

## SUMMARY TERMS

Bloomberg: MONINCM:LN

LP: ISIN: GB00BG0R4B12 SEDOL: BG0R4B1

EUT (for SIPP or SSAS investment): ISIN: GB00B648C163 SEDOL: B648C16

**Investor return:** **8.5%** per annum in GBP paid quarterly (compounded return **8.775%**)  
or **6.5%** per annum in selected other currencies, including EUR, USD and JPY  
(compounded return **6.660%**)

**Return paid to investors:** Quarterly in arrears

**Investor liquidity:** Quarterly with minimum 2 months notice

**Assets of the Fund:** Short term loans against real estate, secured by registered first legal charge.  
The primary focus is on the London residential property market.

**Min investment:** £25,000 or equivalent in other currencies

**Max LTV of loan assets:** 75% (the historical average for the Fund has been less than 65% LTV exposure)

**Liquidity buffer:** Minimum 10% of the Fund

**Fund Inception:** February 2010 (3 year+ track record)



“THE COMBINATION OF A BOTTOMED-OUT PROPERTY MARKET, LOW INTEREST RATES, A WEAK POUND AND ILLIQUIDITY IN HIGH STREET BANKING HAS CREATED A HUGE MARKET FOR BRIDGING FINANCE”

‘Bridging specialist Montello launches property loan fund’ (24 February 2010)



“WITH ILLIQUIDITY IN THE CREDIT MARKETS THERE IS AN INCREASED DEMAND FOR BRIDGING FINANCE. THIS MARKET HAS THE POTENTIAL TO GENERATE SUPERIOR RISK-ADJUSTED RETURNS FOR INVESTORS.”

‘Like a bridge over troubled waters’ (29 November 2010)

## Investment Asset Class

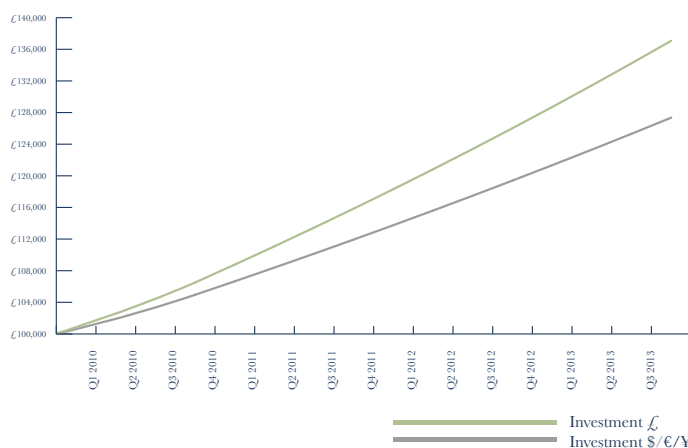
The Fund lends directly into short term real estate ‘bridging’ loans, secured by registered first charge against each property. The primary focus of the Fund is lending against London residential property, for a duration of no more than 12 months.

## Asset Manager

Montello Bridging Finance (Montello Capital Partners Limited (“Montello”)) is one of the leading real estate bridging financiers in the UK, and is the exclusive transaction advisor and asset manager for the Fund.

Montello has an extensive bridging loan referral network of professional practices (law firms, accountants and IFAs) and mortgage brokers. The average monthly deal-flow that Montello generates, is between £50-100m per month.

## Our track record



The fund has a 3 year+ track record. £100,000 invested at inception, would be £134,230 on October 1st, 2013 (with income compounded), representing a return of 34.23%.

The Fund is available through various platforms, including



## How investor returns will be achieved

The Fund lends directly to borrowers and charges an interest rate accordingly. The bridging finance interest rate charged by the Fund is usually between 0.75 and 1.5% per month.

## Duration of underlying loans

The loans have a maximum duration of 12 months, with an average of 6 to 7 months.

## Security leverage levels

The Fund lends against the relevant security property up to a maximum Loan To Value ratio ("LTV") of 75% of the current market value, for each and every loan.

The loans of the Fund are arranged as the loan amount (at a maximum LTV of 75%) less fees and the interest payable for the term of the relevant loan, so the effective exposure for the Fund for each loan is less than 75% of the value of the property. A reputable independent valuer is instructed to value each property that the Fund lends against. The average LTV exposure across the Fund is historically less than 65% on average.

The Fund, where necessary, also takes additional security for its loans (e.g. personal guarantees, fixed and floating charges against company assets etc).

## How we mitigate risk on our loans

Montello does extensive due diligence on each borrower (including obtaining credit reports, full company history for corporate borrowers and searches to confirm that there are no outstanding judgments against a borrower etc). Montello has access to the same fraud detection systems used by the mainstream banking industry.

## Assets independently valued & insured

Montello also obtains insurance against each loan which covers property title issues including security of title, fraud (by the borrower or solicitors) and negligence. Montello also obtains an independent valuation on each and every property that the fund lends against.

## Structure of the Fund

The Fund is structured as a dual Limited Partnership and Exempt Unit Trust. The Limited Partnership is open to individual investors, corporate entities, trustees and other investment vehicles such as off-shore bonds. The Exempt Unit Trust is open to UK SIPP and SSAS investors.

## Investor reporting

Investors in the Fund are sent a quarterly investor letter and a full report on the Fund annually.

## Who we are

Montello's directors come from top-tier backgrounds in law and property in the City:

**CHRISTIAN FAES** LLB (Hons)  
*ex-Clifford Chance, Deutsche Bank*

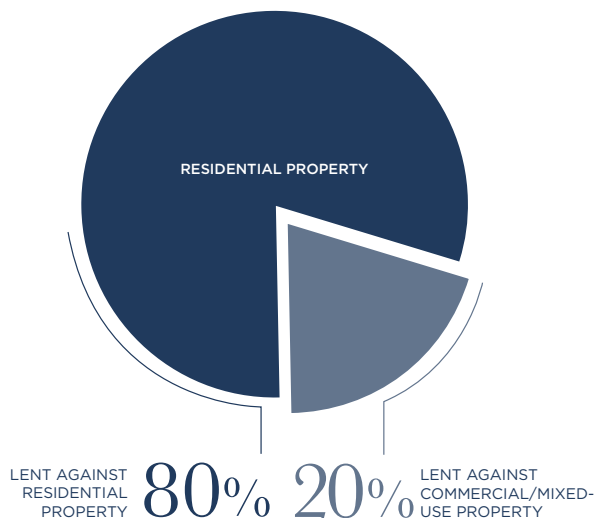
**IAN SUTHERLAND** LLB (Hons), LLM (Hons)  
*ex-Clifford Chance, WilmerHale*

**IAN THOMAS** BSc (Hons) MRICS  
*ex-SEGRO, Ballymore Property*

**RICHARD O'TOOLE** Montello Special Advisor  
*ex-MD Goldman Sachs; current board member Goldman Sachs Bank (Europe) plc*

## Advisors to the Fund

Asset Manager:	<b>Montello Capital Partners</b>
FCA Regulated Operator of the Fund:	<b>NCM Fund Services Limited</b>
Trustee of the Unit Trust:	<b>Vistra Trustees (UK) Limited</b>
Bankers:	<b>Adam &amp; Company plc</b>
Auditors:	<b>BDO LLP</b>



[www.montelloincomefund.com](http://www.montelloincomefund.com)