

# RAW Mortgage Fund

Loan Investments backed by UK Residential Property

**ROW**  
CAPITAL PARTNERS

## FUND OVERVIEW

The RAW Mortgage Fund, much like a traditional building society, originates Mortgage Backed Loans secured by a first legal charge against residential property. Property security is located primarily in London and the South East of England but retains the flexibility to take advantage of opportunities across the UK and Channel Islands.

The Fund benefits from the interest income generated by the loans. Capital security is provided via very conservative loan to valuation ratios, a first legal charge and rigorous credit assessment of each lending opportunity.

The Mortgage Backed Loans are originated, serviced and actively managed by RAW Capital Partners. All Mortgage Backed Loans are on the basis of floating interest rates. The Fund is suitable for Individuals, Family Offices, Pension Funds, Trustees, Companies, Institutional Investors and Charities.

## INVESTMENT OBJECTIVE

The investment objective of the Fund is to generate consistent, attractive, risk-adjusted returns, from the origination, execution, acquisition and servicing of a diversified portfolio of UK residential Mortgage Backed Loans.

## TARGET INVESTMENT RETURN

The aim of the Fund is to achieve a consistent four to five per cent per annum total return before fees. The target return assumes the Bank of England base rate is 0.75%. If UK interest rates increase, so will the returns to investors.

## INVESTMENT STRATEGY

The Fund identifies diversified, quality, low risk Mortgage Backed Lending opportunities by disintermediating traditional lenders. It provides significantly better diversification than typical peer-to-peer lending.

Risk is managed carefully via conservative lending standards, rigorous credit assessment and ongoing monitoring. The Fund does not lend against high value properties in London or elsewhere in the UK, nor does it lend against development properties or land.

## HOW THE FUND WORKS

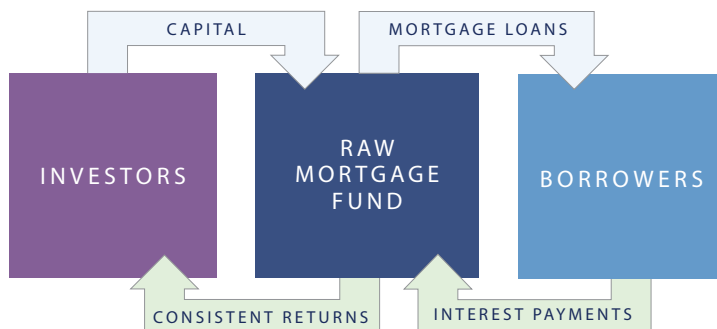
Mr Smith has a deposit for half the purchase price of an apartment in a major UK city that he wants to buy and let out. He borrows the other 50% of the purchase price of the property from the Fund, which takes security via a first legal charge over that property. Hence the borrower protects investors from the first 50% of any loss in capital value on an individual property.

Mr Smith pays mortgage interest to the Fund. Mr Smith owns the property and therefore is entitled to 100% of the upside/downside in any change to the property value, plus of course any net rental income arising from the property.

The Fund receives cash flows from borrowers (i.e: mortgage interest payments), plus income from cash and/or rated and listed Money Market Funds held to help with liquidity. Investors receive these returns minus investment management fees.

## DIRECTORS PERSONAL INVESTMENT

Directors of RAW Capital Partners are invested in the fund on the same terms as clients so every loan includes risk to their capital.



Target Gross Annualised Return

# 4.75%

## FEATURES AND BENEFITS



### Opportunity

The Fund offers investors the opportunity for consistent returns from Mortgage Backed Loans secured via a first charge against UK residential property. Loan to valuation ratios will be a maximum of 55% at a single dwelling level and 50% in aggregate at the Fund level.



### Growing Rental Demand

Demand by investors for buy-to-let property in the UK has grown in recent years and with it demand for Mortgage Loans.



### Robust Process

We apply robust lending discipline through a credit committee to ensure a rigorous human assessment of lending proposals which include review of an arms length professional property valuation by a RICS qualified valuer. Loans will only be made once all conditions are satisfied. We engage solicitors to check property Title, oversee execution of the loan and mortgage agreements and register the first charge to the Fund.



### Uncorrelated Investment Returns

By investing in a diversified pool of Mortgage Loans, backed by quality UK residential property, returns from the Fund are uncorrelated to normal investment strategies that focus on market directionality. It should provide very consistent returns.

The Fund focuses on high quality lending opportunities, all secured with a first charge, backed by UK residential property.

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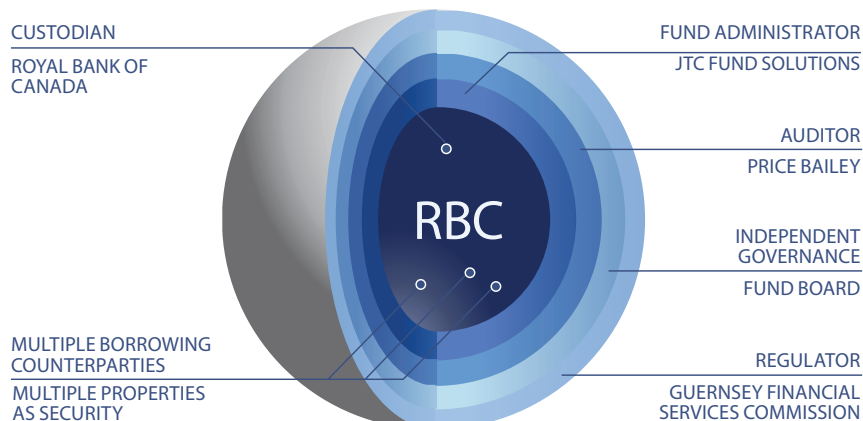
## Multiple Layers of Governance

All cash flows through Royal Bank of Canada (RBC) as Custodian to the Fund. Properties held as security cannot be sold without RBC's consent.

In addition to a first legal charge over the properties to which Mortgage Backed Loans relate being registered to the Fund, a restriction will be registered at the UK Land Registry (in respect of property in England and Wales) against the borrower's title to the relevant property in favour of RBC as custodian of the Fund.

The property cannot therefore be sold without RBC's consent. RBC will only consent to the sale of the property upon receipt of an undertaking from the seller's solicitors to transfer the outstanding balance of the mortgage, plus any fees and interest due, from the sale of the property into an account controlled by RBC.

Repayments of loans will be returned to a designated account in the Fund's name at RBC.



### KEY FACTS

Name RAW Mortgage Fund	Inception Date May 2015
Investment Manager RAW Capital Partners Limited	Fund Domicile Guernsey
Target Gross Annualised Total Return 4.75%	Subscriptions Monthly
Currency Classes GBP, AUD	Redemptions 90 day or 180 day notice
Accumulation / Income Both Accumulation and Income	Auditor Price Bailey, Guernsey
Legal (Guernsey) Bedell Cristin Guernsey Partnership	Administration JTC Fund Solutions (Guernsey) Limited
Custody Royal Bank of Canada (Channel Islands) Limited	Fund Managers Tim Parkes, Richard Avery-Wright
Prime Broker ADM Investor Services International, London	

### MANAGEMENT FEES & CHARGES

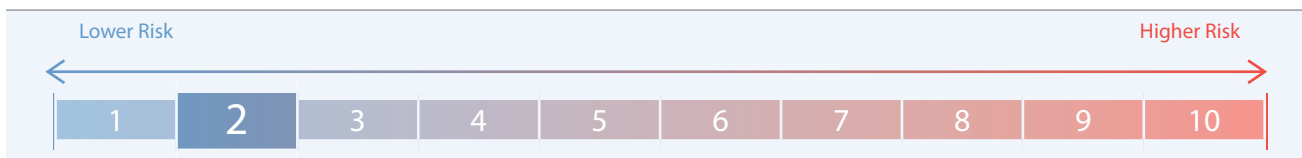
The Investment Manager will charge a single transparent management fee in each share class. The Manager will bear the cost of Administration, Custody, Audit and Directors.

Further details of these management fees and transactional fees are included in the Scheme and Supplemental Particulars for the Fund.

### CORPORATE GOVERNANCE

Assets are held in the name of the Fund and are under the control of its Custodian. The Fund is domiciled in Guernsey and oversight of the Fund is provided by an independent board of directors. RAW Capital Partners Limited is regulated under the Protection of Investor legislation by the Guernsey Financial Services Commission.

### EXPECTED RISK PROFILE



This rating is designed to help investors understand the uncertainties both for loss and for growth that may affect their investment. It is classified in the category indicated above due to its expected behavior. The lowest category does not mean a risk free investment. Estimated by RAW Capital Partners, this is not linked to any recognised process.

### FUND FEES AND EXPENSES

Details of all fees and expenses associated with running the RAW Mortgage Fund can be found in the Scheme and Supplemental Particulars of the Fund.

### FUND STRUCTURE AND WARNINGS

The Fund is a cell of RAW Alpha PCC Limited, a protected cell company registered with limited liability in Guernsey on 10 December 2012 having registration number 55993. The Fund is authorised as an open ended Class B scheme by the Guernsey Financial Services Commission.

Target returns cannot be guaranteed and the value of an investment may go down as well as up. The information contained in this document does not constitute an offer to sell or a solicitation to buy an investment, nor should it be construed as investment advice. It is recommended that potential investors take appropriate tax and/or investment advice before making any investment.

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