



**ICG**  
**LONGBOW**

**Senior Secured UK Property Debt  
Investments Ltd**

**Fact Sheet**

31<sup>st</sup> January 2016

# 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 January 2016

Share Price (pence per share)	103.50
NAV (pence per share)	100.18
Premium	3.3%
Market Cap.	£112m
Approved dividend (pence per share) <sup>(1)</sup>	1.5 pence
Dividend payment date <sup>(1)</sup>	[●] May 2016

<sup>(1)</sup> For Quarter ended 31 January 2016

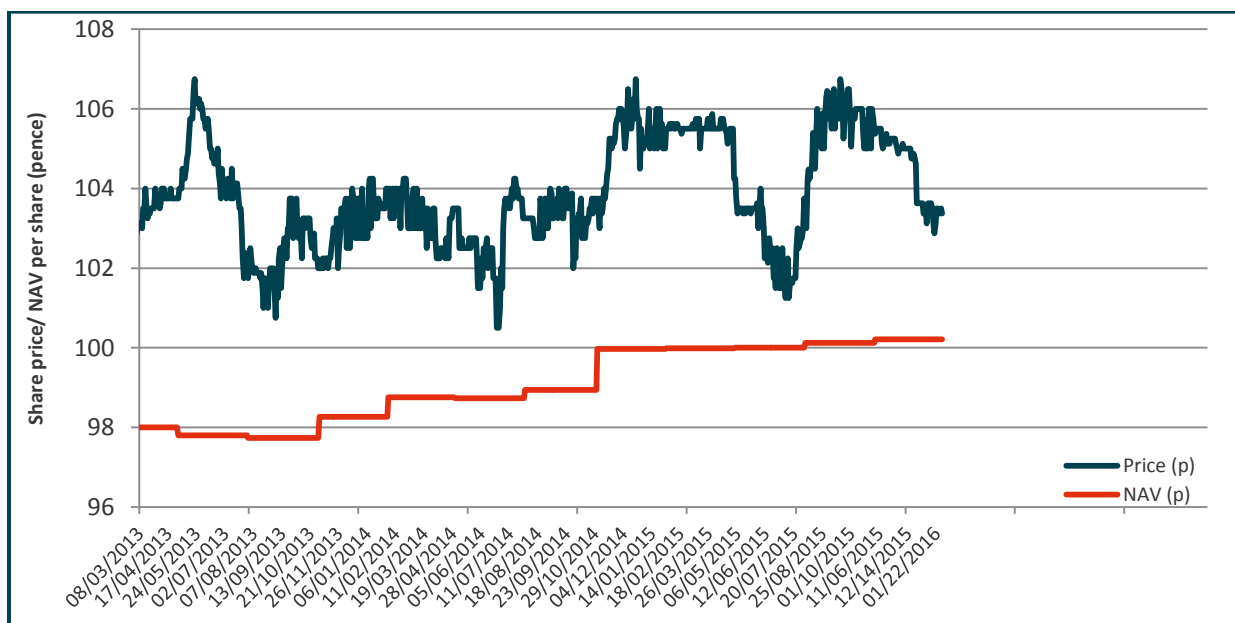
<sup>(2)</sup> Loans advanced at amortised cost / Total equity attributable to the owners of the Company

## Key Portfolio Statistics at 31 January 2016

Number of Investments:	11
Percentage Capital Invested <sup>(2)</sup> :	96%
Weighted average investment coupon:	7.40%
Weighted Avg. projected Investment IRR <sup>(3)</sup> :	8.49%
Weighted Avg. LTV:	52.7%
Weighted Avg. interest coverage ratio:	161%

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

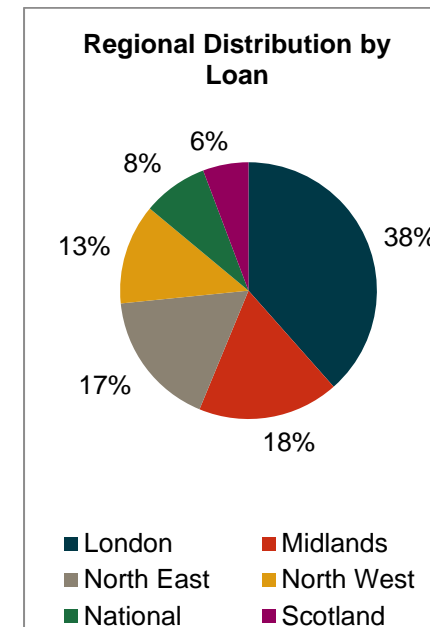
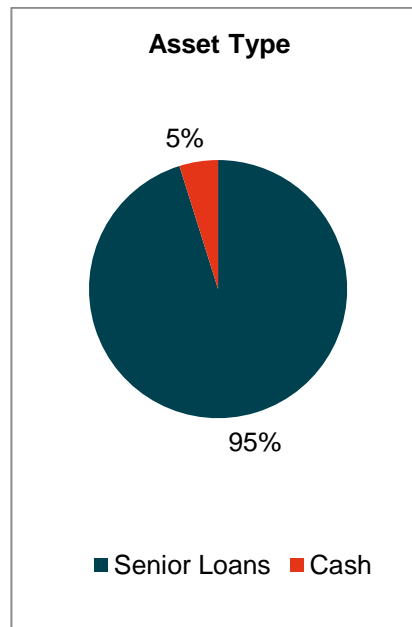
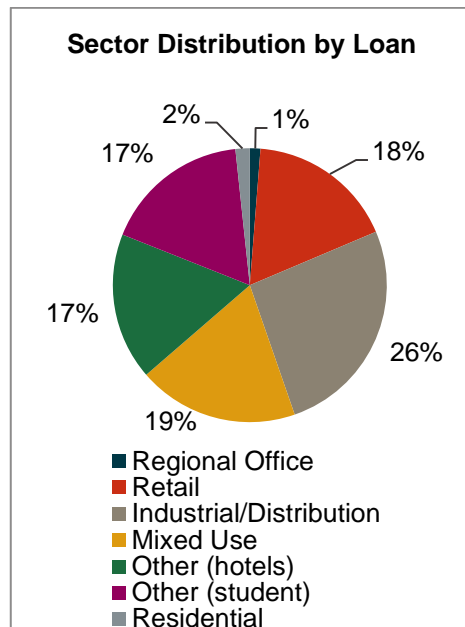
## Share Price v NAV (from IPO to 31 January 2016)



## Investment Portfolio as at 31 January 2016

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 Student Fund	Midlands/ Scotland	Other (student)	Jun-13	3.35	18.07	54.8	204	18.07	39.4	230
IRAF Portfolio <sup>(1)</sup>	North West	Industrial/distribution	Jul-13	2.83	14.20	59.3	193	11.94	43.5	196
Meadows RE Fund II	London	Retail	Sep-13	1.92	18.07	65.0	150	18.07	63.0	122
Northlands Portfolio	London	Mixed use	Nov-13	2.82	7.20	61.7	192	6.48	46.7	149
Hulbert Properties	Midlands	Industrial/distribution	Dec-13	2.84	6.57	65.0	168	6.57	55.4	166
Halcyon Ground Rents	National	Industrial/distribution	Dec-13	2.85	8.60	64.8	116	8.60	63.9	116
Cararra Ground Rents	North West	Regional office	Dec-13	2.85	1.30	65.0	113	1.30	65.0	113
Raees International	London	Mixed use	Dec-13	2.86	13.25	65.0	122	13.25	53.7	128
Lanos (York)	North East	Other (hotel)	Mar-14	2.92	10.00	64.9	122	10.00	50.0	116
Ramada Gateshead	North East	Other (hotel)	Apr-14	3.24	7.98	64.4	180	7.98	63.9	209
First Light Portfolio	London	Residential	Dec-14	2.96	1.75	65.0	174	1.75	49.1	167
<b>Total / weighted average</b>				<b>2.81</b>	<b>107.0</b>	<b>61.8</b>	<b>162</b>	<b>104.0</b>	<b>52.7%</b>	<b>161</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

At 31 January 2016 the investment portfolio comprised 11 loans and was unchanged in the quarter with a par value of £104.0 million. A portfolio revaluation undertaken in the quarter showed an improved weighted average LTV exposure of 52.7%, compared with 57.1% in October 2015, which reflects both the delivery of business plans by borrowers and the general market upturn in the commercial real estate sector since the previous valuation.

At the portfolio level, the Interest Coverage Ratio was broadly stable at 161% (31 October 2015: 159%). The portfolio level gross expected IRR if held to contracted loan term maturity and recognising prepayment/exit fees received to date is 8.49%.

Following the quarter end, Mansion Group repaid its £18.07 million loan in full, together with interest, exit and prepayment fees of approximately £2.5 million. The Group subsequently made a new loan of £22.4 million to Commercial Regional Space Limited, secured by first charges against two industrial estates in Lancashire comprising 1.25 million sq. ft. of accommodation and providing a diverse income stream from lettings to over 140 tenants. The loan matures in April 2019 and is fully compliant with the Group's investment parameters.

## Group Performance

The Group's portfolio was unchanged in the period and as a result the profit after tax for the twelve months of £6.7 million (6.18 pence per share) was in line with expectations and with the previous year. With 1.5 years weighted average income protection remaining as at 31 January 2016 (ranging from 0.6 years to 2.3 years), the Company remains well positioned to continue to deliver its target dividend.

## Portfolio

Portfolio statistics	31 January 2016	31 October 2015
Number of loan investments	11	11
Aggregate balance	£104,002,150	£104,002,150
Weighted average LTV	52.7%	57.1%
Weighted average ICR	161%	159%
Weighted average interest coupon	7.40% pa	7.40% pa
Weighted average projected gross IRR <sup>(1)</sup>	8.49% pa	8.49% pa
Weighted average unexpired loan term	2.81 years	3.06 years
Weighted average unexpired Interest income protection	1.60 years	1.80 years
Cash held	£5,306,129	£5,181,118

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

## Outlook

The outlook for the investment portfolio remains good, underpinned by the favourable economic and property market conditions. The Investment Manager has considered the impact of a possible 'Brexit' vote in June, and although the effect of such a vote on the portfolio (and market conditions more widely) remains uncertain, it is anticipated the strong risk positioning of the portfolio, with a diverse range of local and regional assets, low LTV exposure and robust interest cover should see the loans well placed to weather any resultant volatility and support the maintenance of the quarterly dividend payment during any downturn.

## Contacts

Investment Manager	Administrator, Designated Manager & Company Secretary	Corporate Broker
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