

Series 5

Corporate Debt Investments

A 4.5-year Senior Secured Bond, paying 5.95% fixed pa; investing in corporate debt in the asset based lending and corporate peer-to-peer sector

Investment Brief

The bond's investment mandate is to make asset based loans to companies, including corporate peer-to-peer (P2P) lending, with such loans being secured against the assets of the company and/or specific fixed assets or property owned by the company. The **Key Points** of the Investment Brief are as follows:

- Bond is typically secured with a fixed charge over the assets of the borrower
- Collateralised debt enforced through registered Debenture and/or other security
- Diversification across multiple loans (minimum of 5)
- Step in rights in event of breach of lending covenants – with interest payable monthly
- Independent UK based trustees provide governance
- Management reporting by borrowers against milestones ensures potential problems quickly identified and resolved
- Borrower's business plan, cash flow forecasts, market analysis and good standing independently assessed
- £500m programme and each Series issued listed on the Global Exchange Market of the Irish Stock Exchange, priced on Bloomberg and available on secondary market through appointed market maker.

Technical Information

£500m Note Programme, Series 5,
GBP 4.5Y 5.95% Senior Secured

ISIN No. GB00BD5NDM75
SEDOL No. BD5NDM7

Settlement: Through Crest

Listing: Note to be listed on the Global Exchange Market of the Irish Stock Exchange under approved programme

Coupon payment dates: Interest paid semi-annually in February and August

Redemption date: February 2021

Minimum investment of just £100,000 in aggregate. Capacity £6m

Suitable for ISA, SIPP, SSAS, Portfolio Bond and Investment Platforms



Management of Bond Assets

Asset based lending is a \$200bn market and growing exponentially in the face of increasingly restrictive and formulaic bank lending policy. This is further evidenced by the recent rapid growth of corporate P2P lending.

This has left a lending gap for astute investors to occupy by making capital available for business growth secured against the assets of the business, whether by a fixed and floating charge on all assets of the company or against a specific fixed asset or property.

The bond proceeds provide loan capital to businesses seeking capital to accelerate plans and build a sustainable revenue stream from contractual income.

Case Study

This can be clearly demonstrated with reference to a current project:

A company operating a profitable data centre in Canary Wharf constructs a second centre in Manchester at a cost of £6M.

The objective was to offer remote backup to its existing client base.

Corporate Finance Bonds Limited conducted a detailed review and was able to structure a credit facility of £2M secured by way of first charge against the new building to allow the centre to put in the necessary management team, technical infrastructure and communications to finish the project.

The Bond held three times collaterisation

Primary focus is on the property development sector, particularly developers seeking finance for acquisition of land banks and/or property for investment, distressed property, student accommodation and bridging finance.

Lending is also made to scalable businesses in the professional services sector which can dramatically enhance profitability through technological advancement, process re-engineering and M&A activity – and so prove good borrowers since increasing profitability and balance sheet growth can readily support debt obligations and provide an identifiable exit route for debt commitments.

as security and the operating profits of the company demonstrated the capacity to meet interest payments.

Thus, as issuer of Series 5 under its secured note programme, Corporate Finance Bonds successfully leveraged the proven characteristics of property lending and the negative impact of the restrictive lending policies of traditional sources of finance.

In so doing, CFB secured highly attractive collateralised returns for bond holders.

Our Policy

Investment policy will be to offer loans to professional services firms such as accountants and solicitors, property developers, technology companies and financial sector businesses enjoying the following characteristics:

- Client retainers and contracted flows of new business
- Assets under management that generate lifetime dealing fees and commissions
- Alternative investment managers, platforms and service providers
- Property developers and fund managers

In all cases a charge will be taken against all the assets of the business by way of a Debenture.

Parties

Issuer: Corporate Finance Bonds Ltd
Trustees & Registrar: Fairoak Trustees
CREST Registrar: SLC Registrars Ltd
Legal Advisers: GRM Law
Investment Advisers: Clear Capital Management LLP

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CORPORATE
FINANCE BONDS

IMPORTANT NOTICE

Investments in Corporate Finance Bonds Limited are NOT covered by the Financial Services Compensation Scheme. The investment opportunity is only available to persons who are Certified High-Net-Worth Investors, Certified Sophisticated Investors, Self-Certified Sophisticated Investors, Certified Restricted Investors and/or Professional Investors or individuals who take independent advice from an authorised Independent Financial Adviser and only following receipt of the full offer document. Investments in Corporate Bonds and the income from them will be at risk and you may lose some or all of the funds invested. This flyer, which is a financial promotion for the purposes of Section 21 of the Financial Services and Markets Act 2000, has been approved for UK publication by Clear Capital Management Limited Liability Partnership of 35 New Bridge Street, London, EC4V 6BW, which is authorised and regulated by the Financial Conduct Authority with firm reference number 598743.

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