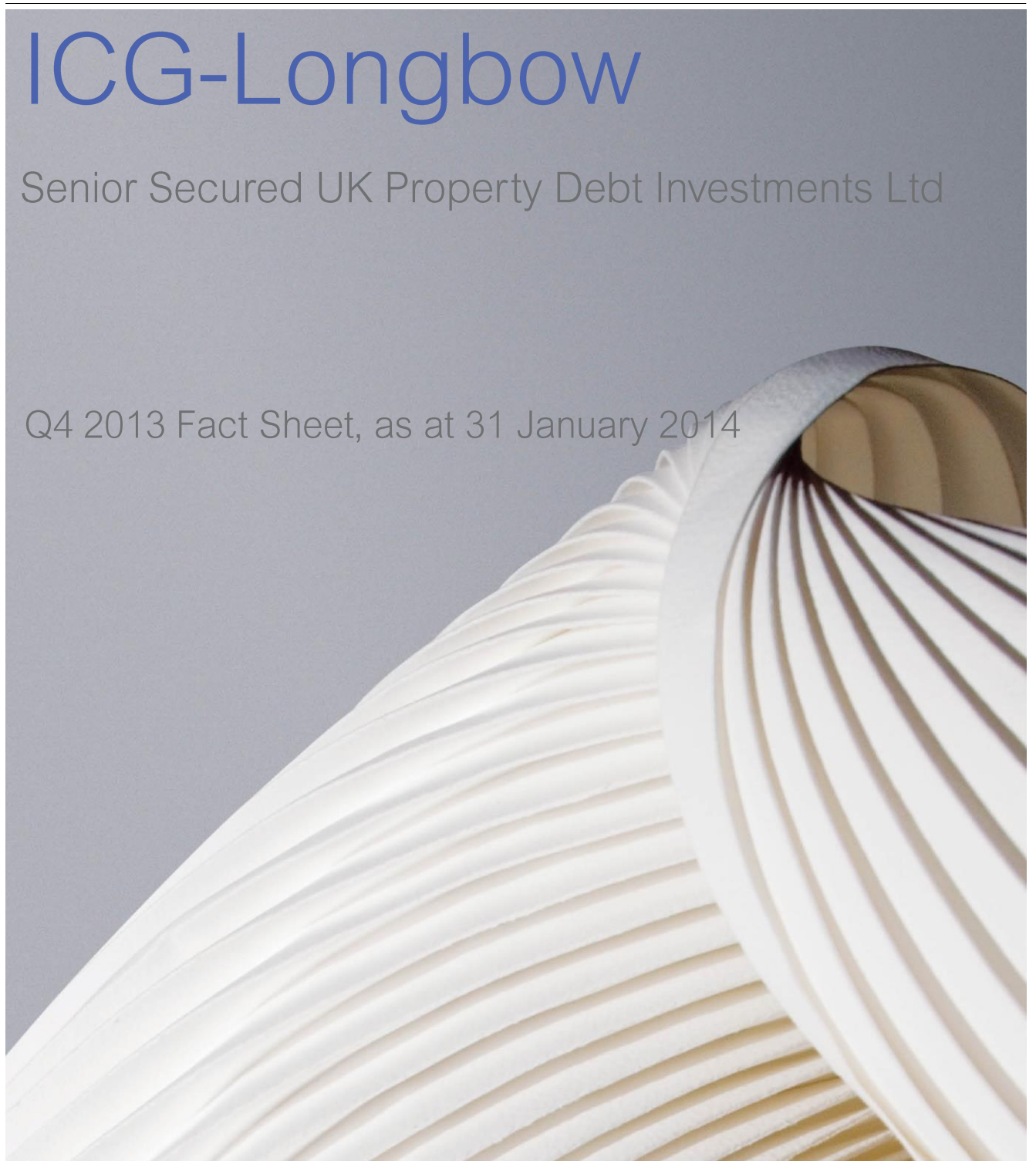


ICG-Longbow

Senior Secured UK Property Debt Investments Ltd

Q4 2013 Fact Sheet, as at 31 January 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 th 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: 104.62 Million	ISIN Code: GG0B8C23581
Management Fee: 1.0%	LSE Code: LBOW
	Website: www.lbow.co.uk

Share Price & NAV at 31 January 2014

Share Price (p)	103.75
NAV (p)	98.76
Premium/ (Discount)	5.05%
Market Cap.	£108.5m
Declared dividend (p) ⁽¹⁾	0.50
Dividend payment date	17/01/2014

Key Portfolio Statistics at 31 January 2014

Number of Investments:	8
Percentage Capital Investment:	85.1%
Weighted average coupon:	7.28%
Weighted Avg. projected total return:	8.29%
Weighted Avg. LTV:	61.66%
Weighted Avg. interest coverage ratio:	165%

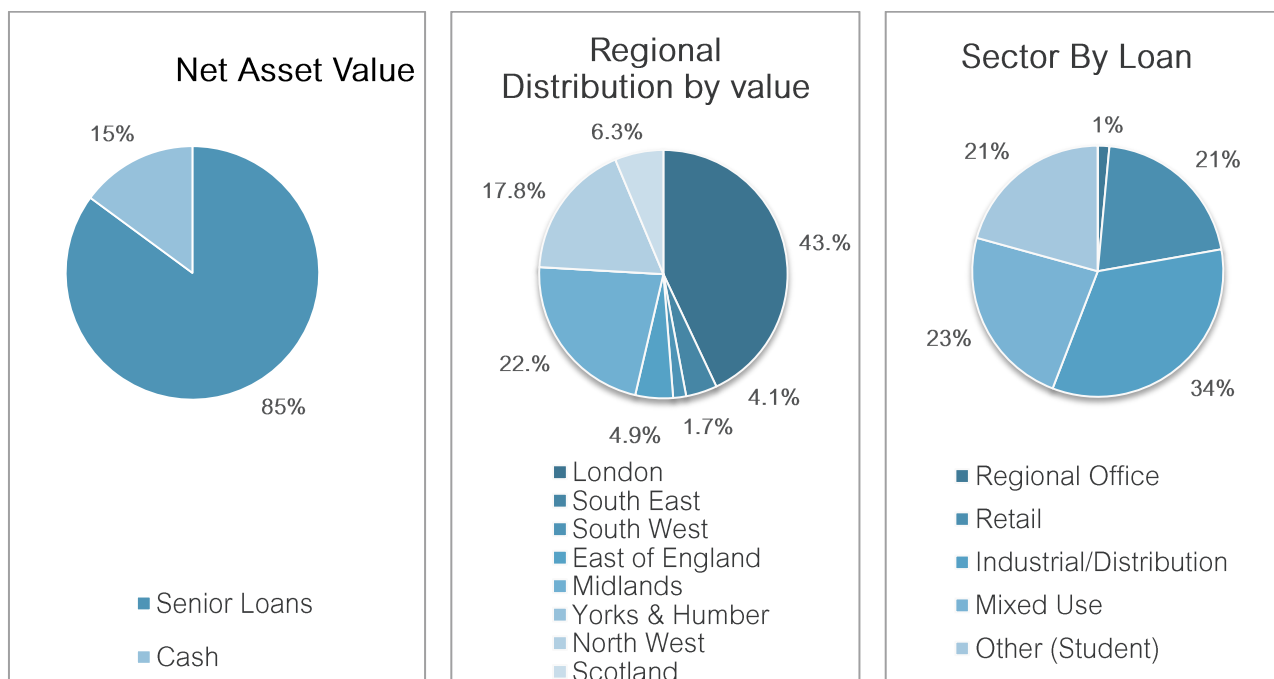
Share Price v NAV (from IPO to 31 January 2014)



⁽¹⁾ For quarter ending 31 October 2013

ICG-Longbow Senior Secured UK Property Debt Investments Ltd

Portfolio Composition as at 31 January 2014



Investment Portfolio as at 31st January 2014

Transaction	Region	Sector	Amount (£ms)	Initial Term (yrs)	Entry LTV (%)	Entry ICR (%)
Mansion Student Fund	Scotland/ Midlands	Other (Student Accommodation)	18.070	6.0	54.76	204
LM Real Estate	North West	Industrial/ Distribution	14.200	5.5	59.34	193
Meadows Real Estate Fund II	London	Retail	18.070	4.5	65.00	150
Northlands Portfolio	London	Mixed Use	7.200	5.0	61.70	192
Hulbert	Midlands	Industrial/ Distribution	6.565	5.0	65.00	168
Halcyon Ground Rents	National	Industrial/ Distribution	8.600	5.0	64.84	116
Cararra Ground Rents	North West	Regional Office	1.300	5.0	65.00	113
Raees	London	Mixed Use	13.250	5.0	64.95	122
Total			87.255	5.18	61.66	165

ICG-Longbow Senior Secured UK Property Debt Investments Ltd

Investment Manager's Commentary

Market: 2013 witnessed the return of occupier demand in key regional cities, distribution hubs and regional shopping centres. According to the Jones Lang Lasalle UK Property Index, over 2013 positive rental growth of 3.0% and 1.1% was recorded for offices and industrials, respectively, whilst retail recorded negative growth of -1.1%. Capital growth returned to the UK property market from Q2 2013 but the rate of growth accelerated as the year progressed, with the IPD UK Quarterly Index recording capital growth 0.4% and 1.3% and 2.9% in Qs 2, 3 and 4, respectively. Following negative capital growth in Q1 2013, the full year IPD UK Quarterly Index ended 4.2% higher in terms of capital values, whilst total returns of 10.5% were recorded.

In the property debt market, activity levels across the UK commercial property finance market increased in the final quarter of 2013, with a number of sizable senior transactions concluded over the year end. Whilst UK banks were represented in these transactions, the bulk of the finance was provided by large insurance companies or foreign banks, with the UK lenders focusing on their core mid-market client base. In all tiers of the market, we have witnessed increased supply of capital and a reduction in margins. However, we have not seen evidence of a material weakening of credit quality.

Portfolio: During the quarter to 31 Jan 2014, the Company, through its subsidiary, completed five further loan investments, advancing £36.9m through the £7.2m Northlands portfolio refinance, the £6.565m Hulbert industrial portfolio, the connected £8.6m Halcyon and £1.3m Cararra ground rent investments and the £13.25m London Raees portfolio. These transactions brought the Company's aggregate portfolio to £87.255m or 85% of available capital with a weighted coupon of 7.28% as at the Company's year end of 31 January 2014.

Following the year end a further two loan investments have been completed, the second of which was in part funded by the proceeds of the placing of £3.6m ordinary shares. Following these two transactions, 98.3% of available capital had been deployed in investments with a weighted coupon of 7.39% and a projected IRR of 8.41%. Details of the further investments are set out below:

Transaction	Region	Sector	Amount (£ms)	Term (yrs)	Entry LTV (%)	Entry ICR (%)
Lanos (York)	North West	Other (Hotel)	10.000	4.8	64.94	122
Ramada Gateshead	Yorks & Humberside	Other (Hotel)	7.983	5.0	64.38	180
Total/ weighted average			17.983	4.9	64.69	147
Portfolio total/ weighted average			104.338	5.15	62.18	159

The Investment Manager believes the Company's loan portfolio to be strongly secured, given the first and only charge with a weighted exposure of 62% Loan to value and a 159% Interest Coverage Ratio, together with the diversification of risk at portfolio level by sector and geography and at loan level through the exposure only to multi-property or multi-tenanted security. All of the loans are fully compliant with the parameters set out in the Prospectus.

Outlook:

Following completion of the five investments during the quarter and the final two loans following the period end, the Company's capital is now fully deployed, which strengthens the Company's ability to pay a quarterly dividend of 1.5p per share from the quarter ending 30 April 2014. ICG-Longbow believes that the Company's Investment Objective of constructing 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 has now been achieved. In line with its investment process, ICG-Longbow will monitor the portfolio's performance going forward, with the objective of ensuring that the risk profile does not increase, whilst seeking opportunities to increase returns.

Contacts

Investment Manager	Administrator, Designated Manager & Company Secretary	Corporate Broker
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