

ABOUT SECURED LENDING

Secured Lending Limited is a specialist company providing short and medium term lending solutions to small and medium sized enterprises in the energy, infrastructure and real estate sectors. The company has a target growth of 5% per annum.

ABOUT ARMSTRONG

Armstrong is an experienced London based Asset Manager focused on the impact investment sector in the UK and Asia. To date, Armstrong has raised and managed over £140m in loan note funding.

INVESTMENT POLICY AND STRATEGY SUMMARY

Secured Lending (“SL” or “Company”) has been established to provide shareholders access to a diverse portfolio of lending opportunities. Loans by SL may be in real estate, infrastructure or land, amongst other sectors. In order to reduce the risk to capital, any loan that SL makes will be secured against the relevant assets.

OUTLOOK

The Company and its Board have set a target to deliver long-term, stable growth in NAV with a target annual growth of 5.0%. Armstrong consider the market for secured lending to be strong in all sectors and is confident of originating suitable loans for the Company within the overall lending strategy. The Company has made loans of more than £29 million since 2014 with no defaults or impairments.

KEY FACTS

AS AT 29TH FEBRUARY 2020

Share Price
£1.04 (annualised growth - 4.55%)

Target Growth
5.0% per annum

Fees
2.0% of NAV (per annum)*
**reduced to 1.0% if target return not achieved*

Security Trustee
Loan Note Debentures Limited

Auditors
Lubbock Fine

Legal Advisors
Michelmores LLP

Asset Managers
Armstrong

Commenced Trading
May 2014

CURRENT PORTFOLIO	SECTOR	AMOUNT (£)	INTEREST RATE
UNA St Ives	Leisure / Real Estate	1,795,750	9.0%
Knoll House	Leisure / Real Estate	550,000	10.0%
UK Operating Solar	Solar	400,000	6.5%-7.0%
UK Residential Developments	Real Estate	400,000	8.0%
TOTAL		3,145,750	



The key investment considerations for the investors are summarised below. The detailed investor guide of Secured Lending should be referred to for finer details of the investment including the relevant risks.

INHERITANCE TAX & CAPITAL GAINS TAX

Business Property Relief (BPR)

- 100% Inheritance Tax (IHT) relief is given on transfers of business assets which have been owned for at least two years and the business is trading.

Capital Gains Tax (CGT)

- Capital Gains within the annual allowance of £12,000 are tax free. Gains in excess are taxed at 10% for basic rate taxpayers. Any amount over the higher rate threshold will be taxed at 20%. CGT is not paid on death.

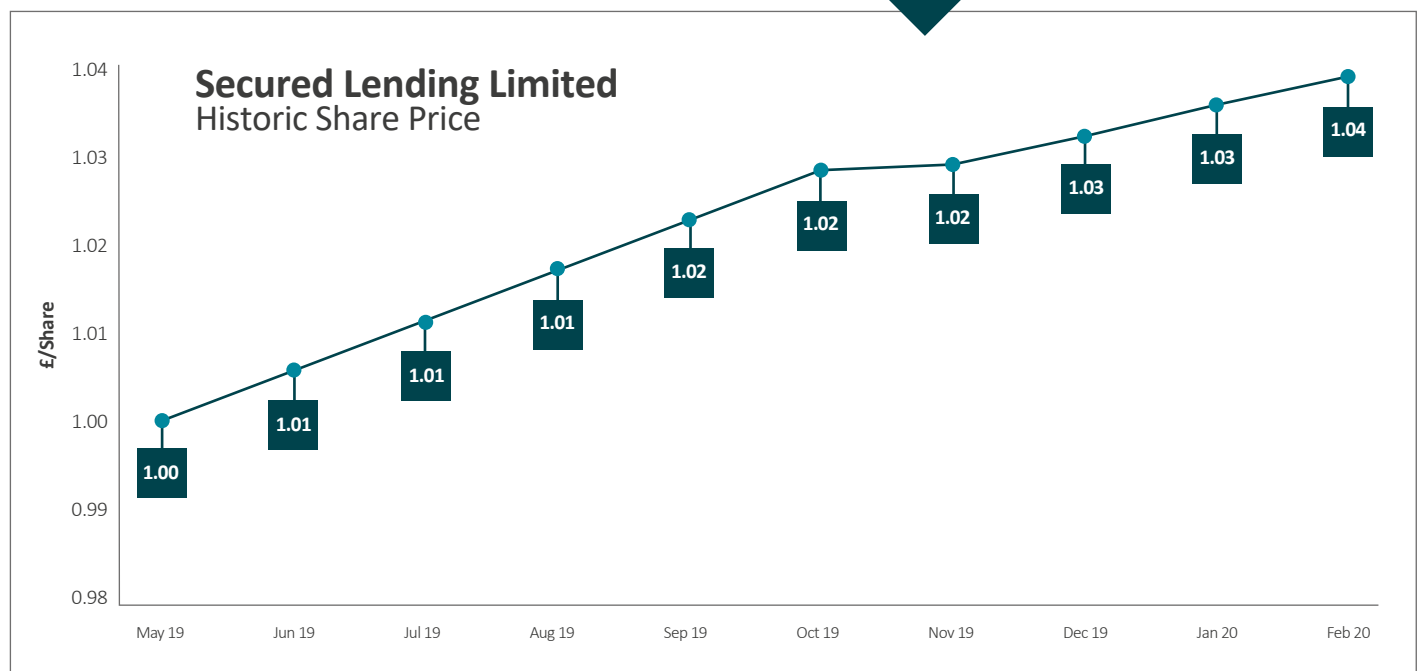
FEES

- Investors in the Company will be charged a 4% initial fee. The initial fee will be added to the subscription price and will cover all administration costs of the capital raise and stamp duty, where applicable
- Armstrong will charge an annual management fee of 2% of the gross asset value of the Company for managing the assets and providing full financial and administrative services
- Further details on fees are outlined in the fees section of the detailed investor guide.

LIQUIDITY

It is the intention that the Company will offer shareholders regular liquidity to allow shareholders to redeem their investment in full or in part. The Company will seek to facilitate liquidity on a quarterly basis, subject to the availability of funds to do so.

Secured Lending is targeting annual growth in share price of 5.0%. This rate of growth has been achieved since Secured Lending commenced issuing new equity in May 2019 where the share price has increased from £1.00 in May 2019 to £1.04 in February 2020.



IMPORTANT NOTICE

Your capital is at risk, and past performance and projected performance is not an indication of future performance and you may lose some, all or part of your original capital invested. Tax treatment depends on the individual circumstances of each investor and may be subject to change. The availability of tax reliefs depends on the company maintaining its qualifying status. Investments in smaller companies will normally involve greater risk or volatility than investments in larger, more established companies. Please refer to the Investor Guide and seek independent financial, legal and tax advice before investing.

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