



# Senior Secured UK Property Debt Investments Ltd

Fact Sheet

As at 31<sup>st</sup> of July 2015

# Summary

The Investment objective of the company is "...to construct a portfolio of good quality, defensive, senior debt investments secured by first ranking fixed charges predominantly against UK commercial property investments, providing target dividends of circa 6% pa, paid quarterly, with an underlying target portfolio IRR of 8% pa..."

## Fund Facts

Fund Launch:	5 <sup>th</sup> February, 2013	Fund Type:	Closed ended investment company
Fund Manager:	Intermediate Capital Managers Ltd	Domicile:	Guernsey
Base Currency:	GBP	Listing:	London Stock Exchange
Issued Shares:	108.2 Million	ISIN Code:	GG0B8C23581
Management Fee:	1.0%	LSE Code:	LBOW
		Website:	www.lbow.co.uk

## Share Price & NAV at 31 July 2015

Share Price (pence per share)	103.75
NAV (pence per share) (Ex Div)	100.12
Premium	3.6%
Market Cap.	£112.3m
Proposed dividend (pence per share) (1)	1.5 pence
	23 October
Proposed dividend payment date	2015

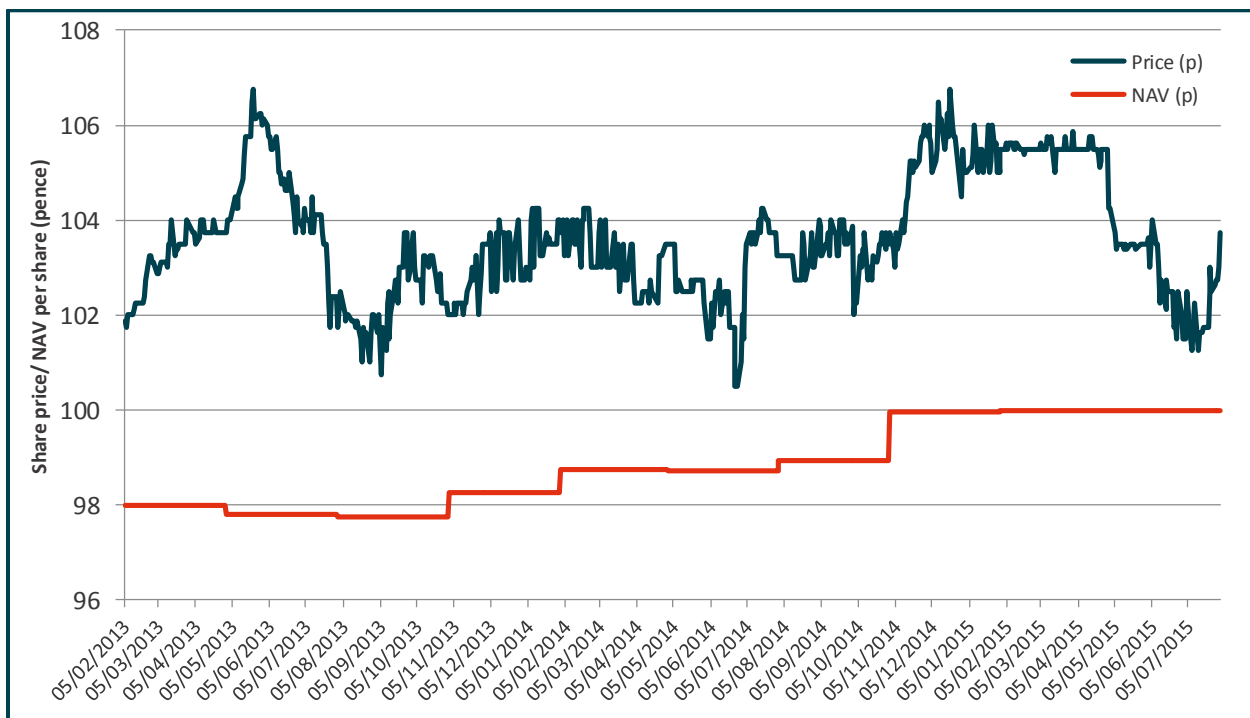
(1) For Quarter ended 31 July 2015

## Key Portfolio Statistics at 31 July 2015

Number of Investments:	11
Percentage Capital Invested(2):	95.73%
Weighted average coupon:	7.40%
Weighted Avg. projected total return:	8.49%
Weighted Avg. LTV:	57.1%
Weighted Avg. interest coverage ratio:	162%

(2) Loans advanced at amortised cost / Total equity attributable to the owners of the Company

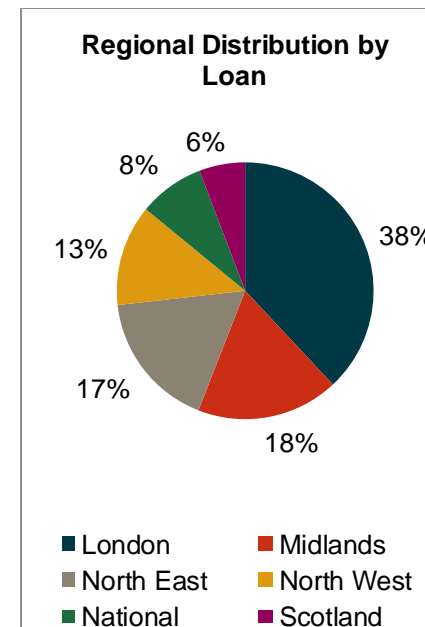
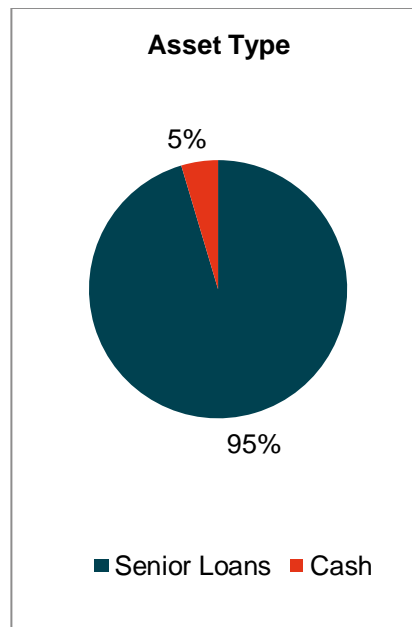
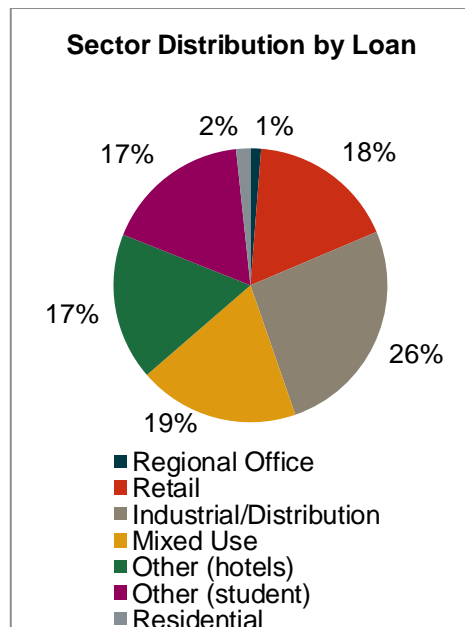
## Share Price v NAV (from IPO to 31 July 2015)



# Investment Portfolio as at 31 July 2015

Project	Region	Sector	Term Start	Unexp term (yrs)	Day 1 Balance (£m)	Day 1 LTV (%)	Day 1 ICR (%)	Balance Outstanding (£m)	Current LTV (%)	Current ICR (%)
Mansion	Midlands/ Scotland	Other (Student)	Jun-13	3.85	18.07	54.8	204	18.07	39.4	257
IRAF Portfolio <sup>(1)</sup>	North West	Industrial/Distribution	Jul-13	3.34	14.20	59.3	193	11.94	55.3	186
Meadows RE Fund II	London	Retail	Sep-13	2.42	18.07	65.0	150	18.07	66.7	114
Northlands Portfolio	London	Mixed Use	Nov-13	3.32	7.20	61.7	192	6.48	59.7	160
Hulbert	Midlands	Industrial/Distribution	Dec-13	3.35	6.57	65.0	168	6.57	56.1	169
Halcyon Ground Rents	National	Industrial/Distribution	Dec-13	3.35	8.60	64.8	116	8.60	64.8	116
Cararra Ground Rents	North West	Regional Office	Dec-13	3.35	1.30	65.0	113	1.30	65.0	113
Raees	London	Mixed Use	Dec-13	3.36	13.25	65.0	122	13.25	57.5	125
Lanos (York)	North East	Other (Hotel)	Mar-14	3.42	10.00	64.9	122	10.00	57.8	106
Gateshead Ramada	North East	Other (Hotel)	Apr-14	3.75	7.98	64.4	180	7.98	63.9	193
First Light Portfolio	London	Residential	Dec-14	3.46	1.75	65.0	174	1.75	65.0	179
<b>Total/ Weighted Average</b>				<b>3.32</b>	<b>107.0</b>	<b>61.8</b>	<b>162</b>	<b>104.0</b>	<b>57.1</b>	<b>162</b>

<sup>(1)</sup> IRAF portfolio loan is a replacement of the LM Real Estate loan. It is secured on substantially the same portfolio as the previous LM Real Estate loan but with a new borrower and on substantially the same commercial terms. Day 1 figures represent LM Real Estate loan opening position.



# Investment Manager's Commentary

## Summary

The investment portfolio of 11 loans has remained unchanged in the period with a par value of £104.0 million.

Each investment in the portfolio remains well secured from a capital perspective, with a weighted average risk exposure of 57.1% LTV, reflecting a decrease over the six months from 60.1%, following completion of the annual valuation of the underlying property portfolio. The improvement in risk profile reflects both the delivery of business plans by borrowers and the general market upturn driven by positive investor sentiment toward the commercial real estate sector.

At portfolio level, the ICR was substantially unchanged at 162% (31 January 2015: 161%).

## Group Performance

The Group's portfolio has been stable in the period and as a result the profit after tax for the six months of £3.38 million (3.12 pence per share) was in line with expectations and with the comparative period. Given the stable nature of the investment portfolio and the Group's operations, the level of profit and cashflow generation are adequate to cover the Company's target dividend level of 6.0 pence per share per annum.

Underpinned by supportive property market conditions, the Group's loan portfolio continues to perform in line with expectations and in compliance with all of the Group's investment parameters. With 2.1 years weighted average income protection remaining as at 31 July 2015 (ranging from 1.1 years to 2.75 years), the Company remains well positioned to continue to deliver its target dividend.

The NAV per share exceeded the par value of the shares for the first time since IPO.

## Portfolio

Portfolio Statistics	31 July 2015	31 January 2015
Number of Loan Investments	11	11
Aggregate balance	£104,002,150	£104,002,150
Weighted average LTV	57.1%	60.1%
Weighted average ICR	162%	161%
Weighted average interest coupon	7.40% pa	7.40% pa
Weighted average projected gross IRR(1)	8.49% pa	8.49% pa
Weighted average unexpired loan term	3.31 years	3.87 years
Weighted average unexpired Interest Income Protection	2.1 years	2.6 years
Cash held	£5,024,095	£5,293,805

<sup>(1)</sup> Weighted average projected gross IRR of the portfolio reflects partial repayments received to date in addition to the remaining investments.

## Investment Manager

Following the acquisition of the management's residual interest in Longbow Real Estate Capital LLP by the Intermediate Capital Group PLC ("ICG") the ICG-Longbow team has transferred to ICG and consequently, with effect from 30 April 2015, the Investment Management Agreement was novated to Intermediate Capital Managers Limited, an FCA regulated ICG group subsidiary. The Investment Manager continues to trade under the name of ICG-Longbow.

The ICG-Longbow team continues to monitor and appraise the Board of the performance of the investment portfolio and the underlying property portfolios on which the Group's investments are secured.

## Contacts

Investment Manager	Administrator, Designated Manager & Company Secretary	Corporate Broker
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