



# PRIVATE FUNDING CIRCLES

BESPOKE OPPORTUNITIES

 **TIER ONE CAPITAL**  
INDEPENDENT WEALTH MANAGEMENT



# WHAT ARE PRIVATE FUNDING CIRCLES?

---

Tier One Capital is pleased to bring our clients access to the fast growing market of peer-to-peer finance through private funding circles.

Private funding circles provide bespoke funding to various private clients and non-personal entities.

The credit market continues to be restricted and the demand for bespoke funding is consistent. This allows a selective approach.

Tier One Capital is regularly presented with funding opportunities across our affluent client base. Where we feel there is a good underlying project, we progress to due diligence and vet each project professionally.

Our advisers then work with each borrower to create a sensible and achievable business plan for their project. This process both refines and challenges whatever assumptions are driving their expected return.

If the business plan is approved we create a formal investment opportunity and invite investment toward a set monetary goal.



# ASSET BACKED SECURITY

---

We believe in ensuring that our investors have the protection of an underlying asset of some form wherever possible.

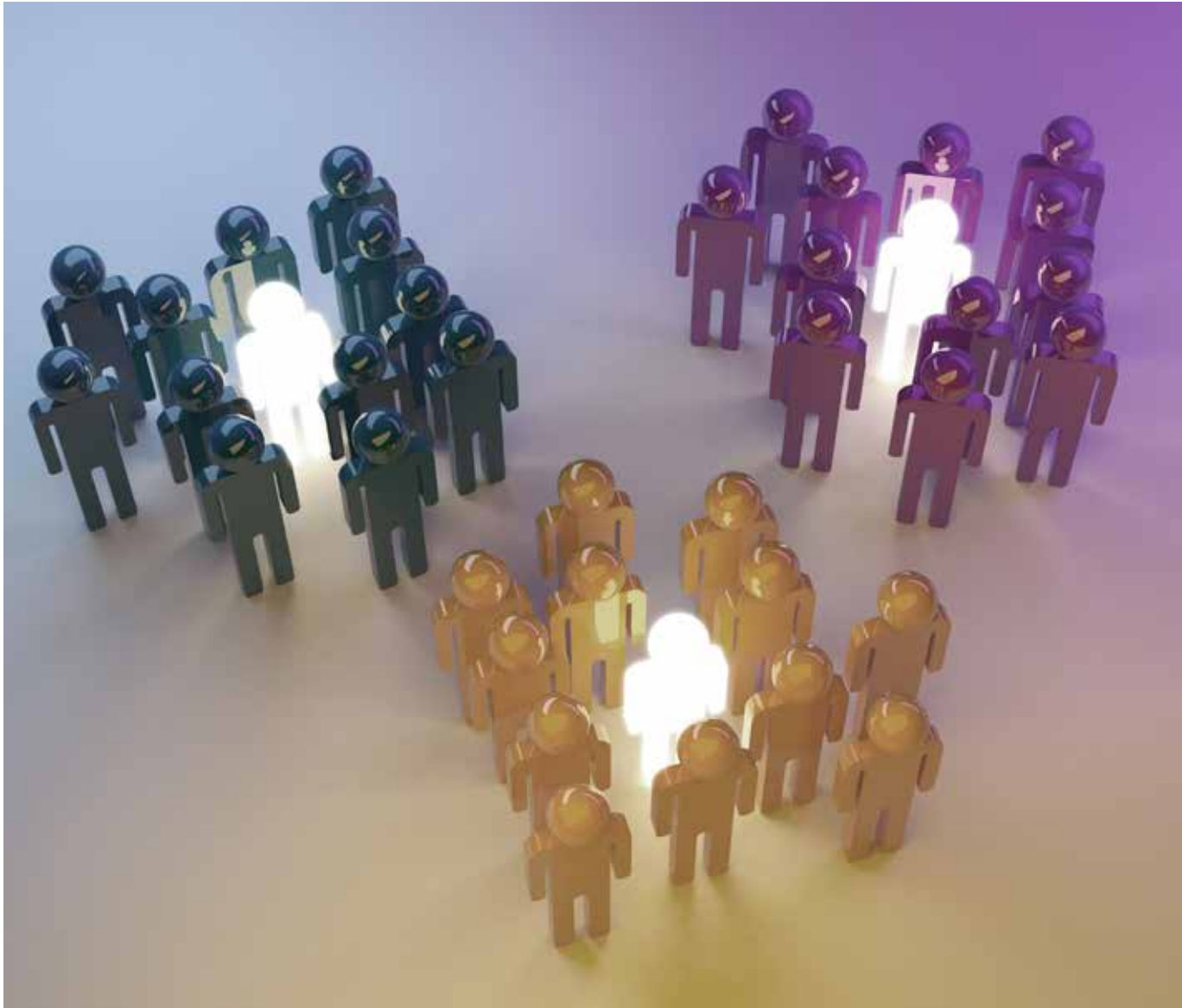
This security may be property based, be grounded in intellectual property, be taken via a debenture over a company's assets or perhaps secured against a known and documented invoice.

Any security taken in this way is usually supported by the personal guarantee of any borrower as a prerequisite of funding.

Our investors therefore have the peace of mind that each underlying borrower is entirely committed to making good on whatever terms are agreed at the outset.

# IS PEER-TO-PEER FINANCE RIGHT FOR YOU? BALANCING RISK AND REWARD

---



Private funding circles by their very nature carry an individual level of risk which will be variable based on how the project is uniquely constructed. Investors must first and foremost be comfortable with the risk of any project they are involved with.

Investors must also be comfortable to invest as part of a collective, which involves each investor being part of a syndicate which acts as one. An investor looking for a large amount of individual influence in their investment is not well suited to peer-to-peer funding and may be better placed to consider angel investing.

Peer-to-peer finance inherently involves dealing with individuals rather than a banking institution. Investors are well advised to actively plan for an illiquid investment. If a planned strategy is not successful, it may be a drawn out process to return capital if it can be returned at all.

# WHAT RISKS ARE INVOLVED?

---



Each private funding circle will carry an individual level of risk which will be variable based largely on three main drivers:



**The type and level of security**  
The more security is offered the less risk will ultimately be involved. The nature of the security offered will also determine how saleable it is and how valuable it may be if it ultimately has to be sold to repay capital.



**The quality of the strategy**  
Each project is different and the quality of each underlying strategy is a key factor in the likelihood of each projects success.

**The quality of the borrower and/or management team**  
A great strategy is still vulnerable to not being executed well and the last major driver of risk is the experience, skill and endeavour of the borrower and/or management team to deliver a strategy well.

# OFFERED SECURITY

---

The security on offer for each private funding circle will vary in nature with each project.

The higher the security, and more reliable the repayment method and timescale, the lower the return and vice versa.

The private funding circles we offer range from debt only, asset backed investments akin to a mortgage or bridging loan through to equity based investments more akin to venture capital investing.

We always seek to simply deliver an excellent balance of risk and reward to investors. This is supported by a transparent and clear process which ensures investors are given the necessary information to make an informed decision and are well matched to suitable investment opportunities.





# OFFERED RETURN

---

The return for each project is primarily driven by a desire to set a commercial level of return that fairly rewards our investors for the level of risk being assumed.

We are committed to providing a fair and transparent opportunity for both borrowers and investors. We are not overtly driven by maximising the attractiveness of the opportunity for either our borrowers or our investors.

Through operating on this basis, we are able to attract a larger number of clients on both sides, leading to a more diverse and accurate matching process.

Private funding circles can be constructed to pay regular income on a monthly, quarterly or annual basis. They can also be growth focussed and designed to deliver no income in favour of a larger capital gain at a later date.

# ONGOING MONITORING

---



Our investors will have the assurance of knowing that a professionally managed credit process is protecting their investment and working to facilitate a successful outcome on their behalf.

Tier One Capital will be appointed as a consultant or non-executive director for the duration of each project. This cost will be serviced by the borrower and will not impact on the return of our investors.

Our representative will, where possible, be appointed as a dual signatory on a project's hub account to ensure the agreed project is carried out in full accordance with the agreed strategy and within the agreed time-scales.

The representative will also be charged with ensuring the accurate reporting to investors of updates on the project in a timely fashion.



# EXPECTED TIME-SCALES

---



We are not bound by setting a defined or pre-determined timescale for any private funding circle. This allows us to ensure the timescale agreed is the right one for each project.

The timescale for each project is therefore variable and will be determined by the amount, nature and purpose of the borrowing.

We always require a realistic and sensible timescale to be outlined that projects an understandable vision for the return of capital to our underlying investors.

The funding process for each private funding circle is usually four to eight weeks allowing time for due diligence and for suitable legal opinion to be sought by all parties.



# FEES AND CHARGES

---

Our project analysis and monitoring fees are serviced by the borrower and do not impact on the return to our investors.

A 0.5% per annum success fee is payable by each investor to Tier One Capital which only falls due upon the successful repayment of their capital in line with the agreed terms.

The legal fees involved in setting up the documentation are borne by the borrower as part of the funding process.

# HOW TO PROCEED

---



Should you be interested in investing into one of our private funding circles please contact a Tier One Capital adviser at your convenience.

We maintain a mailing list for any investors looking to invest into this area. This allows investors to be notified as and when there is an investment opportunity to consider. Once a suitable private funding circle is selected, investors will be provided with a comprehensive project brochure



A professional loan agreement for each project is prepared by a prominent and respected legal team drawn from a selected panel.

Existing clients and will have already satisfied identification requirements. New investors to Tier One Capital will additionally need to provide the relevant identification documents and source of funding in accordance with anti-money laundering regulations.



Contact us:

-  TEL 0191 222 0099
-  EMAIL [info@tieronecapital.co.uk](mailto:info@tieronecapital.co.uk)
-  TWITTER [@TierOneCapital](https://twitter.com/TierOneCapital)
-  WEB [tieronecapital.co.uk](http://tieronecapital.co.uk)

# BESPOKE HNW PEER-TO-PEER FINANCE

Please call us or visit our website to find out more about our private funding circles.

- TEL 0191 222 0099
- EMAIL [info@tieronecapital.co.uk](mailto:info@tieronecapital.co.uk)
- TWITTER [@TierOneCapital](https://twitter.com/TierOneCapital)
- WEB [tieronecapital.co.uk](http://tieronecapital.co.uk)



Tier One Capital Ltd is authorised and regulated by the Financial Conduct Authority. Some forms of tax planning are not regulated by the Financial Conduct Authority. Past performance is no guarantee of future performance. The value of investments is not guaranteed and you may not get back the full amount invested.

