

## JCF SME Finance 8.5% bonds due Nov 2021

Credit Rating: 'A' / Investment Grade\*

### SME Lending

Financing small to medium sized enterprises (SMEs) was traditionally a core activity of banks prior to the global financial crisis. SMEs are the lifeblood of the economy\*\* and are the key to the successful economic growth in Britain. The SME sector's access to capital is therefore of paramount importance to both government and industry.

These investment grade bonds will provide a fixed annual income to investors by providing essential revolving credit facilities to SMEs in return for paying investors 8.50% per annum for a five year term. The business employs very strict underwriting criteria, where only 8/100 loans are approved. The segregated loan pool which is pledged to the trustee is heavily over-collateralised and the excess spread (i.e. the difference between the average APR across the book and the coupon paid on the bond) is sufficient.

A listed, freely transferable investment paying interest gross which can be held as a direct investment and may be eligible for investments by SIPPs, ISAs and Offshore Bonds. Repayment of principal and interest are made without deduction of tax. The bonds will be listed and are eligible assets under the Eligible Assets Directive and are transferable securities under UCITS rules. Although designed to be held to maturity, the bonds are available to be traded at any time throughout the term.

### About Just Cash Flow PLC

Just Cash Flow plc (JCF) is part of The Just Group plc. JCF offers a number of different finance solutions to UK SMEs to resolve short term funding issues around payroll, invoice financing, purchasing and secured short term lending. Founded in 2013, JCF has developed a specialised underwriting and credit monitoring system which allows the company to assess and provide funding more efficiently than traditional lenders. JCF has provided over £25m worth of loans to UK SMEs since inception. The Just Group are the first alternative finance business to be admitted to the British Bankers Association. The Chairman of the Board of the parent company is Sir Eric Peacock who was knighted in 2003 for services to international trade and is a non-executive director of UK Export Finance.

### Security Facts

**Issue Size**

£25,000,000

**Credit Rating**

A\*

**Status**

Senior Secured Debt under English Law

**Coupon / Term**

8.50% pa paid twice yearly / 5 year

**Security Trustee**

GRM Law Trustees Ltd

### Security Facts

**Listing**

Channel Islands / Frankfurt

**Liquidity**

Freely transferable

**Eligibility**

SIPP, ISA, UCITS

**Issue date**

14th November 2016

**Market Maker**

Yes

### Arranger



BEDFORD ROW CAPITAL ADVISERS

Bedford Row Capital Advisers is a corporate finance and advisory business, with a specific focus on financing businesses & projects via the origination and placement of listed, freely transferrable debt securities. Bedford Row Capital Advisers Limited is an Appointed Representative of Laven Advisors LLP which is Authorised and Regulated by the Financial Conduct Authority.

*"Small businesses are the backbone of Britain's economy and it is right we make every possible source of finance available to them"*

**Harriett Baldwin, the Economic Secretary to the Treasury**

\*\* "Small and medium businesses remain the lifeblood of the (UK) economy" - **The Times, May 2015**

### Dealing / Valuation

Daily: 9:00am - 5:00pm

Valuation: Weekly

Contact:

[dealing@eschermarwick.com](mailto:dealing@eschermarwick.com)

**Security Codes**

ISIN number: GB00BDH37892

SEDOL: BDH3789

Bloomberg: BRD BRCA <GO>

**Clearing / Settlement**

CREST, EUROCLEAR

CLEARSTREAM

### Ratings / Awards



A(sf)(ind)

Senior Secured Notes - Long Term (A(sf)(ind), with stable outlook)



# JCF SME Finance 8.5% Bonds due Nov 2021

|                       |  |
|-----------------------|--|
| Predictable Cash Flow | Fixed maturity by borrowers under revolving agreements provide ample cash flow to meet the obligations to investors over the five year investment.   |
| Stable Yield          | Repayments are secured through revolving credit debentures and additional guarantees from SME borrowers covers potential default risk.   |
| Management Expertise  | Just Cash Flow is one of the sector leaders and the first alternative commercial lender to be a Professional Associate Member of the British Banking Association.  |
| Fundamental Trends    | Banks continue to lose ground to alternative finance companies. Just Cash Flow is one of the market leaders and continues to expand its market share of SME lending.   |
| Risk Management       | Zero capital losses since inception, Just Cash Flow employs specialist proprietary technology, PropensityPlus, for efficient credit underwriting and monitoring as well as a highly experienced team with significant mortgage lending experience. |

## Industry recognition

The Just Loans Group have been recognised with a number of industry awards:

- Nominated in two categories for the **Business Moneyfacts Awards 2016**
- Highly Commended in the **Business Product Innovation of the Year Award 2016**: The BusinessPlus MasterCard from Just Cashflow
- Best Service from a Bridging Finance Provider: Just Bridging Loans plc
- Commended in the Business Product Innovation of the Year **Business Moneyfacts Awards 2015**
- Winner of Client Choice Award for Best Commercial Property Lender **Corporate Live Wire 2016 Finance Award**

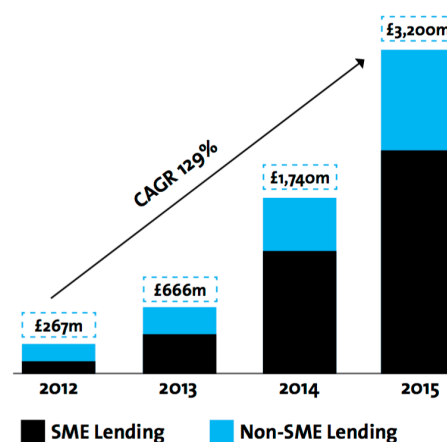
## Investment Characteristics

This is a fixed income investment that will have full security over a diversified pool of SME loans.

Some key facts related to the loans and lending criteria:

- First charge security over assets
- Security is over-collateralised
- Bonds rated as Investment Grade (A)\*
- Average loan size circa £30,000
- Responsible lender – only 8% of applications are approved, and all loans are asset-backed, resulting in **zero capital losses to date**
- Rules based and experienced underwriting systems allow responsible and capital protected lending to be made to deserving customers on a case by case basis
- All JCF lending is fully asset backed with borrowers and continually monitored for adverse risk alerts thus creating a low risk, high return product and service
- SME lending is an essential and fast growing aspect of the UK economy (see below)

### UK Alternative Lending Market Growth



Source: Just Cash Flow PLC

\* Rating completed by ARC Ratings SA - Full report available:

[http://www.arcratings.com/admin-uk/modulo\\_projects/ficheiros\\_projectos/20161222210930-1jcf\\_escher\\_marwick\\_plc\\_just\\_cash\\_flow\\_report\\_221216.pdf](http://www.arcratings.com/admin-uk/modulo_projects/ficheiros_projectos/20161222210930-1jcf_escher_marwick_plc_just_cash_flow_report_221216.pdf)