

June 2022

# RAW Mortgage Fund

Attractive and consistent returns backed by UK property

**ROW**  
CAPITAL PARTNERS

## ATTRACTIVE & CONSISTENT RETURNS

The RAW Mortgage Fund ("the Fund") is a specialist mortgage lending fund whose investment objective is to provide an attractive and consistent level of dividend income or capital growth along with a high level of capital security.

## MUCH LIKE A BUILDING SOCIETY

Much like a traditional building society, the Fund originates mortgage loans secured by a first legal charge against residential property.

The Fund benefits from the interest income generated by the loans. Capital security is provided via very conservative loan to valuation ratios, set at a maximum 55% Loan to Value across the portfolio, with a first legal charge on the property, and rigorous credit assessment of each lending opportunity.

The mortgage loans are originated, executed and serviced by RAW Capital Partners ("the investment Manager")

## LOW-RISK LENDING

RAW Capital Partners identifies low-risk mortgage lending opportunities on quality residential property located in major towns and cities in the British Isles, which are more easily let and more easily sold, even during economic downturns.

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.

## OUR COMMITMENT TO YOU

The aim of the Fund is to achieve a consistent gross return of four to five per cent per annum above the Bank of England Base Rate. At the time of writing, the Base Rate was 1.25%. The vast majority of lending is variable rate, so if the Base Rate rises so do returns to investors.

## CORPORATE GOVERNANCE

Oversight of the Fund is provided by an independent board of directors. Assets held in the name of the Fund are under the control of its Custodian, whose duty it is to ensure that the scheme is properly managed.

## NEXT 12 MONTHS TARGET ANNUALISED RETURNS

**5.00%**

INSTITUTIONAL A SHARES

**4.50%**

WHOLESALE A SHARES

**4.00%**

MONTHLY DEALING A SHARES

## FEATURES AND BENEFITS

### Better returns than bank deposits

The Fund has provided very consistent returns to investors, provided from the interest payable on mortgage loans, since its launch in May 2015.

### Robust risk management

Risk is managed carefully via conservative lending standards, rigorous credit assessment and ongoing monitoring.

### Fee transparency

We charge a single, transparent management fee to investors. The Fund bears the cost of the Fund's Administration, Custody, Audit and Directors which equates to c0.13%.

### High level of capital security

Capital security is provided by very conservative loan to valuation ratios, a first legal charge on residential property, and careful consideration by an experienced Credit Committee.

### Alignment of interest

Directors and shareholders of RAW Capital Partners are invested in the Fund on the same terms as its clients so their interests are aligned.

### Investment options from 35 days notice

Invest as little as £10,000 with as short as 35 days notice to redeem investment.

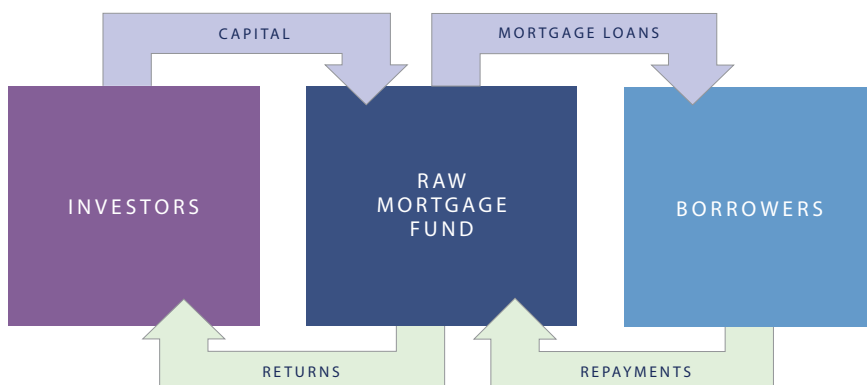
## HOW THE FUND WORKS

Mr Smith has a deposit equal to half the purchase price of an apartment in a major UK city that he wants to buy to let. He borrows the other half of the purchase price of the property from the Fund.

The Fund receives mortgage interest payments from Mr Smith, plus income from other liquid assets held by the Fund, minus service provision fees (which are set out overleaf).

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

The Fund takes security via a first legal charge over the apartment. Investors are therefore protected from the first 50% of any loss in capital value of the apartment in the event of default.



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## SUMMARY OF BENEFITS AND RISKS - PRIVATE INVESTORS SHOULD READ THESE CAREFULLY

### BENEFITS

Consistent investment performance and returns for investors from a well-established investment strategy.

Low volatility. The value of the Fund does not fluctuate up and down like the stock market or many equity-based investments.

Strong protection for your capital from underlying loans secured against residential property in the British Isles, the Fund has a first legal charge in each case.

The Fund lends against residential property, much like a building society, at low loan to valuation ratios with a maximum of 55% loan to value on a single property resulting in a portfolio of loans with strong downside protection.

Property values would need to fall very significantly before there was a major negative impact on the capital value of the Fund.

Directors' of the Investment Manager and its shareholders are significant investors in the Fund.

All properties are valued independently by a hand-picked panel of RICS qualified valuers. Solicitors are used to complete transactions and security checks.

All loans made by the Fund are carefully considered by an experienced Credit Committee.

This summary is based on performance of the Fund to date and the Investment Manager's reasonable expectations of future performance. Detailed information is available in the Fund's Scheme and Supplemental Particulars. If in doubt, you should consult a financial adviser.

### RISKS

Depending on the Share Class you choose, a minimum of 35, 90 or 180 days' written notice of withdrawal is required to access your capital.

Redemption proceeds are only available after independent calculations of the Fund valuation have been completed, checked and agreed. Usually this process takes approximately 10 working days of a calendar quarter end.

Any investment in the Fund is not protected by the Guernsey Banking Compensation Scheme.

The Fund makes mortgage loans secured against residential property, much like a building society. These loans are each typically for 5 years. Therefore, there is a possibility that investors might have to wait longer for redemptions than the specified notice period.

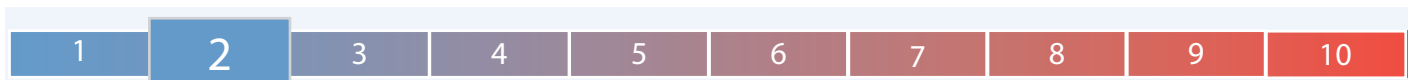
If there was a very significant decline in UK house prices, the capital value of the Fund could be impacted. This may result in losses for investors.

There are no guarantees that the historic performance of the Fund can be repeated in the future.

Professional counterparties, such as valuers and solicitors, can make mistakes (however, we do check their professional insurance cover thoroughly).

Not all risks can be foreseen and so there are other potential risks that may impact the performance of the Fund and the value of your investment.

### 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 behaviour. The lowest category does not mean a risk-free investment.

### SHARE CLASSES

Share class	Next 12 months target net return	Last 12 months actual net return	Minimum investment	Maximum investment	Ongoing charges figure
Monthly Dealing	4.00%	3.65%	£10,000	£100,000	1.70%
Wholesale	4.50%	4.18%	£10,000	£5,000,000	1.20%
Institutional	5.00%	4.71%	£2,500,000	By discussion	0.69%

The Investment Manager charges a single, transparent management fee in relation to each share class. The Fund bears the cost of the Fund's Administration, Custody, Audit and Directors. Further detail of these and other fees are included in the Scheme and Supplemental Particulars for the Fund. Net returns are quoted on an annualised basis after fees.

### REDEMPTIONS

Share Class	Redemption notice required	Redemption dealing days on first business day of:	Settlement Normally Within:
Monthly Dealing	35 calendar days	Each Month	+10 business days
Wholesale	90 calendar days	January, April, July and October	+10 business days
Institutional	180 calendar days	January, April July and October	+10 business days

All Redemption requests must be received by midday (12:00) GMT

Neither the Investment Manager nor the Fund are deposit taking institutions. Any investment in the Fund is not covered by the Guernsey Banking Deposit Compensation Scheme. Investors should read the RAW Alpha PCC Limited Scheme Particulars and RAW Mortgage Fund Supplemental Particulars before they invest.

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

The Investment Manager is licensed and regulated by the Guernsey Financial Services Commission (GFSC) having reference number 2101792. 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 GFSC with reference number 2103625.

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# Latest Fund Performance Data



CURRENT SHARE PRICE: INSTITUTIONAL A SHARE CLASS 1.3256

## MONTHLY NET RETURNS (%) - INSTITUTIONAL A SHARE CLASS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2018	0.32	0.35	0.31	0.31	0.31	0.33	0.33	0.36	0.35	0.34	0.33	0.35	4.05
2019	0.35	0.31	0.34	0.33	0.33	0.30	0.33	0.35	0.38	0.38	0.38	0.38	4.24
2020	0.37	0.39	0.38	0.35	0.35	0.36	0.35	0.37	0.36	0.36	0.34	0.36	4.43
2021	0.36	0.37	0.36	0.36	0.36	0.36	0.38	0.38	0.37	0.38	0.37	0.38	4.53
2022	0.38	0.39	0.39	0.40	0.42								2.00

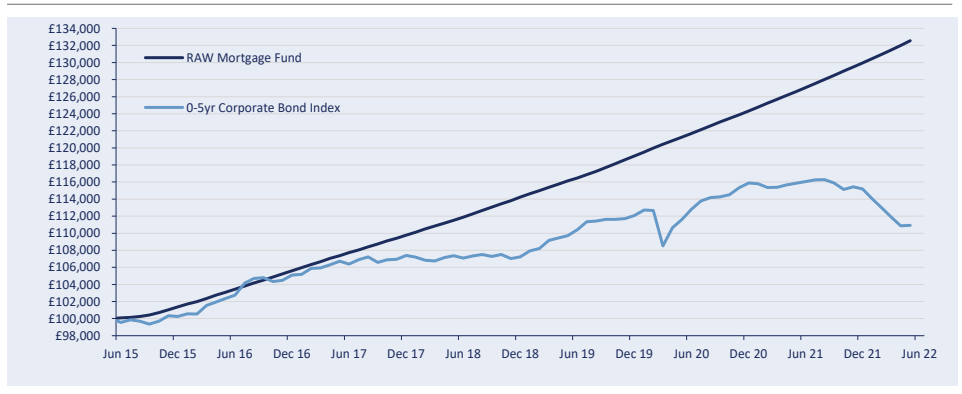
Past performance is not necessarily a guide to future performance and may not be repeated.

## MONTHLY PERFORMANCE

Period	Fund	Benchmark*	Relative
Month	0.42%	0.05%	Better
YTD	2.00%	-3.70%	Better
Since Inception	32.56%	10.92%	Better
Best Month - prev. 3 years	0.42%	1.97%	Worse
Worst Month - prev. 3 years	0.33%	-3.69%	Better
Positive Months	100%	70.59%	Better

\*Benchmark = 0-5yr Corporate Bond Index

## VALUE OF £100,000 INVESTED SINCE INCEPTION



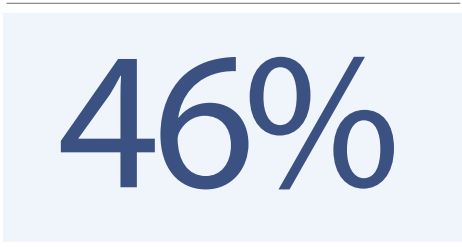
<sup>1</sup>Launch date 26 May 2015  
Past performance is not necessarily a guide to future performance and may not be repeated.

## PORTFOLIO DATA

	Portfolio
Gross Fund Return**	5.21%
Net Fund Return**	4.71%
Number of Mortgage Backed Loans	534
Value of Mortgage Backed Loans Funded	£115.6 million
Value of Security Held	£249.4 million
Loan to Value Ratio	46.4%
Average Mortgage Backed Loan Value	£217,000
Fund AUM	£114.7 million

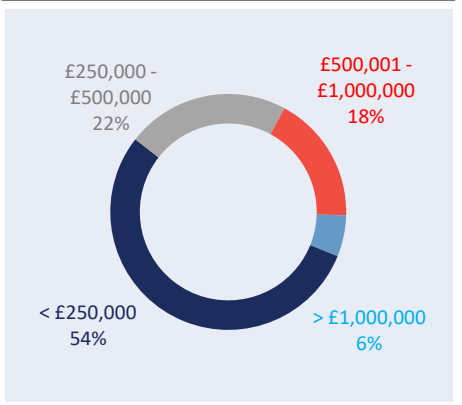
\*\* Annual- Equal to an aggregate of the previous 12 month performance including the effects of compounding

## AVERAGE LOAN TO VALUATION RATIO



ALL LOANS BACKED BY A FIRST LEGAL CHARGE

## ASSET ALLOCATION BY LOAN VALUE



## LOAN VALUE BY GEOGRAPHY

