**
Underlying service charge	1.5% + VAT per annum of the value of the underlying businesses.	Cost of running and managing the portfolio companies (eg. accounting, administration and other services).

Annual management charge explained

To align our interests with our investors, we only take our annual management charge after we return over 3% to our investors. The charge is pro-rated up to the maximum of 0.5% per annum, which is taken when investor returns are 4.0% or more. See example charges below:

Investor return	**3.0%**	**3.25%**	**3.5%**	**3.75%**	**4.0%**	**4.5%**
Annual charge	**0.0%**	**0.125%**	**0.25%**	**0.375%**	**0.5%**	**0.5%**

Other costs

Downing may receive monitoring fees from the businesses held within the portfolio companies. This fee is for actively working with the underlying businesses, sitting on the company boards and providing continued support and guidance. This is not a fixed charge and will be included in your annual cost and charges statement where applicable.

How we support you

Putting you and your beneficiaries first

Our dedicated customer service team, led by Jane, are here to help you. Whatever decision you make, we are with you at every step, helping things to go as smoothly as possible. Please don't hesitate to call our team on 0207 416 7780 or email us at customer@downing.co.uk

Jane Hart, Customer Services Director

1 Before investing it is important to understand your personal inheritance tax situation and what type of planning would be best for you. When considering investing please read all relevant literature, paying close attention to the risks. If you have any questions, please don't hesitate to get in contact with us on the number above.

2 Should you decide to invest, we can provide the relevant application forms to complete. Your financial adviser will be able to help with filling these in.

3 Once we have received your application, we will send you an acknowledgement letter. Once your shares have been invested, we will issue a contract note to confirm investment (we invest money twice a month into this Service).

4 If you have selected the optional Life Cover policy, we will send you an insurance certificate.

5 You can access your portfolio twice a month with no charges or penalties. Please note that it can take longer depending on liquidity. We trade on the 1st and 10th working days of the month, within which we aim to provide your withdrawal proceeds.

6 If you elect to receive regular distributions (we can facilitate them on a monthly, quarterly, half-yearly or annual basis), these will be paid by a sale of shares from your investment and subject to liquidity. Alternatively, you can elect for any returns generated to remain within the service.

7 We will provide quarterly valuation statements to let you know how your investment is performing. The portfolio companies also produce Annual Reports, which can be found on the Downing website.

Our in-house bereavement team are here to help

We have a dedicated team that are here to help you and your beneficiaries. If you pass away while holding an investment, the team can talk your loved ones through the options they have available. You can contact the team at the number or email address above.

Sunil Patel, Bereavement Team

Downing

Investments that matter

We believe a great investment opportunity isn't just financial, it's a chance to invest in things that matter – our environment, our health, our society, our local communities and our economy

Key risks

Here are some of the risks that you should consider before investing

Risk to your capital

The value of your investment may go down as well as up. You may not get back the full amount you invested. The Financial Services Compensation Scheme (FSCS) for deposits does not apply to investments in the service. However, under the FSCS investment protection scheme there may be circumstances in which investors can claim compensation where Downing LLP is unable or unlikely to honour legally enforceable obligations against it (e.g. claims for fraud or misrepresentation). For more details on the FSCS and its eligibility criteria please visit **www.fscs.org.uk/what-we-cover**.

Tax reliefs are not guaranteed

The rates of tax, tax benefits and tax allowances in this brochure are based on current legislation and HMRC practice. They are not guaranteed, are subject to change and depend on personal circumstances. Any changes to the sectors that qualify as IHT trades may have a material adverse effect on the value of the shares or the ability of the service to achieve its objectives. We cannot guarantee that sufficient investments in IHT qualifying businesses will be made within the expected timetable, or at all. IHT qualifying businesses may subsequently cease to qualify for IHT relief, in which case IHT relief could be delayed or lost.

Investments are long-term and high-risk

You must hold your investment for at least two years and at death to benefit from IHT relief. Although you can request a withdrawal from your portfolio, this may be delayed because investments made through the service will be in unquoted companies, whose shares are less liquid than those of listed companies. Such investments are also considered to be higher risk than securities listed on the London Stock Exchange.

You cannot rely on past performance and target returns are not guaranteed

Please remember that past performance is not a guide to future performance and there is no guarantee that the service's target return objectives will be achieved.

Liquidity

Although we seek to provide liquidity opportunities every two weeks, there could be a delay in returning cash in the event of significant demand for withdrawals or distributions. Investors may, therefore, not receive cash for a period of 12 months or more. It is unlikely that there will be an external market for the shares.

Conflicts of interest

The portfolio companies in the service may co-invest alongside other funds managed or advised by Downing. If this happens, there's a chance that the interests of one group of investors will be in conflict with the interests of another group, or with the interests of Downing. In the event of a conflict of interest, Downing's investment committee and conflicts committee (and their external advisers) will work to ensure that this is resolved fairly and in accordance with Downing's conflicts policy.

Use of debt

Where the portfolio companies and / or their underlying businesses take on third party, prior ranking debt and then suffer from underperformance, their underlying net asset valuation may be impacted to a greater level than if no debt had been taken on.

Corporate sales activity

A reduction in the demand and/or price expectations for corporate sales of businesses similar to those underlying businesses of the portfolio companies, may impact on their ability to exit from an underlying businesses and/or achieve their target value expectations.

Key risks (continued)

Here are some of the risks that you should consider before investing

Global events

Where events occur that have a far reaching impact on the operations of the Portfolio Companies and their underlying businesses, their value and that of the underlying businesses may be reduced. Examples of such macroeconomic events include (but are not limited to) the significant and broad economic impacts caused by a global pandemic, Brexit (as referred to below), cyclical falls in the values in the residential property market, reductions in the availability of credit/investment from financial institutions, sustained falls in major listed stock markets, adverse movements in interest rates and/or currency rates and the failure of political institutions including government.

Concentration

The Portfolio Companies will typically hold interests in a number of underlying businesses. These businesses may vary by sector, value, scale, stage, geography and technology. The relative concentration of businesses held by the Portfolio Companies across these variables will move over time, as existing underlying businesses are sold and new businesses are added by the Portfolio Companies. The Portfolio Companies may have exposure to high levels of concentration within one or more such variables, for example by sector, which in turn may impact the value of the investors' shares in the event of an adverse development within that variable.

Currency movements

Adverse movements in currency may impact the financial performance of the Portfolio Companies and their underlying businesses.

Geography

The majority of underlying businesses that the Portfolio Companies will hold interests in, will be in the UK. Adverse changes in the business environment that the non-UK underlying businesses operate in, may impact on the value of the Portfolio Companies' holdings. These adverse changes could relate to developments in the tax framework, the regulatory environment, the legal system, the political infrastructure, domestic currency controls, the financial services sector, local supply and demand dynamics, and the currency exchange rate.

The information in this brochure is based upon current taxation, other legislation, and HMRC practice. Any changes in the legislation or HMRC practice may affect the value of an investment.

For further details of the risks associated with investing, please see pages 8-12 of the terms & conditions.

Investments that matter

3rd Floor
10 Lower Thames Street
London EC3R 6AF

020 7416 7780
customer@downing.co.uk
www.downing.co.uk

July 2024

Downing