

# Money Wise UK®

Growing together, with integrity and respect



## Zenzic Estate Planning Service – Manager Review

### Overview of the Service

The Zenzic Estate Planning Service (ZEPS) is a Business Relief (BR) qualifying estate planning solution designed to help mitigate inheritance tax after two years, subject to prevailing legislation.



5%-6% target annual rate of return



Select between a “Growth Strategy” and/or an “Income Strategy”



Invest in shares which potentially offer Business Relief (“BR”) from IHT after 2 years



Asset-Backed security for every loan



Liquidity – option to withdraw invested capital – 30 days notice



No management or Performance Fee charges unless the target return is met



Track record since 2020



ZEPS provides exposure to a diversified portfolio of senior-secured real estate loans, primarily to UK SME developers, through investment in shares of direct lending companies that are expected to qualify for Business Relief. The strategy combines capital preservation, steady income, and tax efficiency, rather than targeting high-risk capital growth.

Unlike many BR solutions that are venture-style or equity-led, ZEPS is asset-backed, credit-focused, and managed by a specialist real estate credit team with deep institutional experience.

## The Manager: Zenic Capital

Zenic Capital was founded in 2014 and is a specialist real estate credit manager. The firm has historically focused on institutional capital, advising on and managing over \$2bn of real estate credit transactions before launching ZEPS in 2019 at the request of advisers and wealth managers.

Highly experienced team managing UK real estate credit for institutional investors

### BACKGROUND & HISTORY

- ◆ Founded in 2014 as opportunistic credit advisory business focusing on real estate
- ◆ Advised on >\$2.0bn of RE transactions across alternative sectors inc. logistics, Purpose-Built Student Accommodation (PBSA), Private Rental Sector (PRS), hotels & leisure.
- ◆ Advisory transactions were placed with leading special situation credit funds
- ◆ Now exclusively an investment firm with portfolio GDV of £175mn

### CURRENT PORTFOLIO (GDV)



■ Residential ■ Student  
■ Self Storage

### PRIOR AUM RESPONSIBILITY



### ZENIC SENIOR TEAM

	<b>NADINE BUCKLAND</b> PARTNER
	Prior employers: F&C AM; Baker Tilly
	<b>THOMAS LLOYD-JONES</b> PARTNER
	Prior employers: Macfarlanes; EY
	<b>STEVE SWALLOW</b> PARTNER
	Prior employers: CQS; East Lodge Capital; Rabobank; Abbey; Barclays
	<b>CHRIS BLOWERS</b> SENIOR ADVISOR
	Prior employers: Maslow Capital, RBS, AIB, Investec Private Bank
	<b>GIOVANNI LARCHER</b> INVESTMENT DIRECTOR
	Prior employers: UBS; Brookfield

A key differentiator is that ZEPS is not Zenic's core business, but rather an extension of an existing institutional-grade lending platform. This contrasts with many BR providers that were built solely to distribute tax-efficient retail products.

The firm focuses on a single investment: real estate credit.

## Team and Governance

The senior investment team is drawn from institutional real estate and credit backgrounds, including firms such as:

- Maslow Capital
- Rabobank
- Barclays
- Investec
- CQS
- Brookfield
- EY

Key individuals include Thomas Lloyd-Jones (Managing Partner & CIO) and Nadine Buckland (Managing Partner), supported by a wider team covering origination, underwriting, legal structuring, and asset management. Collectively, the team brings 150+ years of experience and has deployed capital across 200+ loans in multiple market cycles.

Importantly, Zenzic maintains dedicated post-completion monitoring, with staff responsible solely for loan oversight rather than origination—something often under-resourced in private lending strategies.

## Investment Strategy

ZEPS invests indirectly in a portfolio of real estate-backed loans made by Zenzic-managed lending companies.

Core features of the strategy:

- Senior-secured lending, predominantly first charge
- Short-duration loans, typically 12–36 months
- Conservative loan-to-value, averaging c. 69% LTV
- Granular portfolio, with c. £3–4m average loan size
- Focus on UK “living sectors” with structural demand support

The strategy prioritises principal protection first, with return generation as a secondary objective.

## Sector Focus

Zenzic deliberately concentrates on sectors where supply/demand dynamics are supportive, and exit routes are well understood:

- UK residential housing (build-to-sell)
- Purpose-Built Student Accommodation (PBSA)
- Self-storage

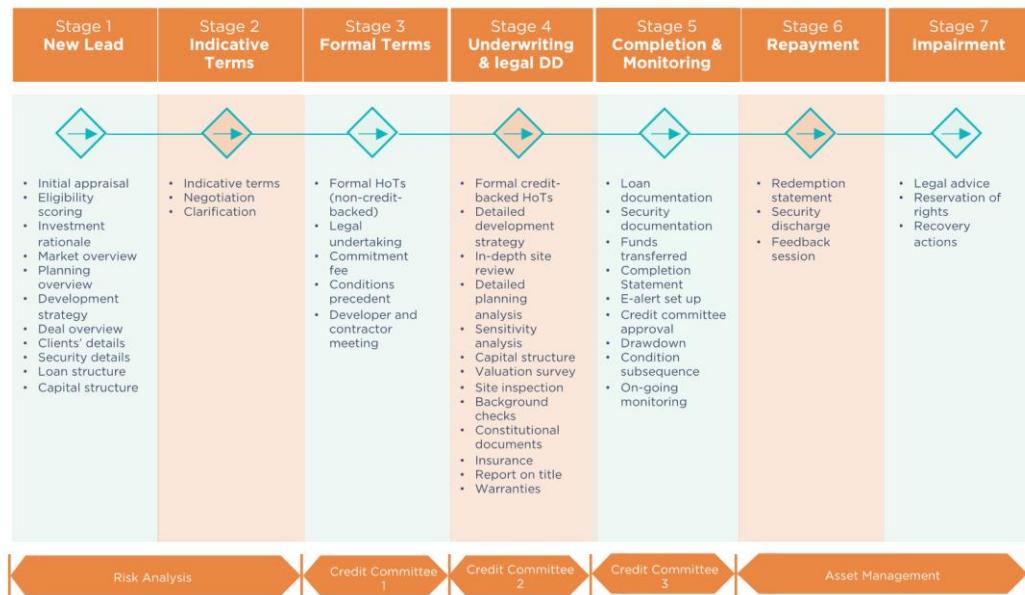
These sectors benefit from:

- Chronic undersupply
- Demographic tailwinds
- Multiple exit options (sales, refinance, institutional buyers)

The firm avoids large, single-asset developments and instead prefers smaller schemes (<50 units), where repayment relies on selling or refinancing a limited number of units—reducing market impact and execution risk.

## Investment Process

Zenzic's process is explicitly credit-led and institutionally influenced, spanning the full loan lifecycle:



## 1. Origination & Borrower Assessment

Over 95% of opportunities are rejected at an early stage. Emphasis is placed on:

- Borrower track record
- Character and execution history
- Alignment of incentives
- Direct relationships rather than broker-led flow

As highlighted in the webinar, Zenzic's view is that "*you cannot make a good loan to a bad borrower*"

## 2. Underwriting & Due Diligence

- Internal valuation modelling conducted before third-party valuers to avoid anchoring bias
- Independent RICS valuations
- Detailed sensitivity analysis
- Multiple Credit Committee approvals
- Bespoke legal documentation

## 3. Structuring & Security

Security packages typically include:

- First charge over property
- Share pledges over borrower SPVs
- Personal and/or corporate guarantees
- Robust covenant packages and milestone testing

## 4. Monitoring & Enforcement

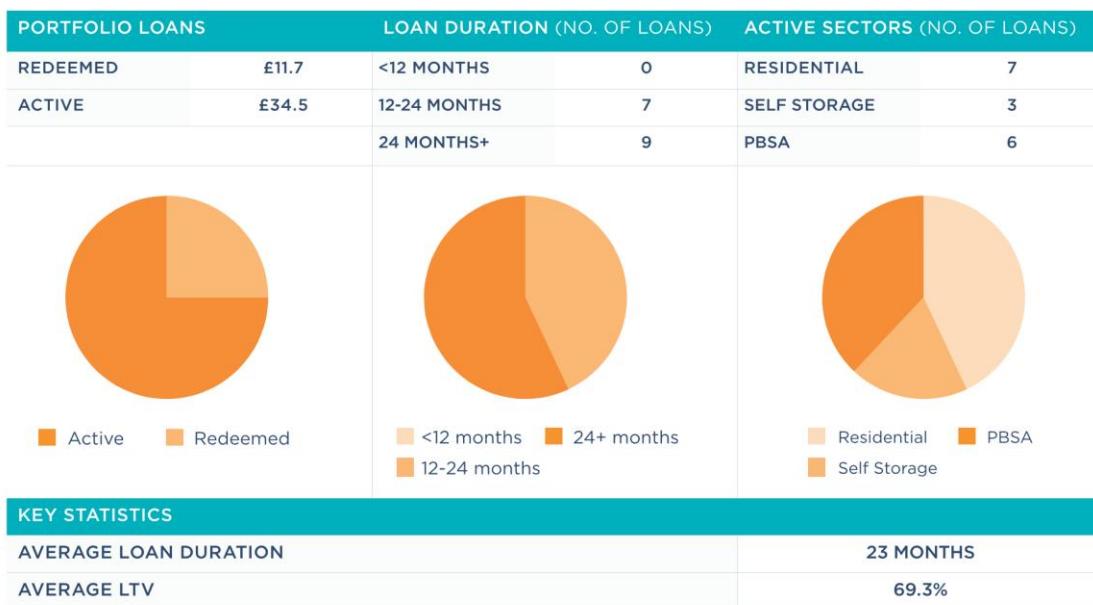
- Monthly site visits and reporting
- Milestone-based monitoring to flag issues early
- Ability to enforce quickly via share charges if required

Monitoring is treated as equally important as underwriting—an area where many private lending strategies fall short.

## Portfolio Construction

As of mid-2025:

- 19 active positions (this is now 21 as of December 2025)
- Average loan duration: 23 months
- Average LTV: 69%
- c.81% senior secured exposure
- No capital losses to date

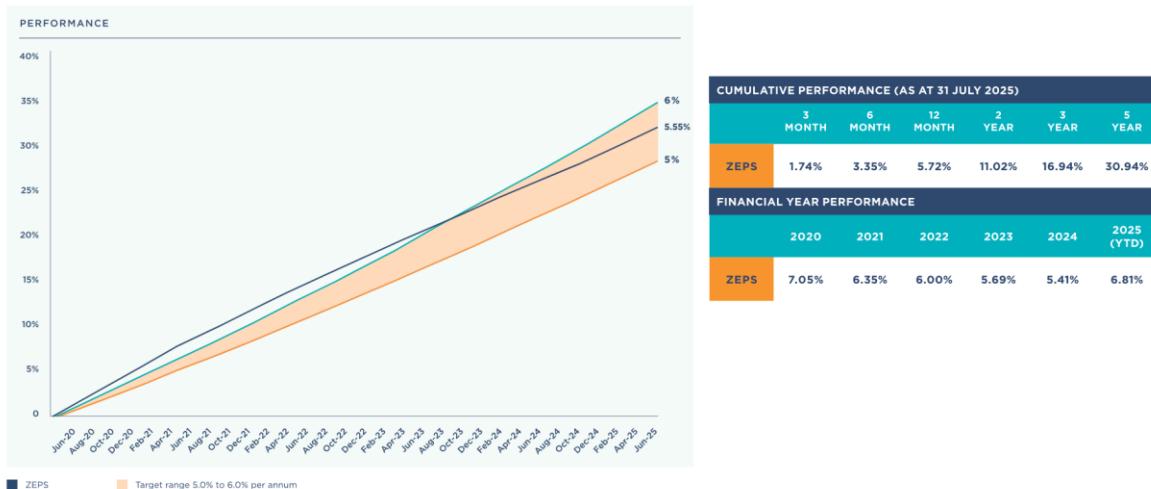


The portfolio is intentionally granular, reducing reliance on any single borrower, sector or geographic area.

## Performance Track Record

ZEPS has delivered consistent returns since launch in 2020, net of fees:

- 5.6% p.a. since inception
- Annual returns have remained within or above the 5–6% target range
- Performance has placed ZEPS in the top quartile of BR managers according to MICAP over one-, three- and five-year periods



Returns dipped modestly during periods when Zenzic deliberately held higher cash levels due to unattractive pricing—reflecting discipline rather than forced deployment.

## Fees and Alignment

The fee structure is notably investor-aligned:

- 1% initial fee (Income Strategy only)
- 2% AMC, charged only after a 6% net return is achieved

## Fees & Charges

- ✓ Target Base Annual Return: **5-6%+**
- ✓ Minimum subscription amount: **£25,000**
- ✓ No ongoing ZEPS fees or charges taken until after Target Base Return met
- ✓ After ZEPS fees, investor able to share in any fund over-performance
- ✓ Inheritance tax relief after 2 years (subject to the cap)
- ✓ No income tax, CGT only
- ✓ Quarterly share price calculation
- ✓ Financial advisor fee facilitation

Fees & Charges	Amount	Notes
ZEPS Initial Fee - Growth	0%	
ZEPS Initial Fee - Income	1%	
Financial Advisor Initial Fee	As agreed with client	
Financial Advisor On-going Fee	As agreed with client	Excl. from Target Return
Annual Management Charge	2%	AMC only charged once the Target Base Return has exceeded 6%

It should be noted, that in the event the AMC threshold is surpassed by less than 2%, the AMC charged will be the net of the investor's return less the AMC threshold.

This structure reinforces Zenzic's stated objective of delivering returns that stand on their own merits, rather than relying solely on tax benefits.

## Key Strengths

- Genuine specialist real estate credit manager, not a product manufacturer
- Strong capital preservation mindset
- Conservative LTVs and senior security
- Short-duration, self-liquidating loans
- Disciplined origination and monitoring
- Clear alignment of fees with outcomes
- Long-standing BR eligibility track record (subject to legislation)

## Key Risks and Considerations

- High-risk, illiquid investment – not suitable for all clients
- Capital is at risk and not FSCS protected
- Reliant on the continuation of Business Relief legislation
- Property market downturns could delay exits
- Liquidity is limited; withdrawals are not guaranteed

ZEPS should be viewed as a specialist allocation, not a core holding.

## Role in an Estate Planning Strategy (Money Wise UK View)

From a Money Wise UK perspective, ZEPS occupies a specific and clearly defined role:

- Suitable for clients with identified IHT exposure
- Appropriate where traditional gifting is not desirable or feasible
- Best used as part of a wider estate planning toolkit, alongside trusts, pensions, and insurance-based solutions
- Allocation sizing should remain modest and proportionate given risk and illiquidity

What differentiates ZEPS is that it is not asking clients to take venture-style risk to achieve BR. Instead, it applies an institutional lending mindset to a tax-efficient wrapper.

## Summary

The Zenzic Estate Planning Service is a well-constructed, conservatively run Business Relief solution backed by a credible institutional real estate credit manager. Its focus on secured lending, borrower quality, diversification and monitoring sets it apart from many peers in the BR market.

While not suitable for all clients, ZEPS represents a thoughtful option for advisers seeking a lower-risk, asset-backed approach to inheritance tax mitigation, where capital preservation and process discipline matter as much as tax efficiency.

## Disclaimer

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