

LFP I SICAV-SIF S.A. (AIF) Montello Real Estate Opportunity Fund

Share Class C: USD  
February 2018

## Key terms

<b>Target net return</b>	6% per annum (Classes A-F)
<b>Liquidity</b>	Monthly with 30 days' notice (maximum 90 days cash settlement post NAV publication)
<b>Investment Advisor Fees</b>	1.95% AMC + 20% performance fee (target returns are net of these fees)

Income and capitalisation options available.

## Share Class A (GBP): Net Performance

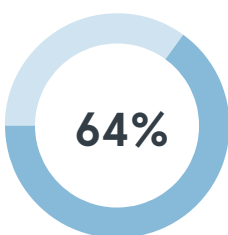
<b>2015</b>	<b>7.88%</b>
<b>2014</b>	<b>8.27%</b>

## Share Class C (USD): Net Performance (Hedged\*)

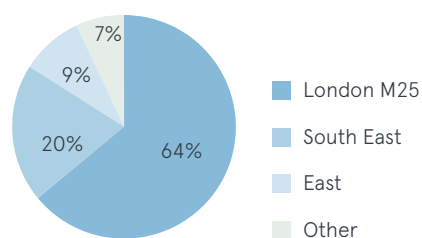
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2018</b>	0.49%	0.58%	-	-	-	-	-	-	-	-	-	-	<b>1.07%</b>
<b>2017</b>	0.69%	0.52%	0.50%	0.63%	0.53%	0.61%	0.55%	0.55%	0.54%	0.56%	0.50%	0.65%	<b>7.05%</b>
<b>2016</b>	0.59%	0.70%	0.62%	0.57%	0.66%	0.51%	0.56%	0.64%	0.50%	0.56%	0.53%	0.63%	<b>7.31%</b>

\*Hedged since December 2015

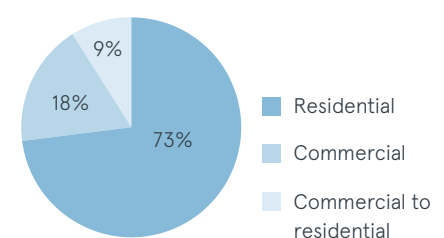
## Average LTV ratio



## Geographic split of loans



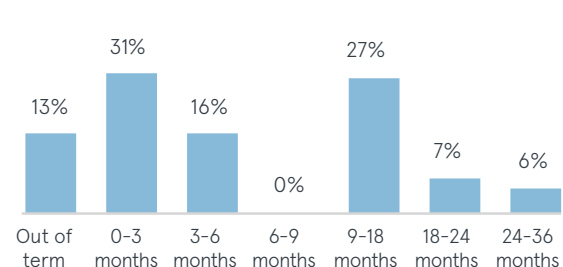
## Security property type



## Key figures

Firm AUM (including undrawn commitments):	£755m
Fund AUM:	£147m
Loan volume originated to-date (Investment advisor level):	£1.2bn
Loan volume originated to-date (Fund level):	£300m

## Investment maturity dates





			NAV Price	ISIN	BLOOMBERG
<b>Share Class C</b>	USD	Distribution	<b>1,010.70</b>	LU1004413735	LFPMREC LX
<b>Share class F</b>	USD	Accumulation	<b>1,192.51</b>	LU1004414030	LFPFUSD LX

## Portfolio and market update

The Royal Institution of Chartered Surveyors (RICS) reported last week that house prices were unchanged in February, but “huge swathes” of the country were showing “considerable resilience” according to RICS Chief Economist Simon Rubinsohn. Meanwhile, the Halifax Housing Price Index reported price growth of 1.8% in February. Resilience has been evidenced by a bounce back in mortgage approval figures – regarded as a forward indicator for purchases – from their 4-year low in January. Indeed, banks issued 11% more approvals for purchases in January compared with December, which is a positive indicator for the market. It remains to be seen whether Chancellor Philip Hammond’s Stamp Duty Land Tax reforms will spark additional transaction activity, but the Spring Statement reiterated the Government’s commitment to affordable housing and training initiatives, aimed at increasing productivity in the UK economy and the house building industry.

The Spring Statement was modest in general, but was upbeat on growth, revising up the forecast for GDP growth to 1.5% for 2018. After 2017’s growth beat expectations by 0.2%, this new forecast may be factoring in the effects of the final phase of the Brexit

negotiations this year. At the same time, however, strong domestic price pressures and higher inflation rates have resulted in subdued consumer confidence, a key driver of the UK economy that has supported growth in recent years. Finally, the Bank of England Monetary Policy Committee is meeting in May and it is widely expected to increase interest rates to curb inflation, which will have a knock-on effect on the UK housing and mortgage market.

Recent investments include:

- A bridge loan to assist with the purchase of a commercial property in North London. The borrower intends to apply for planning permission to convert the current building into 19 houses and 4 flats, and will look to exit the loan via a development facility.
- A development facility secured against a site in Brighton, South East England. The borrower is in the process of developing 25 units on the site, and will exit the facility via the sale of the units on completion.

## Fund overview

The Fund offers investors the opportunity to participate in a diverse pool of real estate-backed loans originated directly by LendInvest. The Fund aims to deliver a sustainable income yield to its investors, with low volatility and correlation to most asset classes. The Fund provides finance to real estate investment and development companies with a proven track record of value creation through active asset management.

All loans are real estate-backed, providing investors with significant downside protection. The security package backing loans includes registered legal charge over real estate, in addition to fixed and floating charges over borrower companies and personal guarantees from directors where appropriate.

## Advisors to the fund

Investment Advisor - LendInvest Capital Advisors Limited	Fund Administrator and Transfer Agent - European Funds Administration (EFA)
Alternative Investment Fund Manager - Alter Domus Management Company SA	Fund Auditor - PwC
Fund Distribution - Alter Domus Management Company SA	Depository Bank & Paying Agent - KBL European Private Bank

## Investment advisor overview

LendInvest Capital is the investment advisory and funds management arm of LendInvest. LendInvest was established in 2008 and provides specialist finance to property investment and development companies and access to investments in secured property loans. The operations, origination and underwriting capability of LendInvest have been analysed and rated by ARC Ratings in each year since 2015. ARC is a European credit rating agency registered with the European Securities and Markets Authority (ESMA). LendInvest achieved the highest rating of ‘Servicer Quality 1’ for three consecutive years (reports available on request).

LendInvest Capital Advisors Limited is the Investment Adviser to the Fund and Alter Domus Management Company S.A. acts as Alternative Investment Fund Manager under the Alternative Investment Fund Manager Directive.

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