

# The ThinCats Bond for Business

## Series1



### FACT SHEET

#### SIZE

Up to £1m

#### CLOSING DATE

31<sup>st</sup> March 2012, or earlier if demand dictates

#### MINIMUM COMMITMENT

£5,000 and in multiples of £1,000 thereafter

#### REALISATIONS TO BOND PARTICIPANTS

On a monthly basis of capital and interest, to start once the initial loan has been made. Payments of interest, after deduction of tax (if applicable) and principal in line with the loan durations entered into by the Borrower companies. Bond fully lent within 12 months.

#### SIGNIFICANT RETURNS

Returns targeted > 9% gross interest pa

The risk of default by the Borrowers is lessened by thorough initial research and due diligence by BLN's network of Sponsors

The risk of loss is lessened by full security being mandated.

#### DIVERSIFIED PORTFOLIO

A portfolio of loans made to private companies. No loan to represent more than 7.5% of Bond commitment, and no loan made will represent more than 50% of the total loan advanced to a Borrower by the BLN.

#### FEES

Initial set up fee of 2.5% of commitment and 10% of the gross interest earned provided gross loan interest > 7.5%. All fees will be subject to VAT.

#### INNVOTEC LIMITED

FSA regulated; nearly 25 years of experience in funds management of unquoted securities. [www.innvotec.co.uk](http://www.innvotec.co.uk)

Providing the private investor with access to a portfolio of monthly decreasing, **Secured High Yield Loans** to private companies.

Innvotec Ltd "**Innvotec**" is pleased to introduce Series 1 of the ThinCats Bond for Business "**ThinCats Bond**", the first in a series of high yield investment product.

The ThinCats Bond will lend to a portfolio of worthy private companies, each having undergone extensive due diligence to establish its ability to repay the loan and meet monthly interest payments.

The ThinCats Bond will adopt the Business Loan Network (BLN) trading platform called Thincats.com which allows peer to peer lending, provides loan administration and oversees the security.

ThinCats.com is a sophisticated trading platform for those who are prepared to make loans to private companies. Monthly it calculates repayments and interest to be accounted for to each lender. The BLN brings together businesses seeking loans "The Borrower" with those prepared to bid to contribute to funding the loans-effectively a loan aggregation process with each Participant indicating his, her or its target rate of interest.

The ThinCats Bond is a logical progression, offering those with neither the time nor expertise to access the market via a "pooled fund".

Borrowers' loans are effectively bid for and bought at auction over the ThinCats.com platform.

The Borrowers' cost is a blended interest rate with each successful lender receiving a pre-stated rate of interest.

Loans are always secured.

The BLN identifies lending opportunities via a network of Sponsors. Each Sponsor is credit trained, usually an ex bank manager, and is responsible for arranging security and the continual monitoring of the Borrowers' performance.

Innvotec has a long term, exclusive agreement with BLN to raise and manage a series of ThinCats Bonds.

Borrower Loans are typically from £100,000 upwards.

Interest rates to lenders on the existing loans made via the ThinCats trading platform range up to 15% and average 11%.

Loans are monthly amortising loans ie principal decreasing on a monthly basis, of up to five years duration. Monthly repayment of loan principal and interest reduces any possible loss due to default..

The ThinCats Bond offers those with surplus cash but neither time nor expertise, an opportunity to invest in a "pooled fund" thereby gaining access to an asset class previously available only to clearing banks.

Investors should think of a commitment to the Thincats Bond as a high fixed-interest, return seeking asset class which complements investment in quoted equities. The new component of a diversified portfolio.

The risk of exposure is strictly controlled. Maximum 7.5% of the Bond may be loaned to any single borrower and any commitment from the ThinCats Bond may represent no more than 50% of the entire loan received by the Borrower.

#### Example Loans

TGI Corporation. Finance for working capital to buy stock. Security provided on the company's assets. £250,000 over 36 months.

Tangibal Media Ltd. Finance for working capital to buy stock. Security provided on the company's assets. £180,000 over 36 months.

John Carr Motorcycles Ltd. Finance for working capital to buy a stock of second hand motor bikes. £75,000 over 36 months.

Homes Caring for Autism. Finance to enable completion of a new home. Secured on the property and assets of the company. £150,000 over 24 months.

#### Gross interest rates achieved

Actual interest rates achieved by lenders on the above loans are confidential to the borrower. On the above examples up to 13%.

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### For the Borrower

The ThinCats Bond for Business “the Bond” helps meet one of the main and most widely-publicised constraints to the growth of the UK and global economies - the absence of funding for growing private companies ie Small and Medium Sized Enterprises (SMEs).

The Fund will look to capitalise on traditional lenders seeming reluctance or inability through constraints to increase the quantum of lending to private companies and the SME sector.

The Fund is not a venture fund, its’ raison d’etre is as a lender to existing private companies with proven performance, a viable plan for growth and the ability to repay in a timely manner.

The lack of activity by conventional lenders leads to demand for loan finance outstripping supply and provides the Bond with the possibility of generating “attractive” interest rates on the loans made and the benefit is passed onto those prepared to commit.

Pioneering by the Business Loan Network “BLN” during 2011 has facilitated £2.7m of loans to nearly 20 companies and proven

- Demand from privately-held companies
- Interest and participation by the private investor in the concept of aggregating individual commitments into a significant-sized loan
- Ability to generate attractive interest rates
- Ability on the part of the Borrower to repay.

### For those prepared to commit

Wanting to stay partly liquid in difficult economic times but fed up of earning little interest on your cash then perhaps you should consider a commitment to the ThinCats Bonds for Business “the Bonds”.

The ThinCats Bonds provide access to an attractive new type of investment for those who do not have the time or experience to make their own lending decisions and prefer to let Innvotec Ltd, an FSA Regulated Fund Manager, undertake that work for them.

For those with the time and expertise to make such decisions, the ThinCats.com auction website together with detailed information on the Borrower Company is intended to offer the prospect of high returns. Lenders decide the amount they wish to invest and the interest they seek and bid to join what becomes a syndicate of lenders. Such direct lending does not need regulating and no investment advice is given.

The Business Loan Network is original in that it provides access to secured lending opportunities to established private businesses and participation in the ThinCats Bond provides an opportunity for a wide range of individuals and businesses to earn interest over a long term at rates that compare very favourably with any alternative.

Loans made are repayable over a maximum of five years together with interest earned on a monthly basis enabling Participants in the ThinCats Bonds to start receiving cash plus income once the first loan is completed.

### The ThinCats Bond Funds are ideal for an investor who;

- doesn't want cash tied up for a longish period
- likes the concept of high interest, secured loans into growing, private companies
- understands the role of the Sponsor to minimise risk but
- has neither the time nor expertise to make the loans directly.



If you are interested in knowing more please contact

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Innvotec Limited is authorised and regulated to carry on investment business in the UK by the FSA – Membership No. 122365. The Bond is designed for sophisticated investors and may not be suitable for you. You should seek independent advice from an appropriately qualified investment adviser authorised under the Financial Services and Markets Act 2000 before committing. There is no guarantee that the loans entered into by the Bond will be repaid in part or in full and that interest on such loans will be paid in part or in full, it is possible that you could lose some or all of your commitment. If you cannot afford to lose all of your commitment, you should not consider participation in the Bond. The Bond will lend on a secured basis to private companies which may carry higher risks than loans to quoted companies.

Recipients of this document who are considering committing to the Bond must only commit on the basis of the information contained in the Information Memorandum for the Bond. No reliance may be placed by any person for any purposes whatsoever on the information or opinions contained in this document or on its completeness. You must not rely on this document and must read the Information memorandum for the Bond before committing. Past performance is not an indicator of future results.