

RAW CAPITAL PARTNERS LAUNCHES NEW ALTERNATIVE LENDING FUND

14 JULY 2015

RAW Capital Partners, the Guernsey-based independent boutique asset management company, has launched an alternative lending fund focused on mortgage lending.

The RAW Mortgage Fund is the company's sixth fund launch and aims to build upon the growing excitement about the peer-to-peer (P2P) lending space with a fund that Tim Parkes, RAW's lead Manager for this new fund, describes as 'many-to-many'.

"The RAW Mortgage Fund aims to unitise peer-to-peer lending, linking investors with savings through a regulated fund structure with borrowers who want to invest in property: typically buy-to-let landlords; like a building society in the form of a fund," said Mr Parkes.

The fund expects to advantage both investors and borrowers by significantly reducing the spread between cash deposit and lending rates traditionally seen at high street banks. The fund expects to return 4.5% gross to investors with a low risk to capital.

"Lending will be conservative. Loan-to-valuation ratios will not exceed 55%. All of our lending will be secured by a first legal charge with independent professional valuations and solicitors acting for the fund," said Mr Parkes.

The fund's approach is to professionally manage the assessment of risk and to diversify investment across many loans, borrowers, properties and locations. The advantage is that the fund should have a much lower risk to capital.

Post the financial crisis, alternative providers have entered the market as a result of traditional lending institutions drawing back from many parts of the market due to capital constraints, changing regulation and appetite for business.

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