

Mayfair-based private investment firm IW Capital expands its SME lending proposition with the launch of its first secured debt fund

The £4.5m fund will catalyse £100m in growth-finance to the UK's SME arena over 2018/2019

IW Capital - the debt, equity and EIS investment specialist based in the heart of Mayfair - today announced its latest milestone of growth with the launch of its first secured debt fund (the "Fund"). The Fund is to be the first in a series of diversified investment vehicles that IW Capital is planning to launch over the coming months, catalysing a conclusive £100m in growth finance for UK SMEs across 2018/19. This initiative is in direct response to the increased traction that its secured debt offering has gained in the market, and is further evidence of the support for UK SMEs for which IW Capital is already well known.

Details of fund

IW Capital has served the growing arm of the UK private sector for the best part of the last decade, and this first Fund, which will raise £4.5 million, will primarily target the high net-worth and family office market. Additionally, it will also be positioned to attract investment from the wider IFA and retail investment arena. The Fund will operate for three years, and thereafter there will be a 12-month run-off period. It will aim to pay investors a minimum return of 7.0% per annum and if returns have exceeded this level at the end of the Fund's life, then any income or capital gains in excess of this target future will be returned to investors and IW Capital on a 50:50 basis.

Presenting a sector agnostic approach, investors' funds will be allocated across a diverse portfolio of loans supporting profitable and established businesses. All lending will be secured by a mortgage debenture over the borrower's assets, and any wider security needs will be met based upon a case-by-case appraisal. Consistent with IW Capital's robust approach to loan structuring, all lots will include financial covenants and reporting obligations on the part of the borrower.

With the British Business Bank's latest Small Business Markets Report recently highlighting a further retreat in institutional funding for growing businesses, leaving SMEs with a damning £2.3bn funding gap, the role of nimble, engaging and flexible solutions such as IW Capital in disintermediating SME lending has never been more important.

Having facilitated over £100m of SME investment over the last 7 years through its debt and equity models for innovative firms such as WeSwap, the Fund's launch marks a definitive point in IW Capital's journey, serving as testament to the firm's significant expansion and growth in expertise. Having provided vital expansion capital to some of the UK's most prominent growing businesses via equity funding under the EIS and SEIS schemes, and through secured loans via their debt arm, the boutique investment house is perfectly positioned to fully transition into the debt finance market.

The successful launch of the Fund serves as further evidence of the vital role that private investment houses are playing in shaping the future of the private sector landscape.

Luke Davis, CEO and founder of IW Capital said, "With the ongoing disintermediation of the UK alternative finance arena, we are seeing greater than ever demand from SMEs for more diversified funding options. IW Capital has championed this shift in the industry over the course of the last decade- first through equity and EIS, then with the launch of our debt arm and now with the launch of this new secured fund. It is an incredible milestone for IW Capital, and I'm very proud of the team who have come together to make this all possible."

If you would like to discuss any of the above with Luke, please don't hesitate to get in touch on 02071833919.

Kind regards,

Karin

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