

Quarterly update: 31 December 2024

Downing Estate Planning Service

Helping your clients support the next generation

Through the Downing Estate Planning Service (DEPS) your clients invest in companies that we believe will qualify for Business Relief, providing them with inheritance tax relief on their investment after two years and if held at the time of death.

DEPS investors currently own shares in either Pulford Trading Limited or Bagnall Energy Limited, or a mix of the two companies. Pulford trades predominantly in asset-backed trading businesses and Bagnall in energy & infrastructure.

3-4.5%*

Annual target return

*Not guaranteed.

£894m

combined market cap

Past performance is not a reliable indicator of future returns.

Share price movement (last 12 months¹)

+5.42%

Pulford Trading

+3.25%

Bagnall Energy

¹1 January 2024 to 31 December 2024, net of fees

Our commitment to sustainability

As a certified B Corporation and a signatory to the Principles for Responsible Investment and the UK Stewardship Code, Downing has made a firm and public commitment to responsible investing.

We utilise Environmental, Social and Governance (ESG) as a set of tools in the investment process. This includes actively identifying, considering, monitoring and managing ESG factors throughout the period of our ownership, to potentially enhance value and mitigate risk.

Whilst DEPS does not have a sustainable objective, underlying assets within both strategies may possess sustainable investment characteristics. For the asset-backed strategy, some sectors have the potential to provide a positive societal benefit. The energy and infrastructure strategy has focus on core renewables such as solar, wind and hydropower, which may offer climate change mitigation and de-carbonisation benefits.

For more information on Downing's responsible investment reports and policies, please visit www.downing.co.uk/responsible-investing



Downing LLP is committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of labour, human rights, the environment and anti-corruption.



Signatory to:

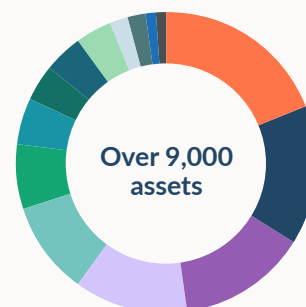


Quarterly performance summary

Both portfolio companies have a combined return of 4.34% in the last 12 months. Returns are net of all Downing ongoing fees.

More information is given in the rest of this report.

Portfolio sector split by value*



19% Solar	4% Wholesale lending
15% Wind	4% Hospitality
14% Property development	4% Hydropower
12% Specialist care	2% Early years education
10% Elderly care	2% Battery storage
7% Specialist education	1% Funeral care
5% Gas peaking	1% Other

*Please note these figures are from the management accounts and subject to change.



Gabriel wind farm, Northeast Sweden



Downend Nursery, Bristol

Asset-backed strategy

Pulford Trading Ltd

Investment strategy

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

A focus on outcomes

Pulford's portfolio continues to make a positive impact on communities both now and for the future. The portfolio has:

- Six care homes that will offer 403 beds for elderly residents
- 46 specialist care homes of 605 places that cater to those with physical disabilities, learning disabilities and mental health conditions
- Eight early years education nurseries, which will offer up to 626 places to preschool children
- Ten special educational needs schools' sites, which will offer up to 740 school places to children
- Eight funeral care sites that provide funeral services to approximately 1,100 families a year

Investment activity and company update

During the quarter, Pulford deployed funds across eight different sectors, predominantly social care, education, property development and wholesale lending.

Pulford continues to explore opportunities to build high quality care businesses that address growing demands across the UK. Pulford seeks out opportunities across multiple sectors that provide needs-based services, demonstrate strong demographic demand drivers, and have good asset underpinning or recurring income.

Following the initial acquisition of five nurseries in South West London, we are delighted to announce the acquisition of an established children's day nursery business in Bristol. The business

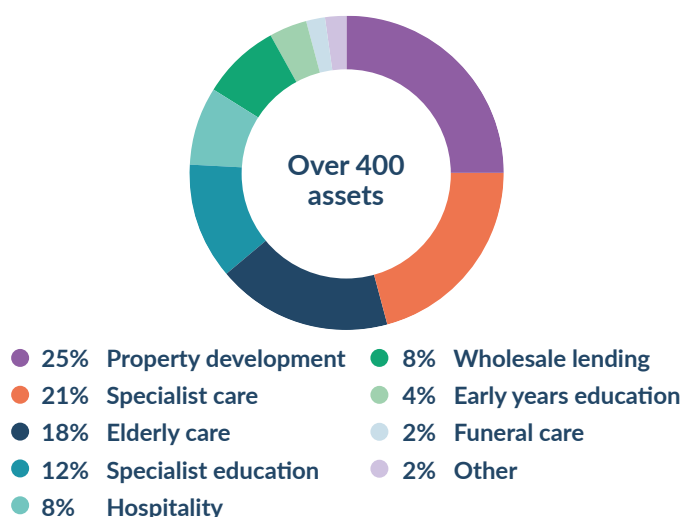
operates three nurseries and has capacity for 356 nursery places, all of which have been refurbished to a high standard and are rated 'outstanding' by Ofsted. This has more than doubled the size of Pulford's early years' education platform, increasing capacity to 626 children. Pulford is focused on providing a high quality, caring, family orientated environment, and delivering the best outcomes for every child.

Pulford continues to explore new opportunities that benefit from asset-backing or steady predictable revenues, provide needs-based services, and span the full lifecycle of care. We are excited to share that during the quarter, Pulford made its first acquisition in the funeral care sector, acquiring an established eight site business in Devon and Dorset. The sector benefits from a strong demographic demand drivers that service an aging population in the UK.

In November 2021, Pulford acquired two elderly residential care homes in Letchworth and Warminster, which provided a combined 110 elderly care home beds. In December 2024, we were able to complete the sale of these homes to the same overseas institutional investor mentioned in the September 2024 update, realising a further uplift in value for investors. Further strategic sales are expected in the first half of 2025.

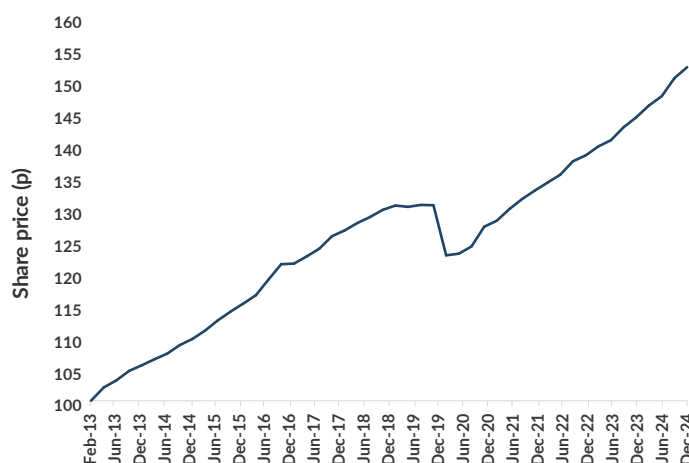
In the property development sector, Pulford continues to provide finance to experienced residential developers, helping to address the ongoing shortage of housing across the UK. During the last three months, Pulford completed a £16m loan to a highly experienced residential developer to construct 50 energy-efficient apartments in Kent. Downing's sustainability lending framework financially incentivises borrowers for more sustainable building practices. The developer aims to achieve the highest EPC rating, use energy efficient insulation materials throughout the project and install solar panels where possible on the buildings.

Portfolio sector split by value*



*Please note these figures are from the management accounts and subject to change.

Pulford's share price increased in the quarter by 1.14% to 152.21p



Quarterly share price movement - net of ongoing costs and fees

Pulford Trading Ltd	Annual returns to 30 September each year*											
	(1 Jan 2024 to 31 Dec 2024)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
	5.42%	5.37%	3.88%	4.49%	5.99%	-4.98%	1.47%	4.01%	4.05%	5.68%	4.86%	4.05%

*The company financial year for Pulford Trading runs from 1 October to 30 September.

All performance data is net of ongoing costs and fees. Past performance is not a guide to future performance.

Energy and infrastructure strategy

Bagnall Energy Ltd

Investment strategy

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

A focus on outcomes

Bagnall's portfolio now contains over 8,600 assets, which are forecast to generate 444,736 MWh of electricity every year. This is enough energy to power 164,717 UK homes annually and would result in 208,373 tonnes of CO₂ being avoided – the same as 1,225,725 trees being planted.

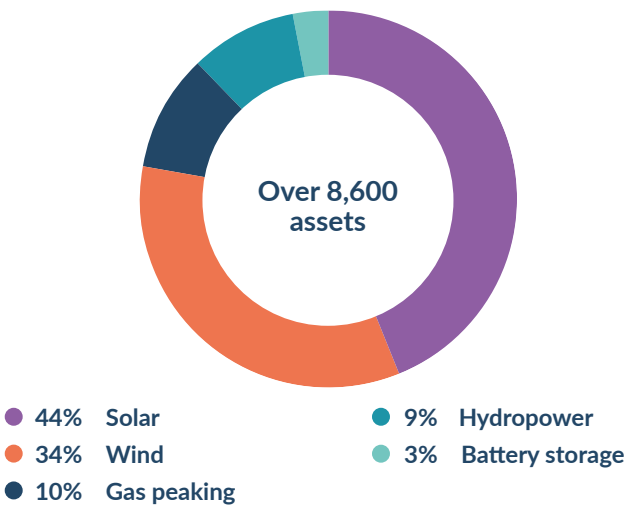
Investment activity and company update

Within the quarter, Bagnall acquired a large operational onshore wind farm. The wind farm contains 20 turbines with a capacity of 46MW and is located in northeast Sweden. The transaction further strengthens Bagnall's presence in the region. The site has been operational since 2011 and complements Bagnall's existing wind farm on adjacent land as it shares a grid connection. Downing's in-house asset management team will assume oversight of the additional wind farm and, as a result, Bagnall has the potential to access additional ancillary services revenue streams and will look for economies of scale and to realise operational efficiencies across both sites.

Within the quarter, Bagnall acquired a solar site in Norfolk. The site will be utilised to develop a portfolio of 49.9MW ground mounted solar panels and a co-located battery storage facility. In addition, as part of prior planning approval for the site, a 15-year contract for difference (CfD) with the UK government has been secured. The CfD will fix the price of the power throughout the contract term, safeguarding against fluctuations experienced in the energy market. Once constructed, the site is expected to produce enough energy to power 12,000 homes annually, making a strong contribution to the UK's Net Zero goals.

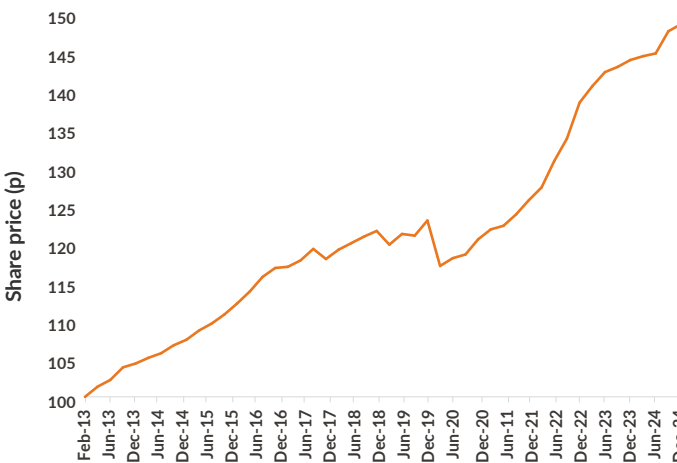
Looking at energy generation across the portfolio, a period of relatively warm weather meant more rain and increased water flow through the hydropower sites in Norway. The wind portfolio operationally performed above expectations as it benefitted from higher wind activity across the Nordics too. Nordic energy prices were pushed down, responding to higher supply produced in the region. Meanwhile, offsetting the unseasonal weather in the Nordics, the solar portfolio performed in line with expectations with good sunlight levels across the UK. Overall, across the Bagnall portfolio, energy generation was higher than expected for the quarter.

Portfolio sector split by value*



*Please note these figures are from the management accounts and subject to change.

Bagnall's share price increased in the quarter by 0.63% to 148.62p



Quarterly share price movement - net of ongoing costs and fees

Bagnall Energy Ltd	Annual returns to 30 September each year*											
	(1 Jan 2024 to 31 Dec 2024)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
	3.25%	3.25%	7.00%	7.97%	4.42%	-2.03%	0.11%	1.35%	3.16%	5.54%	3.68%	3.40%

*The company financial year for Bagnall Energy runs from 1 October to 30 September.

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DEPS asset map

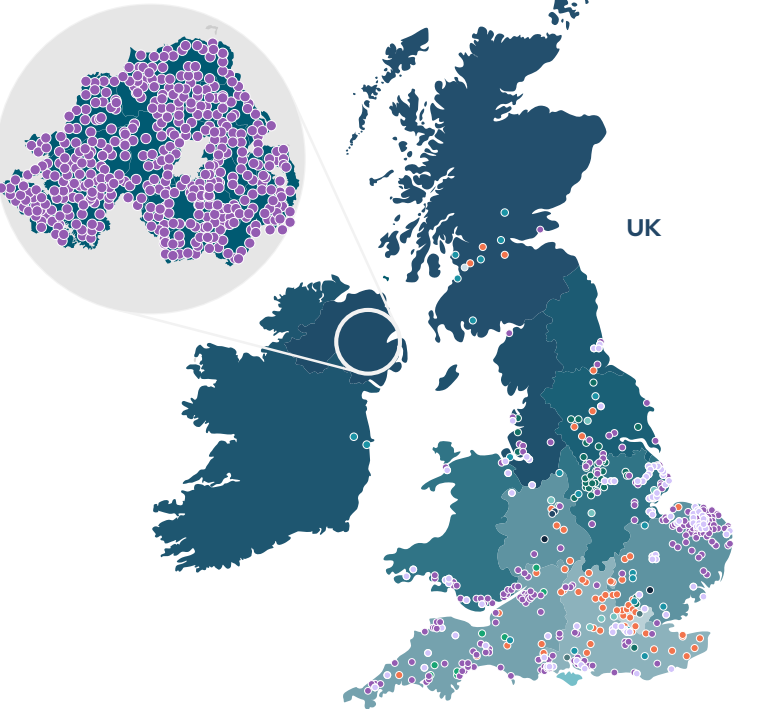
Energy and Infrastructure

- Solar
- Solar (residential rooftops)
- Wind
- Hydropower
- Battery Storage
- Reserve Power

Asset-Backed Trading Businesses

- Elderly Care
- Property Development
- Specialist Care
- Data Centres
- Specialist Education
- Hospitality

Northern Ireland



For illustrative purposes map at Sept 2023

New Sector: Funeral Care

The funeral care sector represents an attractive opportunity for Pulford, supporting its focus on multi-site operating businesses that span the full lifecycle of care.

The funeral care sector provides an essential needs-based service that is resilient to economic fluctuations. There is increasing demand for funeral services in the UK to service an ageing population. By building Pulford's presence across these defensive sectors in businesses that are asset-backed, we seek to not only generate steady returns, but continue our focus on capital preservation.

In November 2024, Pulford acquired Grassby & Sons Limited, an established eight site funeral care business in Devon and Dorset. This acquisition is the cornerstone investment in Pulford's newly established funeral care platform 'Lighthouse Funerals'. Grassby & Sons is an established group of funeral directors with a strong reputation across the region, consistently delivering approx. 1,100 funerals a year. The group provides funeral care, cremation and auxiliary services. Pulford aims to acquire additional businesses and ultimately build a national network of funeral care providers.



Annual Performance	Annual returns to 30 September each year*											
	(1 Jan 2024 to 31 Dec 2024)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Pulford Trading Ltd	5.42%	5.37%	3.88%	4.49%	5.99%	-4.98%	1.47%	4.01%	4.05%	5.68%	4.86%	4.05%
Bagnall Energy Ltd	3.25%	3.25%	7.00%	7.97%	4.42%	-2.03%	0.11%	1.35%	3.16%	5.54%	3.68%	3.40%
50/50 Pulford/Bagnall	4.34%	4.31%	5.42%	6.18%	5.23%	-3.56%	0.81%	2.70%	3.61%	5.61%	4.27%	3.73%

*The company financial years for Pulford and Bagnall run from 1 October to 30 September.

All performance data is net of ongoing costs and fees. Past performance is not a guide to future performance.

For more information on this performance summary please call us on 020 7630 3319, or email sales@downing.co.uk

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