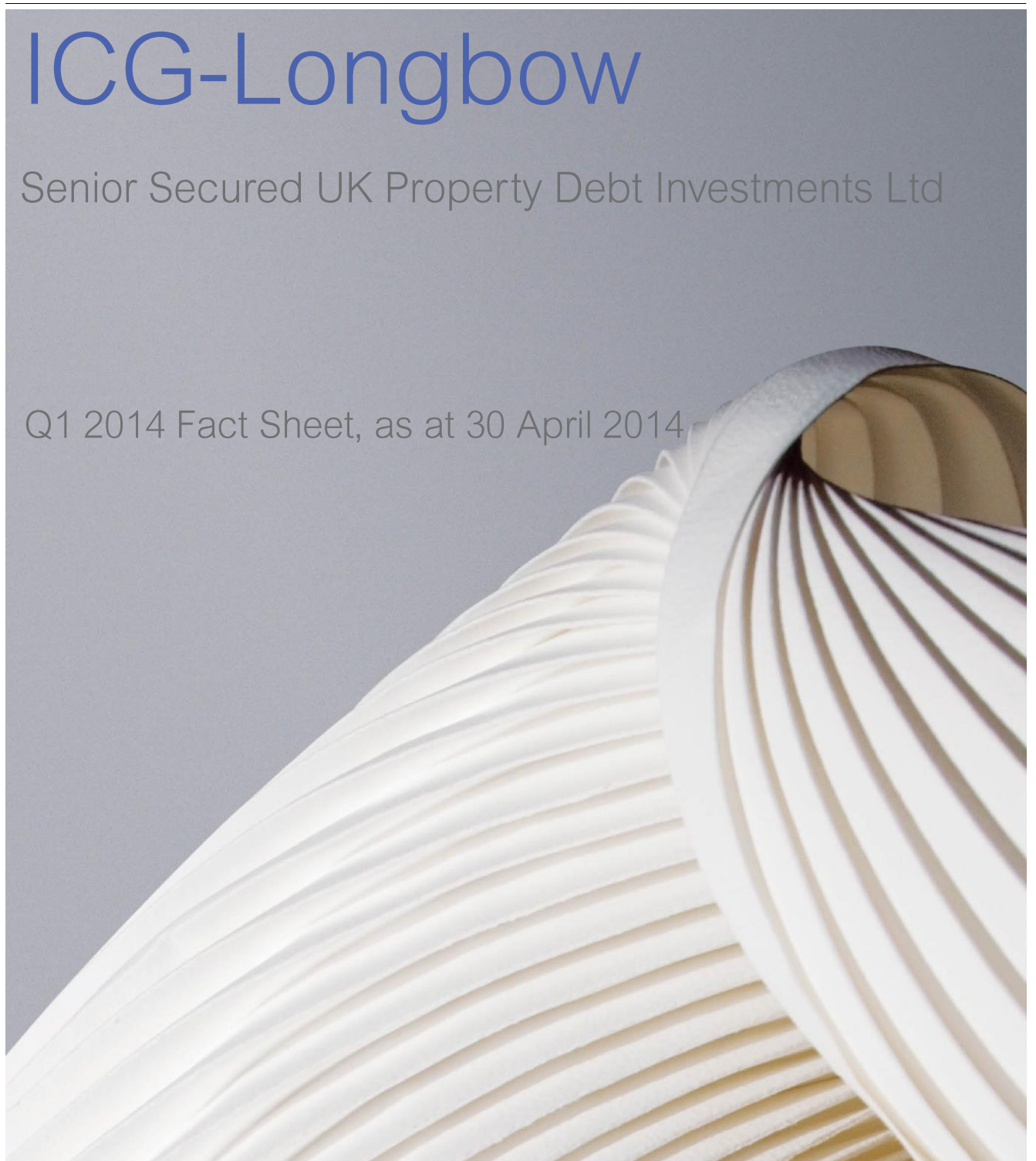


# ICG-Longbow

Senior Secured UK Property Debt Investments Ltd

Q1 2014 Fact Sheet, as at 30 April 2014



## ICG-Longbow Senior Secured UK Property Debt Investments Ltd

### Investment Objective

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 Date:	5 <sup>th</sup> February, 2013	Fund Type:	Closed ended investment company
Fund Manager:	Longbow Real Estate Capital LLP	Domicile:	Guernsey
Base Currency:	GBP	Listing:	London Stock Exchange
Issued Shares:	108.29 Million	ISIN Code:	GG0B8C23581
Management Fee:	1.0%	LSE Code:	LBOW
		Website:	www.lbow.co.uk

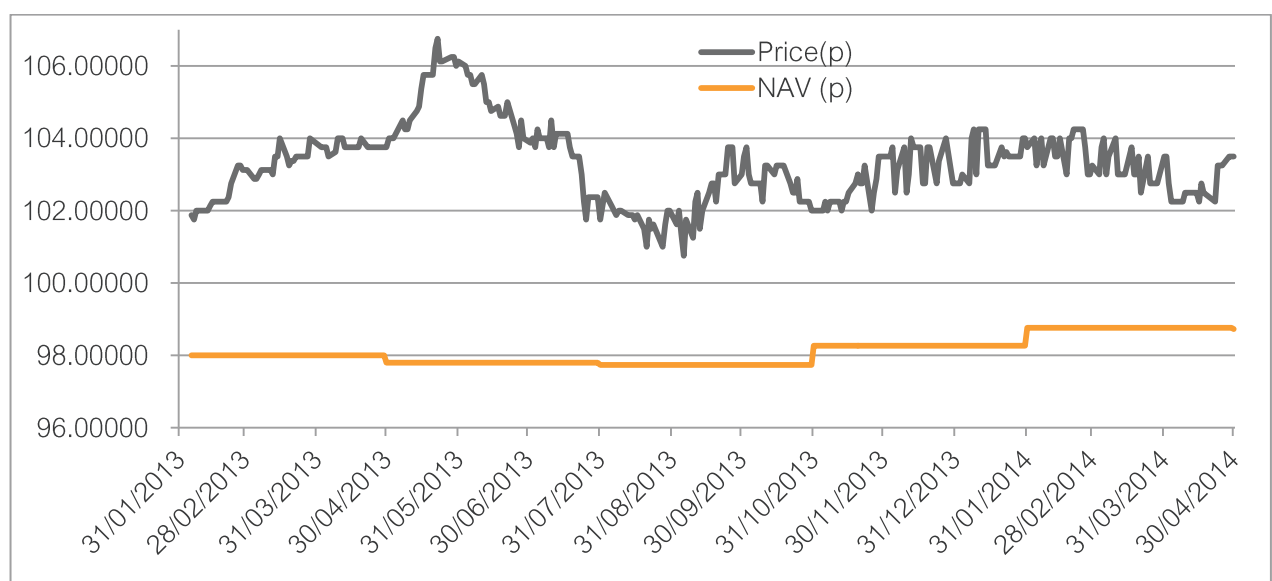
### Share Price & NAV at 30 April 2014

Share Price (p)	103.50
NAV (p) (Ex Div)	98.73
Premium/ (Discount)	4.83%
Market Cap.	£112.0m
Declared dividend (p) <sup>(1)</sup>	1.25
Dividend payment date	23/05/2014

### Key Portfolio Statistics at 30 April 2014

Number of Investments:	10
Percentage Capital Investment:	99.0%
Weighted average coupon:	7.39%
Weighted Avg. projected total return:	8.41%
Weighted Avg. LTV:	60.4%
Weighted Avg. interest coverage ratio:	165%

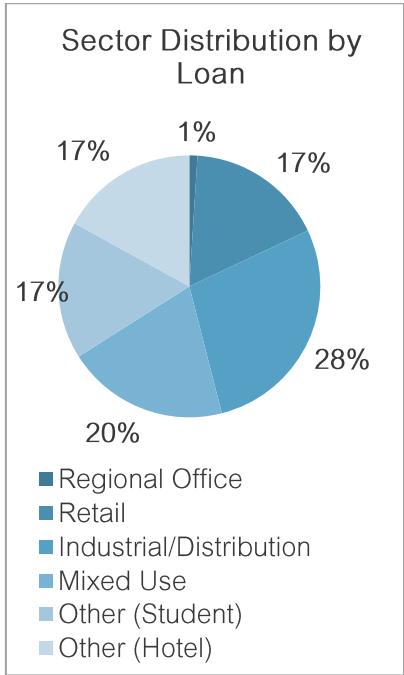
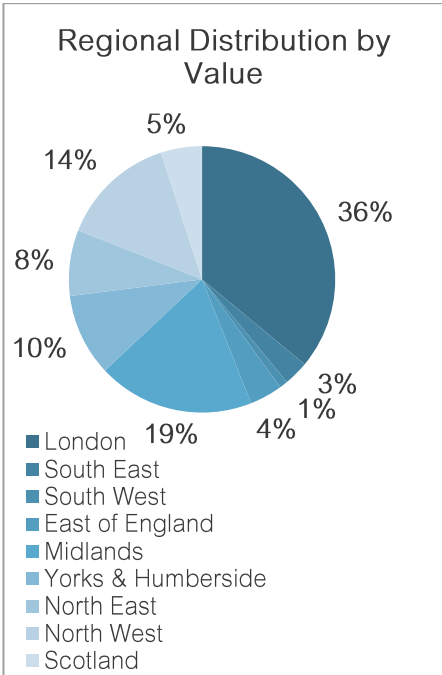
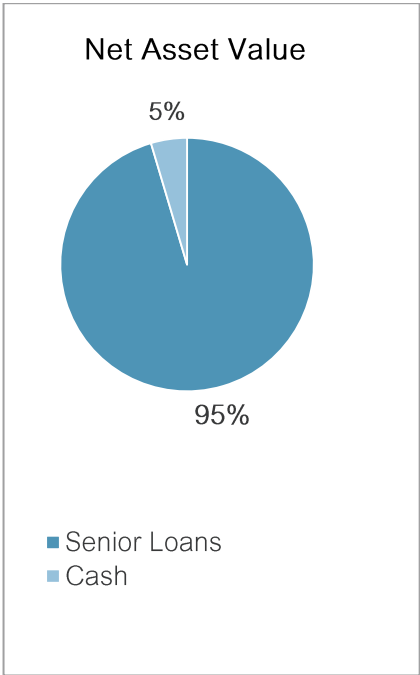
### Share Price v NAV (from IPO to 30 April 2014)



<sup>(1)</sup> For Quarter ending 31<sup>st</sup> January 2014

ICG-Longbow Senior Secured UK Property Debt Investments Ltd

Portfolio Composition as at 30 April 2014



**Investment Portfolio as at 30<sup>th</sup> April 2014**

Transaction	Region	Sector	Term start	Unexp term (yrs)	Day 1 Balance (£ms)	Day 1 LTV (%)	Day 1 ICR (%)	Current Balance (£ms)	Current LTV (%)	Current ICR (%)
Mansion Student Fund	Midlands/ Scotland	Other (Student)	Jun-13	5.0	18.070	54.8	204	18.070	46.5	260
LM Real Estate <sup>(1)</sup>	North West	Industrial/ Distribution	Jul-13	4.5	14.200	59.3	193	14.200	59.4	166
Meadows RE Fund II	London	Retail	Sep-13	3.5	18.070	65.0	150	18.070	65.0	130
Northlands Portfolio	London	Mixed Use	Nov-13	4.4	7.200	61.7	192	7.200	61.8	188
Hulbert	Midlands	Industrial/ Distribution	Dec-13	4.5	6.565	65.0	168	6.565	65.0	168
Halcyon Ground Rents	National	Industrial/ Distribution	Dec-13	4.5	8.600	64.8	116	8.600	64.8	116
Cararra Ground Rents	North West	Regional Office	Dec-13	4.5	1.300	65.0	113	1.300	65.0	113
Raees	London	Mixed Use	Dec-13	4.5	13.250	65.0	122	13.250	64.6	122
Lanos(York)	Yorks & Humberside	Other(Hotel)	Mar-14	4.5	10.000	64.9	122	10.000	61.1	120
Ramada Gateshead	North East	Other (Hotel)	Apr-14	4.8	7.983	64.4	180	7.983	64.4	188
<b>Total</b>				<b>4.4</b>	<b>105.238</b>	<b>62.2</b>	<b>162</b>	<b>105.238</b>	<b>60.4</b>	<b>165</b>

(1) £0.9million repayment received subsequent to period end

## ICG-Longbow Senior Secured UK Property Debt Investments Ltd

### Investment Manager's Commentary

**Market:**

The UK Property market has seen a return to capital growth buoyed by a broad spread economic recovery which has improved investor confidence over occupational demand and rental outlooks, particularly given the lack of new supply. This renewed confidence has seen the increase in capital values spread out from London with institutional and private equity buyers now being attracted back to the regions and stock remaining in relatively short supply. The IPD quarterly index showed 13.3% total return over the past year, with capital growth in Q1 2014 at 2.2%

Since the Company's IPO in February 2013 we have seen the return of a functioning debt market, particularly over the last six months. However it is a multi-faceted one, with the clearing banks willing to support their core clients only, and the German and insurance based lenders aggressively pursuing large loans on central London and prime assets in competition with each other driving margins down to sub 2%. There has also been a noticeable increase in activity amongst the smaller regional lenders. Whilst some gaps in the market remain, particularly to finance non-core borrowers and assets with short income, the return of the banks and emergence of new lenders has resulted in improved access to debt and a modest increase in leverage ratios. Additionally, there has been a more marked lowering of margins, with senior debt finance now being available to most borrowers on stabilised assets at rates of 4-6% all in.

**Portfolio:**

During the quarter to 30 April 2014, the Company, through its subsidiary, completed two further loan investments, advancing £18.0m through the Lanos (York) and Ramada Gateshead loans, the second of which followed the placing of 3.6million shares raising £3.52million of new capital after costs. The two new investments take the total loan portfolio to £105.2 million representing 99% of the net capital raised.

Following the quarter end the Company received a partial repayment of £0.9million on the LM Real Estate loan. Following this repayment the weighted average coupon receivable by the Fund is 7.39% which taken together with arrangement fees received places the Company in a strong position to be able to deliver its stated return objective of paying a dividend of c.6.0 pence per annum.

The Investment Manager believes the Company's loan portfolio to be satisfactorily secured, given the senior secured position with a weighted exposure of 60.4% Loan to Value and a 165% Interest Coverage Ratio, together with the diversification of risk at portfolio level by sector and geography and at loan level through the exposure predominantly to multi-property or multi-tenanted security. All of the loans are fully compliant with the parameters set out in the Prospectus.

**Outlook:**

Property fundamentals continue to improve across the UK, underpinning the security and income flow for the company.

Based on the current outlook and barring unforeseen circumstances, the Directors would anticipate paying a fully covered dividend of 1.5 pence per share for the quarter ending 31<sup>st</sup> July 2014 and maintaining that level for the full period during which the company is substantially invested.

## Contacts

Investment Manager	Administrator, Designated Manager & Company Secretary	Corporate Broker
Longbow Real Estate Capital LLP	Heritage International Fund Managers Ltd	Investec Bank Plc
42 Wigmore Street	Heritage Hall, PO Box 225	2 Gresham Street
London, W1U 2RY	Le Marchant Street, St. Peter Port, Guernsey	London, EC2V 7QP
info@longbowrec.com	ICGLongbow@heritage.co.gg	david.anderson@investec.co.uk

## Disclaimer

The materials being provided to you are intended for informational purposes and convenient reference only and may not be relied upon for any purpose whatsoever.

This information is not intended to provide, and should not be relied upon for, accounting, legal, tax advice, investment recommendations or any other purpose. You should consult your tax, legal, accounting or other advisors about the issues discussed herein. Although information has been obtained from and is based upon sources that ICG-Longbow Senior Secured UK Property Debt Investments Limited ("LBOW"), Intermediate Capital Group plc ("ICG plc") and/or its affiliates (including, but not limited to, Longbow Real Estate Capital LLP ("ICG-Longbow"), or any member, director, employee or officer of each of the aforementioned (collectively, "LBOW, ICG and its Affiliates") consider reliable, we do not guarantee its accuracy and it may be incomplete or condensed.

These materials are not intended as an offer or solicitation with respect to the purchase or sale of any security or investment interest and may not be relied upon in evaluating the merits of investing in these securities or investment interests. These materials are not intended for distribution to, or use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation.

LBOW, ICG and its Affiliates each do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information, opinions or beliefs contained in this document (including information or opinions obtained from published sources prepared by parties other than LBOW, ICG and its Affiliates) contained herein, and nothing contained herein shall be relied upon as a promise or representation including, but not limited to, past or future performance.

LBOW, ICG and its Affiliates each exclude all liability and accept no responsibility for any loss (whether direct or indirect) in respect of any dispute or claim arising out of or in connection with this document, the information contained herein or its subject matter, except in respect of any fraudulent misrepresentation.

Any views expressed and any projections, forecasts or statements relating to expectations regarding future events, possible plans or proposals in this document represent LBOW's, ICG's, or ICG-Longbow's own assessment and interpretation of information available to it as at the date of this document. No representation is made or assurance given that such projections, forecasts or statements are correct or that these events, plans or proposals will be achieved. You must determine for yourself what reliance (if any) you should place on such projections, forecasts or statements and no liability is accepted by LBOW, ICG plc or ICG-Longbow (or any member of their respective groups, or any director, employee or officer of such companies) for any such projections, forecasts or statements.

These materials (including their contents) are confidential, being for use only by the persons to whom they are issued. Distribution of these materials to any person other than the person to whom this information was originally delivered and to such person's advisors is unauthorised and any reproduction of these materials, in whole or in part, or the disclosure of any of their contents, without the prior written consent of LBOW, ICG plc or ICG-Longbow is strictly prohibited.

This communication is limited to and directed to only those persons to whom it is issued. In the UK, it is directed only at professional clients, as defined by the Financial Conduct Authority, and those who are legally able to receive it in the

jurisdiction in which they are situated. Any other persons should not seek to rely upon the information contained herein. Collective investment schemes referred to herein are not regulated in the UK for the purposes of the UK's Financial Services and Markets Act 2000 and are not available to members of the general public in the UK.

LBOW is a registered closed-ended collective investment scheme incorporated as a non-cellular company limited by shares in Guernsey. LBOW is registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended (the "POI Law") and the Registered Collective Investment Scheme Rules 2008 (the "RCIS Rules") issued by the Guernsey Financial Services Commission.

A registered collective investment scheme is not permitted to be directly offered to the public in the Bailiwick of Guernsey (the "Bailiwick") but may be offered to regulated entities in Guernsey or offered to the public by entities appropriately licensed under the POI Law.

No information contained in this communication should be taken as constituting an offer to the public in the Bailiwick for the purposes of the Prospectus Rules 2008 issued by the Guernsey Financial Services Commission. This announcement is addressed to a restricted number of persons in the Bailiwick who are either (i) persons appropriately licensed under the POI Law; or (ii) persons licensed under the Insurance Business (Bailiwick of Guernsey) Law, 2002, the Banking Supervision (Bailiwick of Guernsey) Law, 1994, or the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc, (Bailiwick of Guernsey) Law, 2000.

ICG plc and ICG-Longbow are both authorised and regulated in the United Kingdom by the Financial Conduct Authority.