

GUERNSEY HOME TO FUNDING CIRCLE'S SMES INVESTMENT TRUST

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[Funding Circle](#), the peer-to-peer lender has listed its small business investment trust on the London Stock Exchange (LSE).

Based in Guernsey, the closed-ended collective investment scheme is managed by a team of five directors including co-founder and Chief Executive of Funding Circle, Samir Desai.

The Funding Circle SME Income fund listed on the LSE's Main Market after raising £150 million from a group of institutional investors and will focus on loans to small businesses in the UK, US and Europe.

"This is the first fund that will lend exclusively to small businesses through a marketplace lending platform, and it is the first time investors are able to get exposure to these loans globally," said Mr Desai.

"This, and the low fee structure, makes it a differentiated and attractive product for investors, and we are very pleased this has been reflected in the take-up."

The trust is targeting a dividend yield of about 7% a year. It is eligible for self-invested personal pensions and tax-free individual savings accounts.

[Sanne Group \(Guernsey\) Limited](#) has been appointed as fund administrator. [Mourant Ozannes](#) in Guernsey acted as Guernsey legal adviser, together with [Simmons & Simmons LLP](#) as lead counsel.

John Bishop, Director in Sanne's debt division in Guernsey said: "We are delighted to have supported Funding Circle in establishing their first Guernsey registered and London listed fund. As a listed business ourselves, we understand the effort, commitment and focus it takes to list on the Main Market of the LSE."

Mourant Ozannes' advisory team made up of Partner Gavin Farrell, Managing Associate Helen Wyatt and Associate Gary Hall, assisted on all Guernsey legal and regulatory law aspects.

Mr Farrell said: "It is another feather in Guernsey's cap to have been chosen as a jurisdiction for the launch of such a successful, but complex, lending fund platform. Not only was Guernsey and all its service providers able to deal together with the complexity of the transaction, but also with all legal and regulatory aspects associated with the launch of such a funding platform."

Rather than invest in loans directly through a P2P platform, individual and institutional investors can buy and sell shares in the vehicle, which will manage a selection of loans on their behalf.

The trust also provides investors with the ability to access business loans in a number of countries instead of limiting them to domestic businesses as required by marketplace platforms.

Nikhil Rathi, Chief Executive, LSE plc, said: "Ambitious SMEs are the lifeblood of a modern economy, developing the skills, jobs and growth we need. But ambition alone is not enough; they must be properly supported with innovative and appropriate finance. It is fantastic to see public markets working hand-in-hand with innovative financing partners such as Funding Circle."

Since launching in August 2010 Funding Circle has helped more than 12,000 businesses worldwide borrow more than £1.6 billion.

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