



ROW
CAPITAL PARTNERS

RAW Mortgage Fund

**Loan Investments backed by UK
Residential Property**

2018

TABLE OF CONTENTS

KEY FACTS	03	PORTFOLIO SUMMARY	10
THE MANAGER	03	OUR TEAM	11
INVESTMENT STRATEGY	04	LEAD FUND MANAGER	11
INVESTMENT OBJECTIVE	04	STRUCTURE	12
PERFORMANCE	05	INVESTMENT TERMS	13
THE OPPORTUNITY	06		
HOW IT WORKS	07		
CORE PORTFOLIO	08		
LIQUIDITY PORTFOLIO	09		

KEY FACTS

FUND	RAW Mortgage Fund
MANAGER	RAW Capital Partners Limited
INCEPTION	May 2015
RETURN	4.50%+ (target gross annualised)
TERM	Longer term funds
LIQUIDITY	90 day notice, Quarterly dealing
REGULATOR	Guernsey Financial Services Commission

THE MANAGER

RAW Capital Partners is a boutique asset manager with Directors co-investing alongside investors. The firm is focused on producing better risk-adjusted returns for investors. RAW's Guernsey based team brings together more than 100 years combined experience in the financial markets. We welcome visits from our investors at anytime.



INVESTMENT STRATEGY

BRINGING INVESTORS & MORTGAGE BORROWERS TOGETHER

The RAW Mortgage Fund offers investors targeted gross annualised returns of 4.50% via exposure to loans secured over quality UK property (focused on London and the South East) at an LTV maximum of 55% on any single property. It provides **significantly better diversification** than typical peer-to-peer lending which has been emerging but is often one-to-one.

The fund offers investors a rewarding opportunity to achieve excellent rates on cash, providing **stable returns that are uncorrelated to other markets**. Rates are linked to the Bank of England base rate, so if UK interest rates increase, so will returns.

INVESTMENT OBJECTIVE

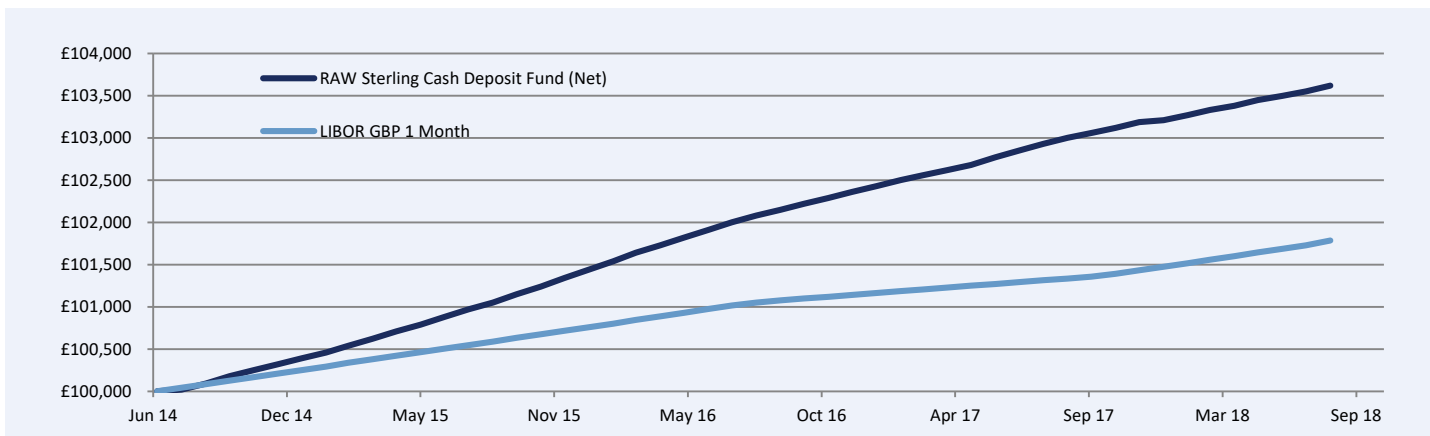
- Consistent, attractive, risk-adjusted returns from a diversified portfolio of UK residential mortgage backed loans.
- High level of capital security provided via conservative loan to valuation ratios and rigorous credit assessment of each lending opportunity.
- Active management by RAW Capital Partners with all loans on the basis of floating interest rates, providing a real return.
- Returns should rise broadly in line with BOE interest rate rises above 0.5%.
- Outperformance of the 3 Month LIBOR (interbank lending rate) benchmark.

PERFORMANCE

MONTHLY NET RETURNS (%) - INSTITUTIONAL A SHARE CLASS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2015						0.08	0.05	0.13	0.17	0.26	0.33	0.36	1.38
2016	0.32	0.29	0.35	0.36	0.35	0.35	0.35	0.34	0.35	0.34	0.34	0.35	4.17
2017	0.33	0.34	0.33	0.36	0.30	0.33	0.31	0.32	0.31	0.33	0.29	0.32	3.94
2018	0.32	0.35	0.31	0.31	0.31	0.33	0.33						2.27

Past performance is not necessarily a guide to future performance and may not be repeated. The information presented here does not constitute an offer to sell or a solicitation to buy investment interests.



THE OPPORTUNITY

LIKE A BUILDING SOCIETY - STRUCTURED FOR INVESTORS

The RAW Mortgage Fund brings investors with savings together with mortgage borrowers in much the same way a Building Society might do, but through a fund structure **where investors benefit from the majority of the return provided from borrowers.**

Changes in the mortgage lending market have created a significant opportunity. Buy-to-let investors and non-UK resident borrowers are often unable to obtain UK bank mortgage lending as they don't fit within preset criteria or capital constraints, even though in many cases these borrowers present a very low risk.

RAW has a definitive pipeline of lending opportunity and sees a significant 'refinancing' opportunity for existing, performing loans held with clearing banks through Trust Companies.

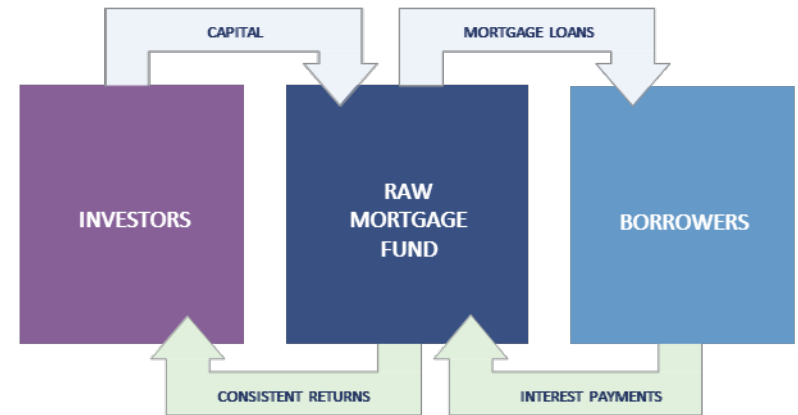
Quality estate agents and brokers in London have indicated a desire to recommend the RAW Mortgage Fund to assist with the large number of non-UK resident buyers and buy-to-let investors they are dealing with.

The overall market for this type of lending is huge, with around 40 billion new lending on buy-to-let property alone in the UK in 2016.

HOW IT WORKS

For example, ABC Trust, wants to invest in a London property, has cash for a deposit of half the purchase price of a London apartment that it wants to buy and let out. ABC Trust 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.**

ABC Trust pays mortgage interest to the Fund. The Fund investors receive the cash flows from all the Fund's borrowers (i.e. the borrowers mortgage interest payments), minus investment management fees.



CORE PORTFOLIO



MORTGAGE BACKED LOANS

The Fund invests the majority of its capital in a diversified portfolio of Mortgage Backed Loan Investments secured with a first legal charge on residential property in London, South East England and the Channel Islands.



FOCUS

The vast majority of loans will be secured on properties in core residential districts below a value of GBP 1 million. (High value properties that tend to have higher volatility will be avoided).

MAX. LOAN

GBP 2.5 million on any one property (value of 5m)

Current maximum £675,000

AVG LTV

Not greater than 50%

MAX. LTV

55% on any one property (based on independent, professional valuation at the time of lending)

DURATION

It is anticipated the typical loan term will be between 3 to 7 years. At least 75% of total loans by value will be for a term of 7 years or less. Principal is repaid at end of term or rolled into new shorter duration loans.

LIQUIDITY PORTFOLIO



CASH & ASSET BACKED INVESTMENTS

In order to maintain liquidity, the Fund will hold a proportion of the portfolio in more liquid assets including cash or near cash investments and liquid asset backed investments.



PORTFOLIO SUMMARY

Over 90% of the mortgages are secured against property in the London area on modern apartments that are easily let to tenants. We continue to see plenty of good quality lending opportunities that will allow the Fund to grow progressively.

The Fund has lent largely against modern one and two bedroom apartments, in areas a short commute from central London, that are easily and quickly let to tenants by their owners. London continues to prosper as a city and has a growing population. Properties are located in areas such as Wimbledon, Twickenham, Acton, Covent Garden, Canary Wharf and Woolwich.

Institutional A Share Class

PORTFOLIO DATA

	Portfolio
Gross Fund Return**	4.40%
Net Fund Return**	3.90%
Number of Mortgage Backed Loans	139
Value of Mortgage Backed Loans Funded	£26.9 million
Value of Security Held	£59.7 million
Loan to Value Ratio	45.09%
Average Mortgage Backed Loan Value	£194,000

**Annual - Equal to an aggregate of the previous 12 months performance including the effects of compounding

Portfolio Data correct 1st January 2018. London property provides low risk, particularly at our LTV ratio. From 1995-2016 London prices have risen 498.6%. The largest single drawdown during this time was 36% (at the outset of the 2008 financial crisis).



OUR TEAM



TIM PARKES

Director



RICHARD AVERY-WRIGHT

Chief Executive & Co-founder



LISA CRUYWAGEN

Head of Operations



DAVID FITCH

Non-Executive Director

LEAD FUND MANAGER

TIM PARKES

Tim began his career at Cheltenham and Gloucester Building Society where he was Product Manager for Mortgages and subsequently, as Head of Mortgages, led Barclays thrust in to the UK residential lending; building market share from less than 1% to more than 5% in early 90's. During this time he directed a project building a centralised processing business which employed more than 800 people, developed new specialist customer facing roles across the branch network and worked closely with treasury colleagues in the hedging and securitisation of loans.

Tim was MD of Barclays international banking for 5 years developing substantial mortgage lending on London property.

Tim has been a director of a multi-jurisdictional fiduciary, fund administration and pensions business for 6 years and director of a number of property related businesses including two property funds, one now listed on AIM, and a significant London redevelopment including high end residential apartments.

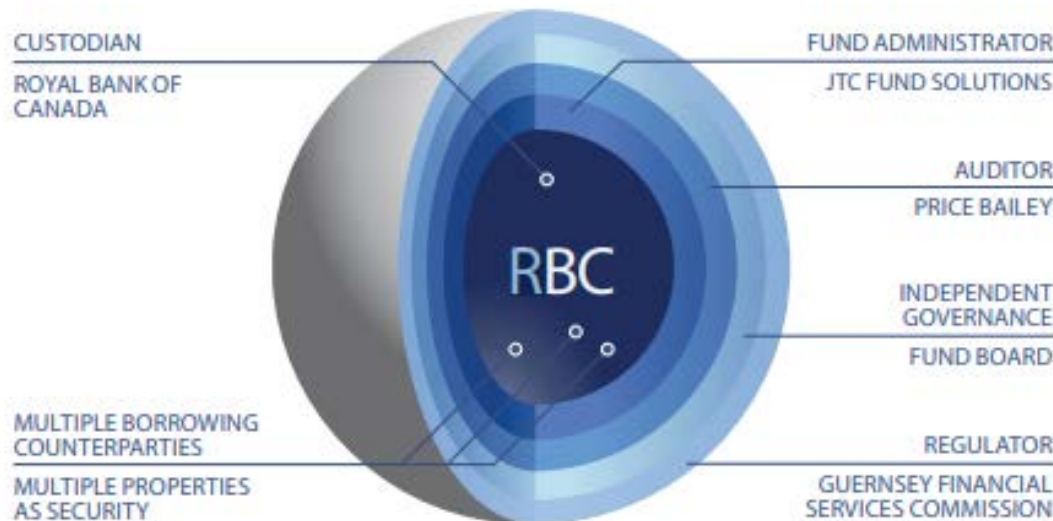
Tim holds a BSc (Hons) in Geography and Geology, majoring in Economic and Retail Geography, a Diploma in Marketing and the Institute of Directors Diploma in Company Direction. He is a member of the IoD and a Guernsey resident. **Tim is invested in the RAW Mortgage Fund.**

STRUCTURE

Properties held as security cannot be sold without Royal Bank of Canada's (RBC's) consent. In addition to a first legal charge over the properties, a restriction is registered at the UK Land Registry against the borrower's title to the relevant property in favour of RBC as custodian of the RAW Mortgage Fund.

ROBUST PROCESS

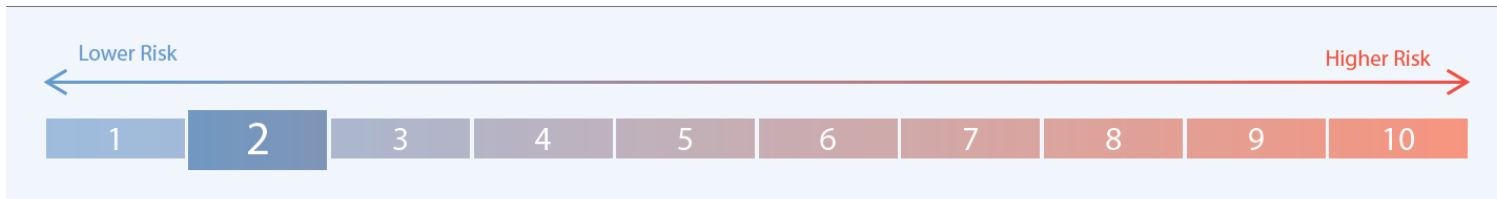
RAW Capital Partners originate all the mortgage loans for the Fund, which means we consider each lending application, assess borrowers, review property proposed as security, commission independent valuations through RICS qualified valuers and make final decisions on whether the on whether the Fund should lend.



INVESTMENT TERMS

RAW MORTGAGE FUND					
Share Class	Minimum Investment	Service Provision Fee	Performance Fee	Performance Hurdle	Total Ongoing Charge
Wholesale Accumulation Shares	£10,000	1.00%	20%	4.50%	1.00%
Wholesale Income Shares	£10,000	1.00%	20%	4.50%	1.00%
Wholesale Plus Accumulation Shares	£25,000	1.25%	20%	4.50%	1.25%
Wholesale Plus Income Shares	£25,000	1.25%	20%	4.50%	1.25%
Institutional Accumulation Shares	£5,000,000	0.50%	20%	4.50%	0.50%
Institutional Income Shares	£5,000,000	0.50%	20%	4.50%	0.50%

EXPECTED RISK PROFILE



The Service Provision Fee covers all aspects of operating each of the RAW Capital Partners Fund's during the year, including Investment Management, Fund Administration, Custody and the Independent Oversight Function, and is deducted from the assets of each Fund as applicable. The Service Provision Fee excludes any performance fees, where applicable, and the costs associated with buying and selling assets for each Fund.

Past performance is not necessarily a guide to future performance and may not be repeated. Target returns cannot be guaranteed and the value of an investment may go down as well 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 professional tax and / or investment advice before making any investment.

Latest News

[RAW Capital Partners are delighted to welcome new shareholders into the Company.](#)

A group of investors, led by Capricorn Capital Partners (**Capricorn**), have acquired a meaningful equity stake in RAW Capital Partners (**RAW**). Capricorn has its roots in Hollard Insurance, the largest privately-owned insurance group in Southern Africa.

Capricorn focuses on private equity investments in the financial services sector, including asset advisory businesses. Capricorn acts as an investment advisor to various international insurance companies within its broader group.

As part of this transaction, RAW has also secured an initial multi-million pound investment commitment in both the RAW Mortgage Fund and the RAW Sterling Cash Deposit Fund from insurance-based clients advised by Capricorn.