

## Everything an advisor needs to know before accepting to distribute this offer

### How much time does it take to learn the essentials of this offer?

30 minutes.

### What are the documents you should know and review first?

- The presentation video
- The fact sheet
- The brochure
- The legal information (Investment Memorandum)
- The book loan summary

### Key Points

- The issuance is 200 000 000 GBP
- The company was created in 2012
- The coupon pays 10% annually over 1 year, 11% over 2 years and 12% over 3 years
- The coupon is paid quarterly
- The offer was launched in June 2018
- The maturity of the bond is 1, 2 & 3 years
- Bonds with ISIN numbers available on Bloomberg

### How should you present the offer?

#### The short pitch - when you just want to introduce the idea (1min)

● In the United Kingdom, there is fierce competition between law firms to win smaller disputes like road traffic accidents. What is interesting about them is that these are cases where, most of the time, you already know which side is guilty based on the evidence. Moreover, when a case is lost, usually the car insurer ends up paying the costs of the offender. In order to get as many cases as possible, lawyers are working on a “no win, no fee” basis, and similarly they need external funding, which banks, due to regulations, cannot provide.

● Woodville provide secured short-term loans to vetted SRA regulated law firms. To protect investor capital, funding is only granted only when there is ATE insurance in place, which To be able to lend money to more SRA regulated firms, they are offering 1,2 or 3 years’ note to investors that pays a yield of 10%, 11% or 12% quarterly. Investors can participate from as low as 10 000 GBP / EUR / USD.

● Would you allow me to show you this solution in more detail during a quick meeting / call?

#### The long pitch - when you have time to pitch the idea (5 min)

● As you probably know, the legal industry is pretty big in the UK and USA. The total size is \$39 bn in the UK alone, and \$845 bn in the US. This is probably the reason why there are so many Anglo-Saxon TV shows on the topic of law.

● In the United Kingdom, there is fierce competition between law firms to win smaller disputes like road traffic accidents. Do you know how many of these occur each year in the UK? 600 000. What is interesting about them is that these are cases where, most of the time, you already know which side is guilty. There is no need for a long investigation. Moreover, when a case is lost, usually the car insurer ends up paying the costs of the offender. In order to get as many cases as possible, lawyers are working on a “no win, no fee” basis, and similarly they need external funding. However, banks, due to regulations, cannot loan them money, because the case sizes are too small for their appetite (£1 000 - £5 000) and there are no tangible assets as, for example, in real estate. If you have already applied for a mortgage, you probably know how difficult it is right now to get a loan even when you have a physical asset.

● Woodville provide secured short-term loans to vetted SRA regulated law firms. Unlike other litigation funders, Woodville's specialist solution minimises risk as funding is only granted when liability has been established, and when there is After the Event insurance in place, which covers the legal fees and expenses involved in litigation if the case is not successful.

● The claim types funded by Woodville are Road Traffic Accident claims, Housing Disrepair claims, Plevin claims and Car Finance loans with case values of £600- £50 000.

● To be able to lend money to more SRA regulated firms, they are offering 1, 2 or 3 years’ note to investors that pays a yield of 10%, 11% or 12% respectively. Investors can participate from as low as 10 000 GBP / EUR / USD.

● What would you like to know next?

### In summary

● An opportunity to diversify into a new asset class: litigation finance.

● Solid guarantees:

- The average loan is around £1 000 - £5 000, which provides extra diversification.
- Woodville lends money only when there is ATE insurance in place.
- Investors can diversify in a new asset class which is not correlated into financial markets.
- Investors can participate from as low as 10 000 GBP / EUR / USD.

### What are the criteria you should know to be able to evaluate the quality of this offer correctly?

#### 1. How can you be sure that the law firms are going to be able to repay the loans to Woodville?

- Woodville grants funding only where liability has been established and only when there is ATE insurance.
- The book loan is spread over a large number of small cases.
- Woodville have a first charge over each individual claim case.

#### 2. Who is the insurance company?

● Woodville uses Talisman Casualty LLC for ATE Insurance, who also is backed by A rated security. They are considered as a highly capitalised and robust insurer, with the security behind Talisman Insurance rated AM Best (A), Fitch (A+), and Standard and Poor’s (A+).

#### 3. What is the number of defaults since the creation of the company?

- As of 30th Jan 2022, there have been no defaults. The ATE insurance has not been used yet. Moreover, 98% of cases have been settled before going to court.

### What makes this offer a serious one?

- Litigation finance is a quite new asset class for HNWI. However, institutions have been investing for years.
- The security of the note. Woodville uses a combination of small cases, diversification, insurance and a strict case selection process (only when liability has been established) to ensure the repayment of the loans.
- A few “high profile” investors have invested in this note, such as Jeremy Middleton (co-founder of Homeserve), and Nicola Horlick (one of the leading business women in UK finance).

### Why is the management qualified to deliver?

- Woodville is led by Ann-Marie Bell and Peter Legge, who have significant experience in both the finance and legal industries.

● Peter Legge has worked as a financial advisor - he was the one who helped change the way advice is administered in the financial service sector through the use of platforms.

● Ann-Marie Bell is a non-practising lawyer with an extensive legal experience. She had spent 12 years with Eversheds in the UK, before setting up her own practice and she is also the 1st British lawyer to secure stopping up rights over the countryside via the CROW act.

● The directors invested around £3 mn in the company.

### What kind of investors are investing in this opportunity?

High Net Worth Individuals, Family Offices, and other institutional investors looking for

- diversification instruments
- a regular stream of income
- reducing market volatility of their portfolios
- hedging their portfolio against inflation
- an attractive yield
- private debt instruments with strong guarantees

### What are the top 3 arguments?

#### Arguments about the company:

- The loans are protected through ATE insurance.
- There is a large number of small loans, which act as an extra layer of diversification.
- SRA regulated UK Law firms must find external funding via companies like Woodville if they want to grow.

#### Arguments related to investors' portfolios:

- The note gives investors the possibility to diversify into a new asset class which is not correlated to the financial markets.
- The bond provides an attractive yield which is superior to banks' alternatives.
- Investors may invest as low as 10 000 GBP/USD/ EUR for one year “just to see” how it works.

### What questions might prospects ask and how can you answer them?

#### What happens if the case is lost?

In this unlikely event, ATE insurance covers the costs and reimburses the loan.

#### Why haven't I ever heard of litigation finance?

- Litigation finance is a pretty new asset class (15 years old). Investors are now looking for ways to diversify their financial assets into instruments which are less correlated to the financial markets.
- “Litigation Finance” is a growing asset class for investors:  
<https://www.institutionalinvestor.com/article/b1kzmcqy35btq/1/Litigation-Finance-Firms-Are-Busier-Than-Ever-Insiders-Sav>

#### How can we say that the offer is sustainable?

- There is no reason to believe that the number of traffic accidents and/or disputes over dilapidated housing will decrease in the coming years.
- In addition, this market is not of interest to banks as they require physical assets as collateral.

#### Why is the coupon so high?

- Woodville charge interest on a simple, not compound basis at a cost of 5% per month.
- Woodville is quite new in the market, they have to offer a higher yield to attract investors.
- It is expected that the interest rate will decrease next year.

#### What if the investor needs their funds before the end of the term?

The note does not offer any liquidity. Investors should invest the part of their financial assets that they don't need over the duration of the note.