



ICG
LONGBOW

**Senior Secured UK Property Debt
Investments Ltd**

Fact Sheet

31st October 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 th 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 October 2015

Share Price (pence per share)	105.50
NAV (pence per share)	100.21
Premium	5.3%
Market Cap.	£114.2m
Interim dividend (pence per share) ⁽¹⁾	1.5 pence
Interim dividend payment date ⁽¹⁾	22 January 2016

⁽¹⁾ For Quarter ended 31 October 2015

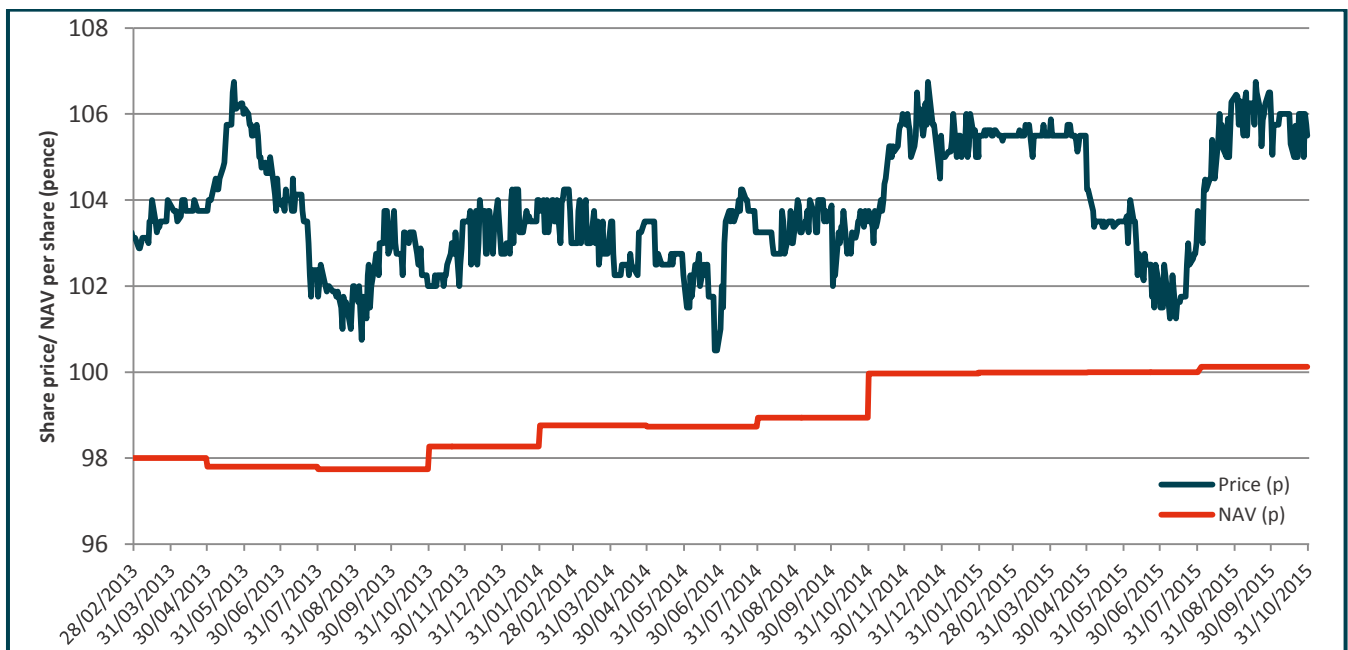
⁽²⁾ Loans advanced at amortised cost / Total equity attributable to the owners of the Company

Key Portfolio Statistics at 31 October 2015

Number of Investments:	11
Percentage Capital Invested ⁽²⁾ :	95.83%
Weighted average investment coupon:	7.40%
Weighted Avg. projected Investment IRR ⁽³⁾ :	8.49%
Weighted Avg. LTV:	57.1%
Weighted Avg. interest coverage ratio:	159%

⁽³⁾ Weighted average projected gross IRR of the portfolio reflects partial repayments received to date in addition to the remaining investments

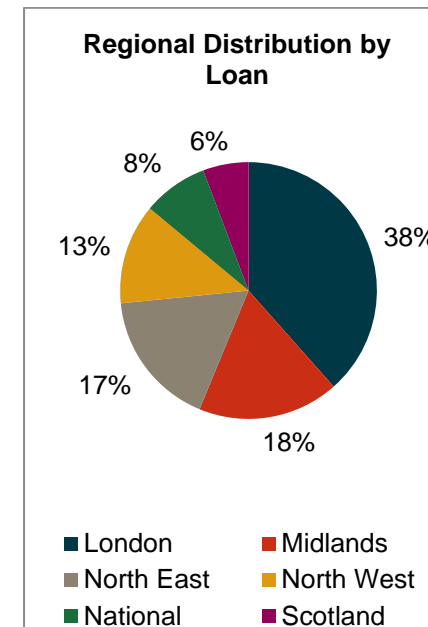
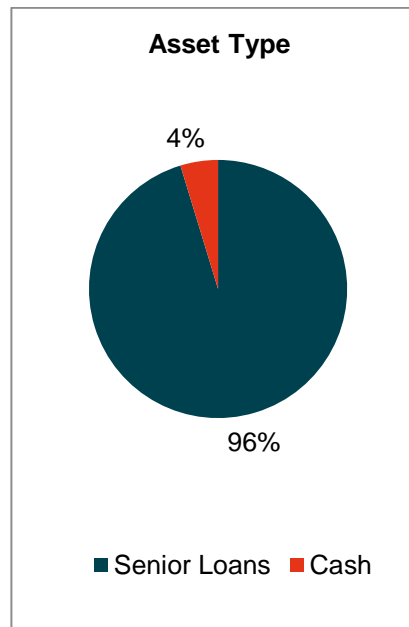
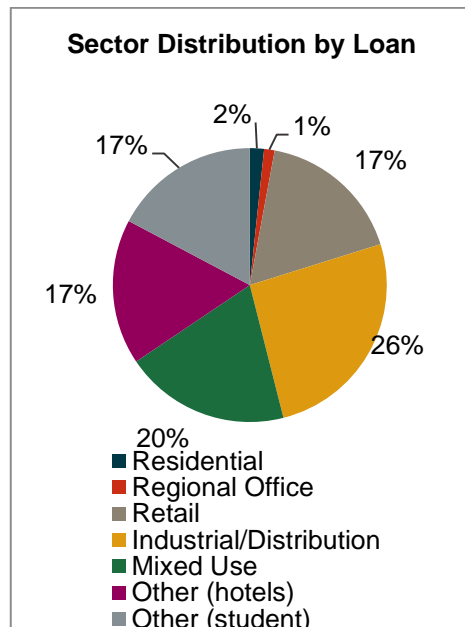
Share Price v NAV (from IPO to 31 October 2015)



Investment Portfolio as at 31 October 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	220
IRAF Portfolio ⁽¹⁾	North West	Industrial/Distribution	Jul-13	3.09	14.20	59.3	193	11.94	55.3	208
Meadows RE Fund II	London	Retail	Sep-13	2.17	18.07	65.0	150	18.07	66.7	122
Northlands Portfolio	London	Mixed Use	Nov-13	3.07	7.20	61.7	192	6.48	59.7	158
Hulbert	Midlands	Industrial/Distribution	Dec-13	3.09	6.57	65.0	168	6.57	56.1	169
Halcyon Ground Rents	National	Industrial/Distribution	Dec-13	3.10	8.60	64.8	116	8.60	64.8	116
Cararra Ground Rents	North West	Regional Office	Dec-13	3.10	1.30	65.0	113	1.30	65.0	113
Raees	London	Mixed Use	Dec-13	3.11	13.25	65.0	122	13.25	57.5	126
Lanos (York)	North East	Other (Hotel)	Mar-14	3.17	10.00	64.9	122	10.00	57.8	107
Gateshead Ramada	North East	Other (Hotel)	Apr-14	3.50	7.98	64.4	180	7.98	63.9	197
First Light Portfolio	London	Residential	Dec-14	3.21	1.75	65.0	174	1.75	65.0	165
Total/ Weighted Average				3.06	107.00	61.8	162	104.00	57.1	159

⁽¹⁾ 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 no change over the quarter. At portfolio level, the ICR was 159%, down modestly over the quarter (31 July 2015: 162%). As at 31 October 2015 the portfolio benefitted from 1.8 years weighted average income protection remaining (ranging from 0.9 years to 2.5 years).

Mansion Group has announced that it is in exclusive discussions to dispose of its entire property portfolio. We await the outcome of these discussions, however, the Group's loan remains extremely secure and benefits from a period of income protection.

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.

Group Performance

The Group's portfolio has been stable in the period and as a result the profit after tax for the nine months of £5.10 million (4.71 pence per share) was in line with expectations. Given the stable nature of the investment portfolio and the Group's operations, the level of profit and cashflow generation are considered adequate to cover the Company's target dividend level of 6.0 pence per share per annum whilst the Company remains invested in the current portfolio.

Portfolio

Portfolio Statistics	31 October 2015	31 July 2015	31 January 2015
Number of Loan Investments	11	11	11
Aggregate balance	£104,002,150	£104,002,150	£104,002,150
Weighted average LTV	57.1%	57.1%	60.1%
Weighted average ICR	159%	162%	161%
Weighted average interest coupon	7.40% pa	7.40% pa	7.40% pa
Weighted average projected gross IRR ⁽¹⁾	8.49% pa	8.49% pa	8.49% pa
Weighted average unexpired loan term	3.06 years	3.31 years	3.87 years
Weighted average unexpired Interest Income Protection	1.8 years	2.1 years	2.6 years
Cash held	£5,181,118	£5,024,095	£5,293,805

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

Investment Manager

ICG-Longbow has appointed David Mortimer as Head of Senior Debt, replacing Trevor Homes who left during the quarter. David will lead the five strong senior debt team and will report to Martin Wheeler, Joint Head of ICG-Longbow, in connection with the Group's portfolio. In addition, ICG-Longbow has added a further two members to its portfolio monitoring and operations functions, which now comprises six members.

Corporate Broker

The Board has appointed the Investment Companies Team at Cenkos Securities plc to act as their broker and financial adviser with effect from 16 December 2015.

The Board will be undertaking a shareholder consultation via Cenkos and ICG-Longbow in early 2016. Having regard to the likely maturity profile of the Group's investment portfolio and the current investment policy and objective, the Board wish to engage with shareholders in anticipation of the continuation vote resolution to put forward at the AGM in 2017 in the context of prevailing market conditions".

Contacts

Investment Manager	Administrator, Designated Manager & Company Secretary	Corporate Broker
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