

Asset Backed Lending



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Asset Backed Lending On Ablrate
How does it work and how do you benefit?



Peer Lending

Peer lending is disrupting the financial services industry by allowing lenders and borrowers to come together using technology platforms like Ablrate.

How does it work? Why should you be a Lender on Ablrate?



Aircraft

Aircraft are an evocative asset, reminding us of our travels and adventures. They are also, however, a lucrative asset where investors can benefit from the cash flows that are generated when buying and leasing aircraft to regional airlines.



Property

Property is one of those assets that have become the main stay of investor's portfolios globally. A portfolio of loans in property have the benefit of a solid asset in the background and predictable returns



Capital Equipment

Companies and government authorities need equipment. From lorries to ships, from furniture to factory robots, all these pieces of equipment need paying for. Most companies lease these assets, it's less cash outlay up front and it's more tax efficient.

Investments posted by borrowers on Ablrate are secured loans to businesses both in the UK and internationally and like all investments there are risks. The principal risk is that a borrower defaults and we are unable to recover your interest and capital from the borrower or the asset or guarantees the loan is secured against. While default rates in the peer lending industry have been low, past performance is not a guarantee of future performance. The value of your investment, unlike other forms of investing, will not go up or down based on the performance of the financial markets. You should make yourselves aware of all the risks on the risk section of the Ablrate platform before you decide to invest or seek independent advice if you are unsure of your options.

Welcome
Ablrate
2014

'We are very excited at the launch of Ablrate, a peer lending platform that focuses on asset backed transactions. We are also proud to be the world's first platform to allow lenders to gain access to the lucrative aircraft leasing sector.'

This brochure aims to tell our story and help us explain how you can benefit from being a Lending Member of Ablrate. We look forward to welcoming you to our community.



David Bradley-Ward
Director

It is with great pride that we introduce the Ablrate platform to new lenders and new borrowers. Our team has been involved in the aircraft leasing, equipment leasing and finance business for many years. We decided to launch the Ablrate platform after identifying a gap in the market to revolutionise the financing of aircraft transactions by allowing private lenders to get directly involved.

When we solved the intricacies of realising this goal it became an obvious progression to add other income generating assets to the platform.

Crowd Funding, including Peer Lending, as a global finance solution for businesses, is growing at a phenomenal rate. Lenders achieve good returns and direct access to good quality borrowers. Borrowers get access to funds to expand their businesses quickly and efficiently from a number of Lenders.

What are the global statistics for Crowd Funding?

£37 Billion

The amount of funds injected into the global economy by companies who have been crowd funded is projected to exceed £37 billion in 2014.

Jobs Created

270,000

The funds raised by companies on crowd funding platforms will create 270,000 jobs globally in 2014.

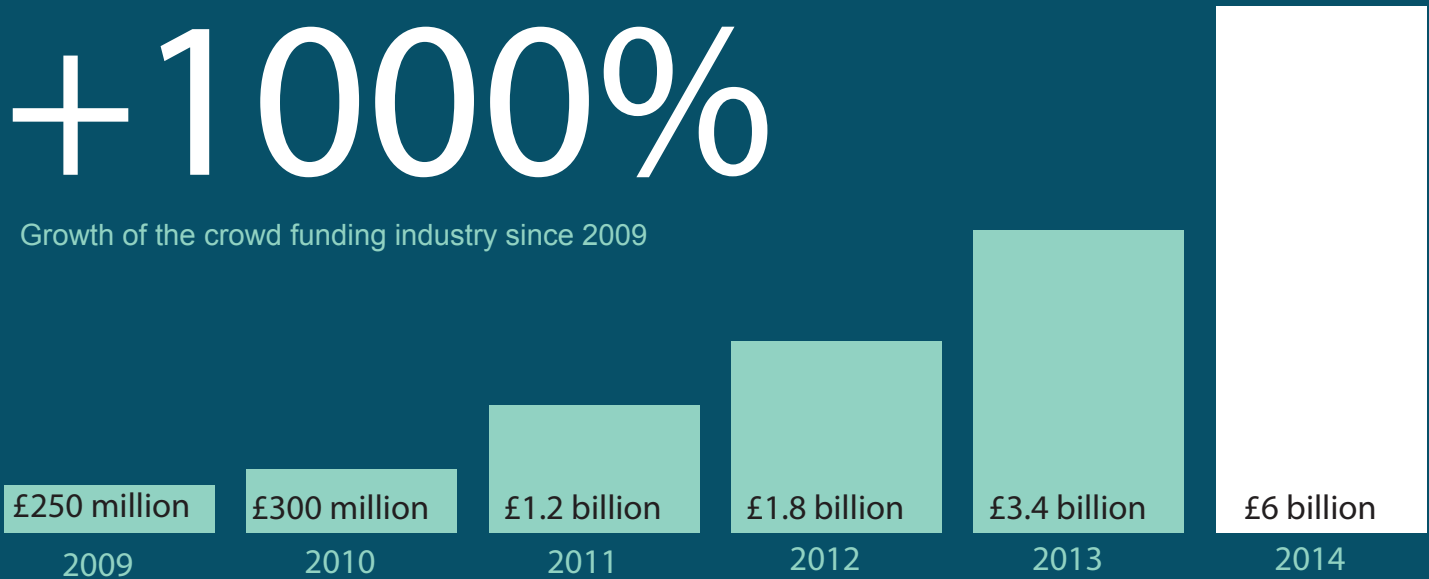
UK Peer Lending Projection 2014

£1,000,000,000

Growth

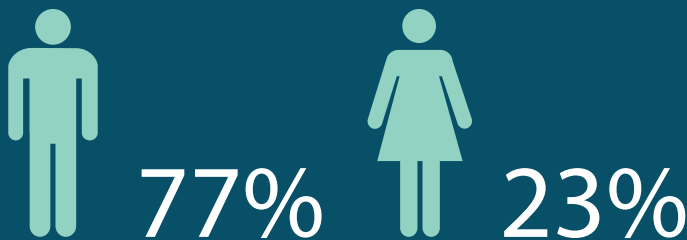
+1000%

Growth of the crowd funding industry since 2009



Gender Demographics for Peer Lending

Increase in Peer Lending in 2013



150%

Peer Lending as an investing option

Why is it so popular?

The peer lending industry is opening up great opportunities for lenders and borrowers alike. The growth in the sector is attracting evermore investors, but why?

The peer lending industry is growing at a phenomenal rate, some 1000% since 2009. Why?

Many peer lending sites will point to the returns available and compare them to bank returns. This is not necessarily a fair comparison, banks' funds are insured and do not have the same risk profile attached like peer lending or crowd funding does.

However the returns available (certainly in peer lending),

even risk adjusted and with fees included, are proving to be very good when compared traditional investment opportunities.

We believe however, that it is the ease of which an investor may allocate their capital, manage their risk and be 'hands-on' with their investments, that is creating such an interest in peer lending and crowd funding.

TheAblrate platform follows the model of investors being able

to deposit money quickly, view suitable loan opportunities, evaluate information on those opportunities and make a value judgement on what they would like to invest for what return and what risk.

This is an extremely powerful change in the way that most people have approached their investments. We may have invested in funds, in products advised by financial intermediaries or our banks and hoped that those managing

our investment knew what they were doing.

What we found, in the last few years, is that many of those managing our funds were not achieving the returns we had hoped for.

Much of the returns were being chewed up in fees from advisors, fees from brokers, fees from banks, fees from fund managers in addition to taxes on our gross returns.

This has all added up to investors seeking disintermediation; we are looking to lose the middleman and take charge.

Here at Ablrate we aim to offer you a sophisticated yet simple platform that allows you to take control. We aim to attract excellent asset backed opportunities for you to lend to and give you the tools to make your loan portfolio rewarding in more ways than one.



Aircraft

Aircraft as an Investment?



Aircraft, as an investment, have proven value curves, low volatility and are regulated and protected by international law, like few other assets.

Ablrate.com is the world's first platform to allow lenders access to the lucrative returns available in this market.

The market for commercial aircraft is driven by the underlying demand for passenger travel and cargo transport and it is seeing huge growth worldwide. Commercial aviation has weathered many downturns in the past, yet recovery has followed quickly as the industry reliably returned to its long-term growth rate of approximately 5 percent per year. In any other industry a growth rate of 5% would seem anaemic and hardly worthy of an investors time, but the sheer scale of the airline industry makes this growth enormous.

In 2013 over 3 billion passengers took to the skies and this will double by 2030. To cope with this demand, according to Boeing and Airbus, over \$4.5 trillion (yep, that is not a spelling error) of new aircraft will be delivered and they will need paying for. Airlines are increasingly looking to lease aircraft rather than buy them outright. New deliveries of aircraft which are to be leased to airlines are over 50% of the deliveries being made and this number continues to grow.

“A typical lease rate for an aircraft is 1% -2% of the value of the aircraft per month, with the effect of bank leverage taken into account and depreciation of the asset, a Lessor would offer between 6% - 14% interest on a loan to Ablrate lenders”

Where is the opportunity?

A typical aircraft, of the type that Ablrate lessors would post on the platform, would cost a lessor between \$2 million and \$10 million. Before the financial crisis an aircraft lessor would hope to have 80% of the aircraft financed by a bank, of which there were many involved in the space. Now, with banks under pressure to preserve capital, these loan to values ('LTV') are more like 60%-70%.

This means that aircraft lessors, instead of having to invest 20% of their own capital in transactions, are now having to invest 30%-40% of the transaction capital. This constrains the amount of deals a lessor is able to do and so many are seeking third party investors to fill the gap.

This is where Ablrate lenders can benefit from joining the transaction to provide the mezzanine loans needed to complete a transaction.

What return can Lenders expect?

A typical lease rate for an aircraft is 1%-2% of the value of the aircraft per month, with the effect of bank leverage taken into account and depreciation of the asset a Lessor would offer between 6% - 14% interest on a loan. If the Lessor offers a bonus based on the value of the aircraft at the end of a lease the total return

could be higher, in the 9% -16% return level. Of course the credit worthiness of the Lessor and Lessee are determining factors; with excellent credit being in the lower band with no bonus, and good credit being in the higher band with a bonus offered.

Each transaction on the platform will have a rating attached and Lenders will be able to view all the information pertaining to each transaction in order to make an informed decision on a loan.

Is it a risky strategy?

Aircraft are a very interesting asset in which to invest. They are very well protected by international law, have very predictable value curves, low volatility compared to other markets (such as the stock market and commodities), they are insured, maintained to strict schedules and they are moveable from low demand to high demand areas very quickly.

The international nature of investing in aircraft carries its own risks of course (these are detailed on the risk section of our site) and the airline sector itself is cyclical, but a well managed portfolio of aircraft investments is proven to provide excellent risk adjusted returns against other assets with less volatility.

As with any investment or loan there are risks involved and before investing through our platform you should review the risk section and be fully aware of them.

Each transaction on Ablrate will have those risks stated, potential lenders will be able to

ask questions of the borrower and will be provided with full and completely transparent information in order to make their decision to invest.

Who will manage the aircraft leases?

Borrowers on the site will either be respected leasing companies or lessees themselves. In the case of lessees coming to the system the aircraft assets will be managed by Phoenix Aircraft Leasing Pte Limited.

Phoenix operates worldwide with its base in Singapore. Tony Griffin the CEO (and an investor and director of Ablrate) and his companies have been leasing and selling commercial aircraft in Asia and world-wide since 1969 with offices in Singapore, the Philippines, Indonesia and Malaysia.

Since opening in Singapore eight years ago, Phoenix Aircraft Leasing has purchased, leased out or sold 40 commercial airline aircraft from companies as diverse as ATR, China Eastern Airlines; Lufthansa, Flightline; Cyprus Airways, Adria Airlines, Island Air and Hawaiian.

Phoenix has been profitable from inception and has yet to have a default on a lease.

We are very pleased to have such a highly respected business managing our aircraft transactions.

Which aircraft will I be able to invest in?



ATR 42 and 72 Series
Super efficient, in demand

The ATR 42 is the only 50 seater aircraft still in production and gives the lowest trip cost of all regional aircraft. Because of this the aircraft is in huge demand in the new and used market which keeps values and lease income stable.

The 72 series provides more seats but the same low trip cost and excellent performance especially in remote airports.

These performance levels, and demand, mean that over the next 20 years 7,450 regional aircraft will be built and delivered, 45% of these will be turbo props.

Ablrate borrowers will be posting transactions on used ATR aircraft on the platform.



Bombardier Dash 8
Europe's favorite

Designed for short-haul routes, the 70- to 80-seat Q400 NextGen aircraft is a fast, quiet, fuel-efficient turboprop that delivers a perfect balance of passenger comfort and operating economics with a reduced environmental footprint.

The Q400 NextGen is one of the quietest aircraft flying today, inside and out. Thanks to Active Noise and Vibration Suppression, its enhanced cabin is exceptionally bright, comfortable and quiet. On the outside, the aircraft is 15 dB quieter than noise standards require.

The demand profile and popularity of the Bombardier turbo props are ideal transactions to be offered on the Ablrate platform.



Business Jets
Leasing for business

With emergence of jet charter business across Europe the business jet is becoming more than just a plaything of the rich.

Busy executives and those who just want to get somewhere quickly and efficiently are turning to private jet charter businesses as apposed to commercial airlines.

These aircraft, along with those who are buying for business and personal use, realise the tax-efficient nature of leasing their aircraft, which creates opportunities for aircraft leasing agents and, of course, for Ablrate Lending Members to get involved in transactions.

30%

Percentage of global air passenger journeys of 300 nautical miles or less. (That's 900 million passengers in 2013!)

Did you know?

Turboprop aircraft are 40% more fuel efficient than their jet competition. They are optimised to operate at 300 nautical miles or less.



With a third of all passenger miles being from regional travel, regional aircraft sales are already a huge growth market. These tried and tested aircraft with known value curves and demand profiles have shown to have excellent risk adjusted returns against other assets.



Despite the cyclical nature of the property market, it has formed the basis for successful investment for many people's portfolios.

Ablrate Property Loans

What can you expect from Ablrate?

Our platform will give access for Lending Members to property transactions in the UK and Europe. Borrowers who have high quality commercial and residential projects will be given the opportunity to present loans to our Lending Members.

The UK property market recovered in 2013 to post 8.3% gains overall, which is a welcome relief to millions of homeowners and this has continued into 2014.

First time buying is on the increase which bodes well for the coming years.

The imbalance in supply and demand of housing in the UK was a driver before the financial crisis and remains so today.

However, with the tightening of monetary policy, restrictions on mortgages and the lessons learned by lenders in the property market, we will see, we hope, a more stable and sustainable growth curve in the coming years.

As the UK, and indeed Europe itself, comes out of the financial troubles that have affected us all, opportunities to profit in the property market will be presented by selected

borrowers on the Ablrate platform.

Ablrate has created relationships with developers and property experts not only in the UK but across Europe.

A typical transaction will involve a developer looking to fund a commercial or residential property for lease or a development to be sold for profit.

Many of these developers will be able to refinance transactions upon completion and pay down loans quickly so they may be prepared to offer higher rates to Ablrate Lenders to get the project started.

Similar to our aircraft transactions, we have in place property experts who vet borrowers and transactions for security, quality and transparency before they are able to be presented to Lending Members on the Platform.



Capital Equipment

What is Capital Equipment?

When companies require large cost items of equipment many choose to offset that cost and benefit from tax write-downs by leasing such equipment.

This can include a wide variety of assets from boats, factory equipment, solar equipment, furniture, storage equipment and vehicles. Any large cost items that a business needs can be leased.

How is a loan requested

There are two ways that lease transactions can be posted on the Ablate platform; via a leasing company or directly from the lessor themselves.

The transaction, in either case, will be overseen by an Ablate leasing partner who will vet the leasing agent, the lessee and the transaction including the asset underpinning the transaction.

How are my funds secured against the asset?

Where a leasing agent has brought the transaction to the platform they may have a suitable structure for securing the assets which will be assessed by our leasing agents.

Should the transaction come directly from a lessee the asset will be held by Ablate Assets Limited or through one of our Leasing Agents. The title and ownership of the asset is contracted to those Lending Members who have purchased loan units in the transaction.

What happens if the borrowers fails to pay?

If a loan is in default Ablate will take the appropriate steps to sell the asset and recover the capital or to re-lease the asset and continue the loan payments. There are further details on our default procedures in our terms and conditions.

How does a lease work?

A typical lease involves the purchase of the equipment by a leasing company or asset finance business.

The lessee will be given a monthly lease rate and, in some case, an option to purchase the asset at the end of the lease.

The lessee will typically pay a security deposit and many will provide guarantees for the lease payments.

The lessor's job is to make the calculation between the value of the asset at the end of the lease (the residual value), the financing costs (to pay Ablate lenders and any banks) and the lease payments.

After all these payments what is left represents profit to the leasing company.

In cases where a leasing agent is using the residual value of the asset to calculate profit, they may offer some of this potential profit as a 'bonus offer' to Ablate Lending Members in order to make the offer more lucrative.

Secondary Market

The bonuses discussed above obviously have an effect on the value of a loan as it matures. If the residual value of an item is holding up, then a loan sold on the Ablate secondary market may have a higher value than was anticipated at the outset of the loan agreement.

Lending Members will be able to post these loans on the Secondary Market and receive offers from other Lending Members. Our system will calculate the offer against the desired return of an incoming Lending Member.

Lending Members

Quality, secured loans for business.

The Ablrate platform is designed for borrowers offering quality asset backed loans to Lending Members. We aim to make the process financial rewarding and transparent for all.

Lending members are able to choose from transactions in aircraft, property and capital equipment.

There are two types of transactions on the platform; auctions and fixed rate loans.

In an auction, Lending Members are able to choose the rate at which they would like to lend and also how much they would like to loan into each project. Our system calculates the lowest rate at which the borrower can fund their loan.

In a fixed rate auction a borrower can specify a fixed rate at which their loan can be funded. A borrower may wish to post a fixed rate loan where a transaction needs to close quickly and therefore the rate may be higher.

Each loan page will indicate what type of auction is being placed along with:

The Asset
Details of the asset, its residual value curve and any other information relevant to the asset will be posted on the transaction section of the site for Lending Members to review.

The Borrower
Thorough information concerning the borrower will be detailed on the transaction page.

The Lessee
Should there be a lessee involved in the transaction details concerning that lessee will be posted unless this information is commercially sensitive, in this case Ablrate will give a review of our due diligence on the lessee.

Interest Rate, Repayment and Bonus Profile

The repayment schedule of the loan will be posted including any bonus profile included in the loan.

The Rating
A rating based on the asset, the borrower and the Lessee (if any) in the transaction will be detailed.

How do we ensure Quality of Loans?

Ablrate is a platform that allows Lending Members to evaluate transactions from Borrowers.

We act as an introductory platform and do not give advice on transactions. However, we do vet those that are allowed to post on Ablrate and we have Leasing Agents who evaluate transactions on our behalf.

By doing this we ensure the quality of the borrowers coming onto the platform, and the transactions placed on Ablrate, are of a sufficient standard.

This gives our Lending Members opportunities to loan into lucrative but well thought out and structured transactions from well regarded businesses.

We believe this model of quality over quantity will see our Lending Members build an excellent portfolio of loans in the asset backed lending sector.



Members will be able to build a loan portfolio in various asset backed markets across diverse types of assets. The ability to	offer those loan units on the Ablrate Secondary Market will give extra liquidity to Lending Members and provide a platform	for asset managers to participate by allocating capital to purchase portfolios of loans from existing members
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Ablrate Secondary Market

How does it work?

The Secondary Market is a very important part of the Ablrate platform. Our aim is to make the platform a true marketplace where Lending Members can sell existing loans to new lenders.

Why would a Lending Member sell a loan?

Lending Members may want to sell their loan units for any of a number of reasons; circumstances may change where capital that is committed to a loan needs to be realised. In some circumstances a Lending Member may wish to sell their loan to invest in other loans on the platform.

How will an offer for an existing loan be calculated?

On most other platforms you will be offered what you invested into the loan (at 'par') at the beginning of the loan term. This, however, doesn't represent a real market. What if someone is prepared to have less of a return rate but likes the loan as the credit profile has improved? What if the Lending Member is willing to sell the loan at a discount because they would like to sell the loans quickly to re-allocate capital elsewhere?

The Ablrate Secondary Market solves all these issues giving sophisticated tools to create a true market in our loan units.

Offer Calculator

Our offer calculator allows incoming lenders to select a return rate they would like to receive. The calculator instantly calculates the offer that needs to be made to the existing Lending Member with simple tools to make that bid.

What happens when an offer is made?

A user has the option to post the loan units they wish to sell on the Secondary Market platform.

The loans are auctioned in much the same way as on the primary market. Incoming Lenders have all of the research that was available to the original Lending Members.

An offer is automatically created by the system which relates to the return required by the buyer. The buyer can simply make a bid for a desired number of loan units and (as long as the member has sufficient funds on account), That offer is communicated to the Lending Member who posted the loan.

A Lending Member can choose to accept that offer or reject it via their dashboard, or leave the loan to auction further. If accepted, funds are transferred immediately from the buyers account to the sellers and contracts exchanged.

Is the platform suitable for asset managers to purchase loans?

Yes. We aim to expand our presentations to asset managers throughout this year. We believe that the loan portfolios that can be built through our platform are quality loans, with excellent investment profiles.

However, where the opportunity arises for non-professional investors is their ability to make decisions quickly. Certain asset loans, especially aircraft, are transactions that move quickly, often too quickly for asset managers to make a decision.

It is also a case of allocation of capital. Many asset managers have large amounts of capital to allocate and smaller loans may be too small for the amount of funds that a manager would like to allocate.

In these cases the Ablrate Secondary Market is ideal for asset managers who have the opportunity to spend time evaluating loans that are available and allocate large amounts of capital across diverse loans with different credit profiles and asset types.

The Ablrate Secondary Market will evolve to have more tools for all types of investors. What we aim to provide are tools to manage loans efficiently, transparently in an environment that can be seen to be a true two-way market.

"Creating a true market for buying and selling loans."

Our Team

Meet our founding team

Tony Griffin



Tony Griffin is a 40 year aircraft industry veteran with 360 aircraft deals worth well over a billion dollars under his belt.

As well as being Chairman of the Company Tony owns Phoenix Aircraft Leasing, a well respected aircraft leasing company based in Singapore that has completed 40 aircraft transactions in the last 8 years.

Tony was one of the first to use the concept of operating leases to finance aircraft and has been at the forefront of innovations in the aircraft financing industry.

This innovation continues with the development of Ablrate.com.

David Bradley-Ward



After serving as an engineer in the Royal Air Force, David moved into the financial services industry.

David created a successful commodities broking business which exposed him to online trading technologies which have been an interest ever since.

Working with Tony Griffin at Phoenix, arranging financing structures for aircraft transactions, lead to the joining of three passions in the creation of Ablrate; aircraft, finance and technology.

Philip Taylor



Philip has over 30 years senior management and operational experience in the United Kingdom and in the United Arab Emirates.

His expertise in the leasing industry stems from senior positions with automotive businesses and more recently in aircraft finance.

Philip oversees the implementation of many of the systems protecting client funds and the transparency of the transactions placed on the platform.

John Lutterloch



John is an industry renowned leasing expert. He has held senior positions at the Industrial Bank of Scotland was Vice President at Security Pacific Leasing (Europe) Inc, Managing Director of Baltic Leasing Ltd and Managing Director at GE Capital Corporation Ltd.

At GE he headed up GE Capital's Northern European operations with offices in London, Dublin and Stockholm. Most transactions were structured as operating leases and assets included transportation, telecoms, marine, aviation and IT.

The Future Ablrate 2014

'We have assembled a founding team that are very experienced in the industry, but there is much work to do in the coming year.'

Our founding team has many years experience in the finance and leasing industry, however, this is only half of the story.

Any business is built on the skills and dedication of the people who work within it along with the partners chosen.

Our developers are experts in the leasing industry and work with large companies on their technology requirements.

The development team continues to provide support and to expand the platform as we build our own in-house team of developers.

Our Leasing Agents, Phoenix Aircraft Leasing and DS Finance and Leasing not only provide transactions for the platform but vet lessors and transactions from

other borrowers on the Platform.

This function is an essential part of ensuring the quality of loans that are shown to our Lending Members.

We look forward to introducing you to new team members as we grow.

Much of that growth will be based on feedback from our community, so please, if you have some we would love to hear from you.



“Innovation in the finance industry is moving quickly, Ablrate extends this innovation to leasing ”

John Lutterloch - CEO - DS Finance and Leasing



“Ablrate is a fabulous idea and I look forward to working with the team”

Chris Leeds - CEO - Aviation Finance Solutions



“When it comes to aircraft financing the same system has been in place for many years and is, in some cases, inefficient. In developing Ablrate.com we aim to revolutionise the financing of regional and small commercial aircraft.”

Tony Griffin - Chairman of Ablrate - CEO Phoenix Aircraft Leasing