

Sycamore IV Mezzanine Finance Fund Update

March 2012



The current property market conditions continue to represent a very good opportunity for the fund to lend finance to established property developers and, in line with the Information Memorandum, it is our intention to continue to lend to credible property developers.

Horsham, West Sussex

The loan period began in October 2010 with mezzanine required of £424k secured at a rate of 40% per annum. Input from the developer on this project was £500k with a personal guarantee of £250k. Current completion date is expected in April 2012. This site is for 10 apartments of which a number have been pre-sold to a housing association. The current surveyors report indicates the site is progressing to schedule and that there are no issues.

Dorking Road, Chilworth, Surrey

The loan period began in October 2010 with a mezzanine required of £370k secured at a rate of 40% per annum. Input from the developer on this project was £750k with a personal guarantee of £150k. Current completion date is expected to be end April/early May 2012. This site is for eight townhouses and six apartments. The current surveyors report indicates the site is progressing to schedule and that there are no issues. We have had a request for a further £100k of finance which we will be lending in the next couple of weeks to get the project to completion. As a result of the developers stake in the project and the personal guarantees in place, means that we have agreed in principal to the additional finance as it enhances the funds profits.

Swanage, Dorset

The loan period began in May 2011 with a mezzanine required of £450k secured at a rate of 35% per annum. Input from the developer on this project was £450k with a personal guarantee of £200k. This site is for 10 luxury apartments all with uninterrupted sea views. The construction incorporates an extensive use of local Purbeck and Portland stone and the ground-works are now nearly at an end. A current project completion date is expected July/Aug 2012.

Short term Loan to Sycamore II

Due to a delay in project funding being drawn down on the Burgess Hill project in Sycamore II and the sale of the properties in Worthing, Sycamore IV took the opportunity to make a loan to Sycamore II until one of the projects was sold, this gave Sycamore IV the opportunity to “churn” monies to ensure that it meets the requirements stated by our tax counsel for the fund to be eligible for Entrepreneurs Relief and Business Property Relief. Once this loan is repaid the money will then be loaned again and the legislative requirements for these reliefs will be met.

Mark Yadegar

Managing Director, PM Asset Management Ltd

Important Notice

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