

assetz



## Investing in a Fairer Future

Assetz Impact Report | March 2022

# Introduction

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The financial system is broken. People and institutional investors can't always get a fair return on their savings and capital, businesses may not be able to get all of the funding they need to grow and there aren't enough homes in the right places and at the right prices.

Assetz exists to provide a solution to all of those problems, and more, by addressing some of the challenges we all see in society; we direct your funding to projects that support the development of vast numbers of new homes to modern environmental standards, to support growth in businesses and their employment and to fund supported living and care properties, whilst at the same time these projects aim to deliver you, our investors, healthy and reliable income.

**In short: together, we can help build ourselves a better and fairer future**

# A note from our CEO

Since 1999, the Assetz group of companies has seen three periods of great challenge and change in the property, financial and business markets. With those changes have come growing problems for investors, businesses and society. These include diminishing interest rates on savings and pensions, diminishing returns for institutions such as pension funds, growing inflation, a reduction in business funding available from banks, shortages of more affordable housing in many needed sectors and locations, climate change requiring urgent changes to the housing that we do build and a care crisis for society's vulnerable.

Each economic cycle has brought a shifting of the foundations of our world; of institutions and conventions that had previously gone unquestioned. Against that backdrop, time has offered an opportunity to reconsider the ways that we live which no longer serve us.

That's part of Assetz group's agile DNA as a business – we've always sought new, better ways of working. We were born out of a desire to solve these important social problems and we exist to connect investors with businesses to help address those challenges and achieve fairer growth for all.

Across the pandemic for example, we've continued to help our investors earn healthy interest, whilst supporting enterprises who needed funding and keeping house building going. We've issued loan facilities totalling some **£330m** to UK SME businesses through CBILS (the government-backed loan scheme which focused on helping the economy get through the pandemic), are now accredited for the follow on RLS scheme (the Recovery Loan Scheme) and we're growing private investor lending again too.

None of the challenges we seek to address together will be a quick fix; even with the big numbers we've all delivered so far, we're only just getting started. But I'm excited about the next few years as we continue to build a fairer future for investors and society – and I hope that you'll join us on our journey together.

**Stuart Law** | CEO



# Our mission

It often feels that we have more problems to address every year. Low supply of new homes is threatening affordability, making it harder for those looking to buy or rent a home to live in. Those homes are also often not energy efficient enough to help address the threat of climate change. National house builders are poorly suited to meet this demand, favouring profits from mass produced homes on large greenfield sites over the smaller, liveable communities focused on by small and medium sized (SME) house builders. At the same time, high-street banks have moved focus away from funding SME businesses, the largest employment sector in the country, to focus on easier profits elsewhere.

Many modern private investors would like to earn a healthy income, as well as supporting society by investing in housing, supported living for those with more needs and helping fund businesses who create jobs and power the economy, but they are frustrated to have so few options. They have worked hard for their money and see low-interest rates, higher inflation and the savings and pension crises as threats to their financial security and retirement. They need higher returns than banks' low-risk savings accounts. They are willing to invest with a limited degree of risk to potentially gain higher returns and also bring added benefits to society. Institutions and pension funds similarly face huge challenges in finding investments that can deliver the returns they must achieve for their investors too, and in the ever-increasing need to respect ESG (Environmental, Social & Governance) principles.

Investors deserve a partner that can help them in their search for security for their own financial wellbeing as well as delivering good for society. Businesses deserve a partner that can deliver funding for their business goals.

Assetz reimagined the investment market to better serve the people and institutions of the United Kingdom. The Assetz group was established at the end of the last millennium and its growth was accelerated by the global financial crisis when faith in banks had plummeted.



## Our mission (continued)

We developed products that delivered attractive returns for private investors and institutions by investing in new homes for home buyers and renters, funding SME businesses that create employment and helping deliver care in the community by buying and developing specialist supported living accommodation and leasing it to charities that provide the care - hence supporting the communities around all of these investments.

Thanks to our founder's 40 years of investment, technology and business experience, Assetz saw an opportunity to bring modern solutions to these longstanding market challenges. It does that by connecting those with the financial means and often a wish to also do something good with their money, to the borrowers, business owners, charities and house builders who are solving these problems in society. By taking a long-term and sustainable view on returns, Assetz seeks to provide products which offer growing and sustainable results for every stakeholder in a fair balance. They do this by delivering income in a range that should outpace that of banks, whilst creating investments that do much more than just pay healthy interest and avoiding the harmful effects of the truly high-risk products that may put profit before people.

Investors now have a viable, sustainable investment option that is built to serve the people and wider society. New housing to serve individual needs, from care homes to communities of new families, and business loans that create jobs and income, can all be funded thanks to an increasing number of responsible investors who will see the immediate impact of their investment, both on their own pockets and the communities around them.

This generation of investors now have options to direct their money to have the impact that they want and in ways that previous generations could only dream of.

**A fairer future is in view.**



# Meet assetz

## We're bridging the gap

Assetz connects those with the financial means to do good things with their money with organisations and property developers who can make it happen.



assetz  
capital

**For investors  
and borrowers**

### Marketplace lending.

The largest marketplace lender in the UK with an active retail investor base as part of that. Empowering both private and institutional investors to support UK businesses and achieve fairer growth for all.

Offering target returns well beyond bank savings rates to those who can accept some additional risk and with a focus on sustainable delivery through our career-experienced professional lending teams.

Assetz Capital has more than 40,000 registered private and institutional investors and they have lent around £1.5 billion to small and medium sized businesses since 2013 and with the creation of more than 6,800 homes by just this one group company.



assetz  
exchange

**For investors**

### Crowdfunded property investing.

Bringing together investors' funds to purchase housing for long term lease to charities, care providers and housing associations who help provide supported accommodation to a wide range of vulnerable people in society.

Investors benefit from diversified investments which seek to provide stable income whilst helping the most needy in society.

Assetz Exchange does not lend money to third parties.

# Your impact by numbers

Around  
**£2.5bn**  
of new housing  
funded by all  
Assetz companies  
since 1999

We've helped  
**1,110 SMEs**  
find funding

**£1.5bn**  
of new housing  
funded by  
Assetz Capital  
since 2013

We've **delivered significant return** to our investors, with  
**£173m**  
gross interest earned  
by Assetz Capital &  
Assetz Exchange to date

Over  
**40,500**  
retail lenders  
registered between  
our platforms

You can see our impact  
wherever you look.  
We've funded around  
**1 in every 12**  
new build homes built  
by **SME house builders**  
in 2018, 2019 & 2021

**£330m**  
Loans to UK SMEs  
during the pandemic

Property leased to  
**five charity**  
**partners, & growing,**  
across the UK,  
from assisted living  
to social justice  
organisations

**16,000**  
new homes funded  
to date by  
the Assetz group  
since 1999



 Assetz Capital business  
or housing loan

 Assetz Exchange  
property owned

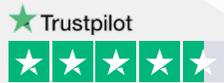
# Why Assetz?

## Fairer growth for all.

Since March 2020, our homes and local support networks have taken on an increasingly central role in our lives, making Assetz' mission – to empower investors to support society and achieve fairer growth for all – an even more critical one.

We're proud of what our investors achieve through us, as well as the impact many of the businesses and charities that we support have on society every day.

But don't just take our word for it; the impact that we all have is recognised by many awards and by many valued relationships.





## Case Study **Charity Development**

Supported housing provides crucial help to some of the most vulnerable people in our society.

Assetz Exchange worked with United Response, a charity providing a range of supported services for more than 2,000 people with learning disabilities, mental health needs and physical disabilities, to purchase a property for individuals with autism and their carers.

A seven-year internal repairing and insuring lease was agreed, the property purchase was funded by Assetz Exchange investors in a matter of days and move-in happened within weeks of the property purchase. Four months after they moved in, the residents have reported that they are delighted with the accommodation and the care team have shared that the move has given them a new lease of life.

This property made investors a forecast yield of 5.5%, with many members also citing being able to make a positive impact with their investments as a key motivation.



“Assetz Exchange have been able to deliver exactly what we look for in a funding partner - flexibility, competitive leasing terms and an ability to move quickly. They have a passion and commitment to producing good outcomes for individuals and making a positive social impact.

I genuinely believe that if we hadn't worked on this particular property with Assetz Exchange, it wouldn't have happened.”

Mark Dyer  
Head of Business Development  
United Response





## Case Study **Low-energy Homes**

Investors funded the development of low-energy family homes to save money and improve communities.

Amid the Covid 19 pandemic, eco-housing developer Airlie Green Low Energy Homes Ltd was faced with numerous challenges securing funding for their development of 10 low-energy homes in Perthshire.

Thanks to Assetz Capital's accreditation as a lender under the government-backed Coronavirus Business Interruption Loan Scheme (CBILS), we were able to assist the developer with a £1.38m development loan.

The Scotland-based development is focused on delivering low-energy-consuming family homes, including four affordable homes, and is set to fully complete in February 2022. It's designed to help boost housing supply for local families in the region, in the form of properties with green credentials.



“The CBILS loan will provide much needed family accommodation to the surrounding area with the benefit of green credentials. We've already taken deposits on five out of the 10 plots that Assetz Capital have funded. Without the funding, I'm not sure what we would have done.”

Steven Duffy  
Managing Director  
Airlie Green Low Energy Homes Ltd





## Case Study Private Investor

Doing good and delivering returns for investors.

Businessman Roger Taylor had already had a positive experience as an Assetz Capital investor when he was introduced to Assetz Exchange in 2019.

By placing capital in our fractional investment business, Roger knows that his money is having a beneficial effect on the wider community; around 50 per cent of the properties in which he's invested are designed for positive social impact programmes.

But it's not just the financial returns and the 'feel good' factor which keep Roger enthusiastically invested in Assetz Exchange. For him, the personal service he receives is what sets the service apart. From receiving proactive updates from the business and being invited to share feedback on new developments to knowing that he has a direct line to the team, the trust he has in the business is what means that he feels confident in recommending Assetz Exchange to others.



“It's nice to make some money, but it's nicer to think that you're also doing something good with your cash. I genuinely believe in what Assetz Exchange is doing.

Looking at the business from my view of the investment world, the risk-reward profile was the nearest thing to bomb-proof that I could find.”

Roger Taylor  
Businessman and Assetz investor





## Case Study **Commercial Mortgage**

We've helped Andy Platts with a £2.2m Commercial Mortgage to develop Roseberry View lodges.

Entrepreneur Andy Platts has borrowed a £2.2m facility to develop Roseberry View lodges; ten eight-berth luxury lodges situated around a private lake with views of Roseberry Topping and the Cleveland Hills. All lodges have a private hot tub and parking, with the site also featuring a play-park for children, a playground for dogs, a BBQ area and a six-person sauna with lake-side views.

The funding for the development consisted of a £475,000 commercial mortgage for the site and then a £1.73m development loan split into two phases. The first phase consisted of the build of five lodges, associated finance and ground-work costs. Further funding was then provided for five more lodges in order to meet local demand.

Dedicated holiday property developments help take the pressure and demand away from local family housing, meaning it can remain more affordable as well as being more able to be purchased by local buyers.



“Roseberry View has been a huge project and one that I am really proud to say is now complete and taking new bookings every day. With the number of staycations in the UK rising, as a result of poor exchange rates cutting the interest in holiday's abroad, the country needs more luxury holiday sites to meet the demand for this trend. Roseberry View will positively contribute to the local economy, while increasing the options available to customers looking for a holiday in the countryside.”

**Andy Platts**  
Director of Roseberry View Lodge Retreat





“I love that relationships underpin everything we do.”

“We're given the responsibility to take a project beyond expectations.”

“The culture is really key to how we work as a business.”

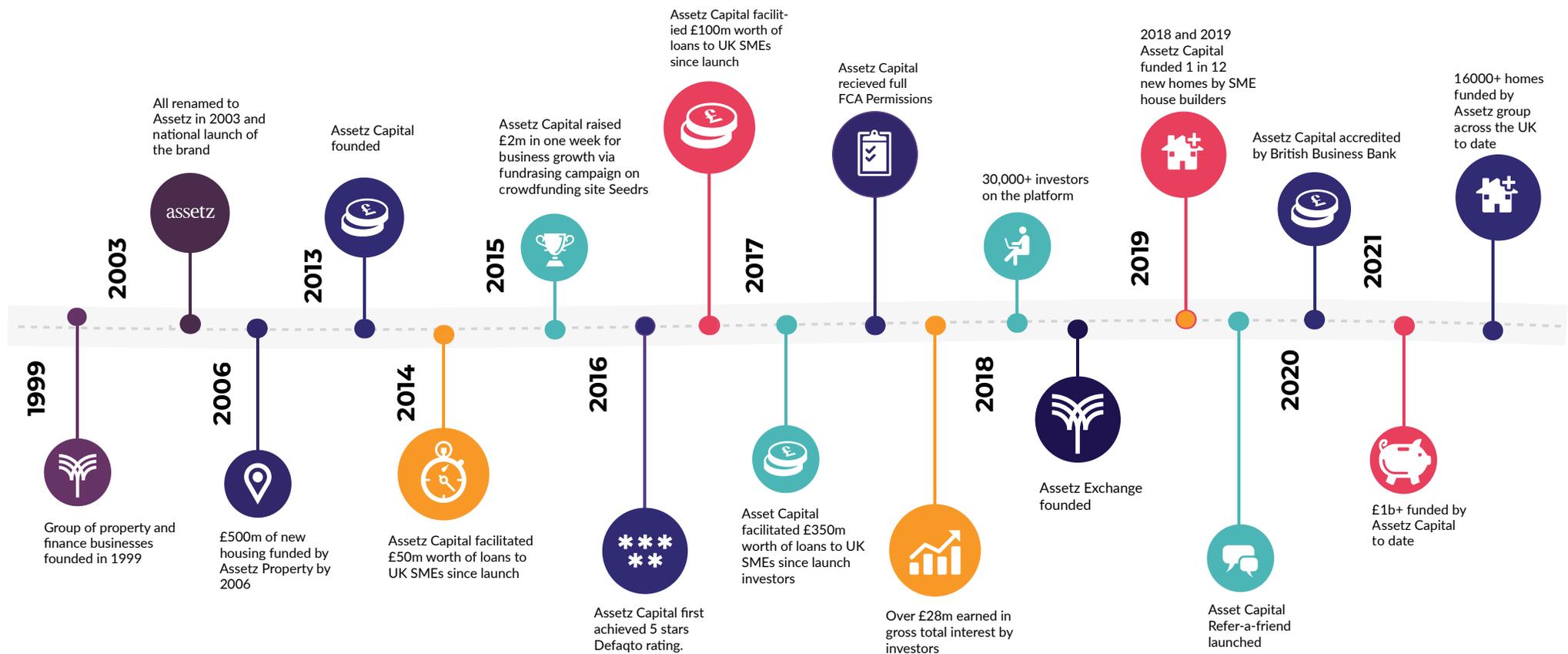
“We make a real difference to the people's lives.”

“Amazing to be so invested in the growth of business.”

“It is a very smiley business to work in.”



# Assetz timeline



# Our future

We've achieved a lot over the past two decades since Assetz group was founded. Yet our sights and ambitions are firmly focused on the future – and here's where our ambitions lie:

## Business

We're scaling up our funding at Assetz Capital – we're currently on track to hit **£1** billion a year of lending in 2022, and **£1.5** billion in 2023, growing further over time.

We're increasing our long-term impact – our aim is to be responsible for funding a quarter of SME-created homes in the UK over time, for both sale and rental.

We're also helping bring back growth in the SME house-building community – from its low of 2,500 businesses, back up towards 10,000 and beyond.

## Environment

We're enabling reduced energy costs and helping combat climate change – through our support for the rapid adoption of Modern Methods of Construction (MMC housing), and our target of **95%** or more new homes that we fund being EPC B rating or better by the end of 2022.

## Society

By supporting the SME house builders, rather than the larger national players, we support smaller in-fill sites that are closer to existing infrastructure and closer to communities people want to live in.

We're also playing a key role in addressing the shortfall of **50,000** supported living and care properties through Assetz Exchange.

We're backing the future of SMEs in the UK, leading to higher GDP and employment levels – over the next few years we expect to help thousands more businesses support many tens of thousands more jobs and help them to lead the country back to strong growth again, giving greater prosperity for all.

# assetz

As with all investments, there's a balance of risk and reward. It's important to remember that investments in peer-to-peer loans are not covered Financial Services Compensation Scheme and your capital is at risk.

## Get in touch:

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