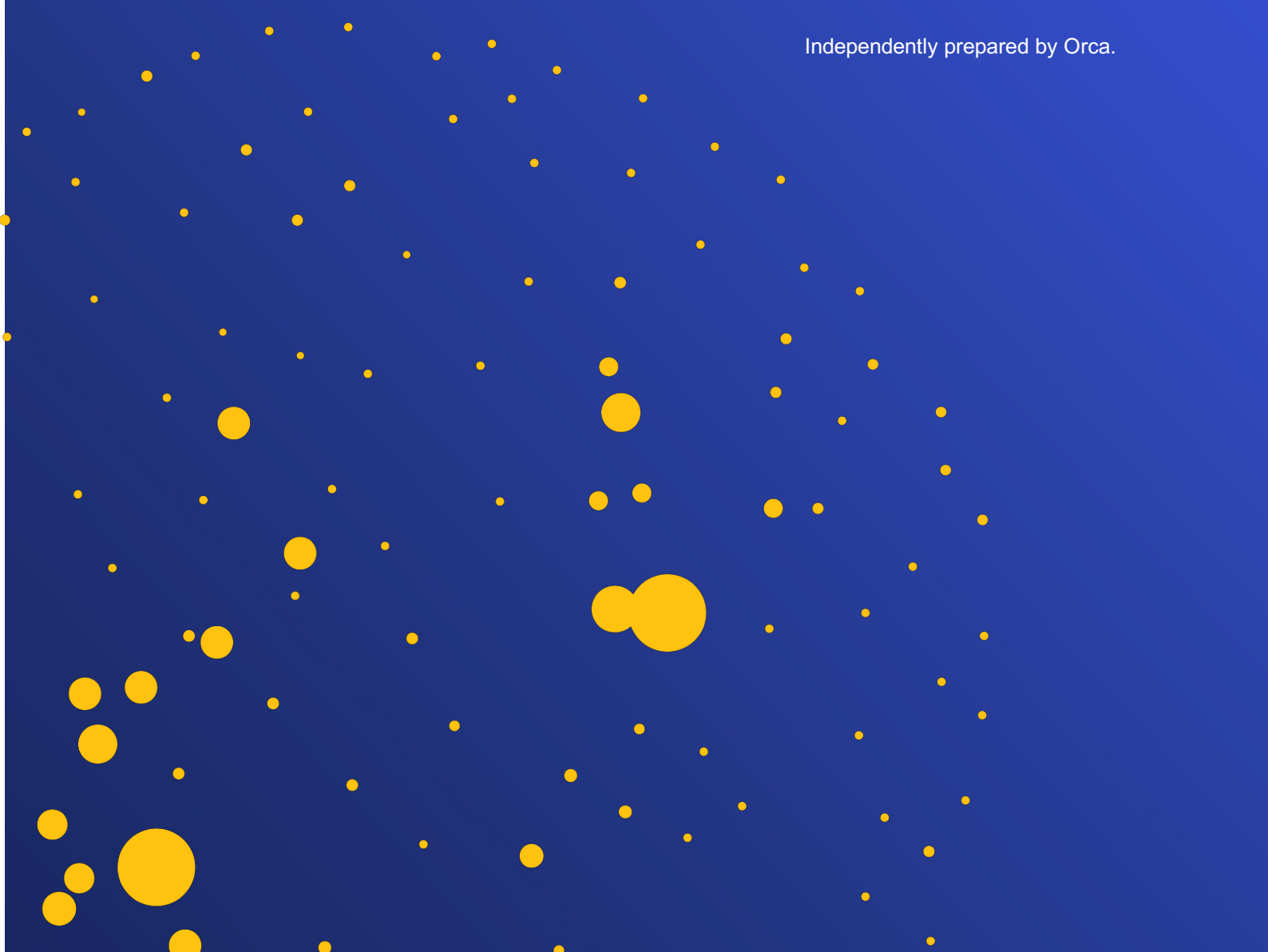


Octopus Choice Executive Summary

November 2018

Independently prepared by Orca.



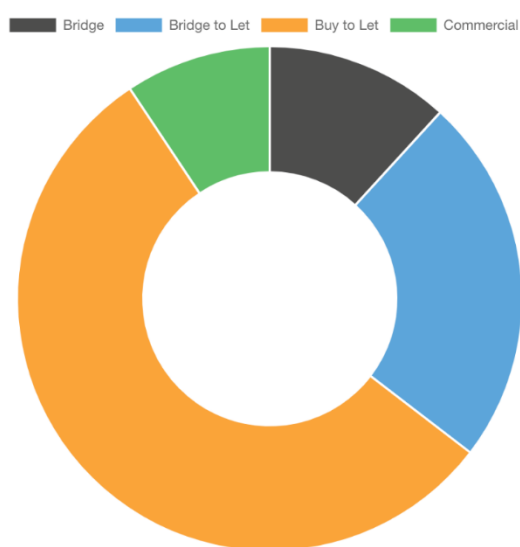
Octopus Choice Executive Summary

CHOICE
by octopusinvestments

Platform Overview

Octopus Choice (Octopus) is a peer to peer lending platform which facilitates loans to property borrowers. The platform is the primary product provider of choice for financial advisers, but caters to self-directed (DIY) retail investors as well. Returning a target 4% per annum, Octopus enables investment in a diversified portfolio of property loans, secured with 1st legal charges over property and made at conservative loan-to-value (LTV) ratios; 55% of the historic loan book value is buy-to-let loans. The platform is part of the established and reputable Octopus Group which specialises in creating products and services for intermediaries.

Loan Book Breakdown



Platform Information

Name	Octopus Choice (Octopus Co-Lend Ltd)
Company Number	08913299
Founded	2014 (Octopus Group, 2000)
FCA Permission	Fully Authorised
Loan Type	Property

Investment Details

Min/Max Investment	£10/No Max
Interest Payment	Monthly
Investment Type	Automatic Selection
Secondary Market	Available

Account Details

Accounts	Individual
	Trust
	Corporate
	Charity

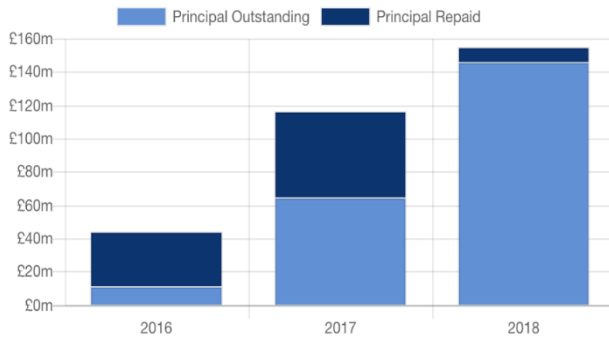
To open an account, visit:
www.octopuschoice.com

Loan Type	% Total Loan Book	Min. LTV	Avg. LTV	Max. LTV
Buy-to-Let	55%	22%	65%	76%
Bridge-to-Let	24%	31%	67%	73%
Bridge	12%	11%	50%	70%
Commercial	9%	17%	53%	65%

Operator

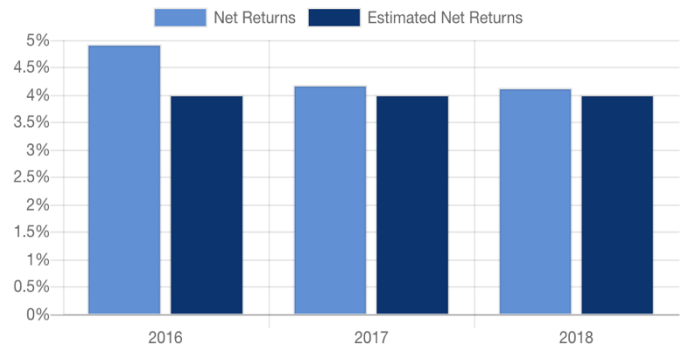
End of Year	Profit/(Loss)	Turnover	Net Assets
30/04/2018	£937,033	£5,107,139	£3,830,850
30/04/2017	(£1,768,926)	£2,151,097	£2,893,817

Amount Lent Annually



All principal is redeemed at the end of the loan term, unless holdings are sold (subject to liquidity). Interest payments are paid monthly and can be withdrawn or reinvested for compound growth.

Net Returns Annually



The target rate of return is 4% per annum. However, each loan has its own personal rate. The actual return is calculated as a blend of the personal rates attached to each loan held in an investor's portfolio.

Security Summary

All loans offered by Octopus Choice (Octopus) are secured on a 1st legal charge over property; 97% of loans are secured on residential property, 3% on commercial property (stats correct at 16th October 2018). In addition, loans are made at conservative loan-to-value (LTV) ratios. The average LTV on Buy-to-Let loans (55% of loan book) is 65%, with a maximum LTV of 76%; for Bridge-to-Let loans the average is 67%, with max 73%; for Bridge loans the average is 50%, with max 70%; and for Commercial loans the average is 53%, with max 65%. Octopus adds a further layer of security, which is uncommon in the P2P industry: Octopus (via Octopus First Loss Ltd) invests in up to 5% of each loan, in a 'first loss' position. This means that should a borrower default and the property underwriting the loan fails to recover the debt owed, Octopus would lose capital and interest before any investors lose a penny.

Borrower Type

Octopus facilitates loans to property borrowers, typically those seeking buy-to-let loans, but also for bridging and commercial purposes. Octopus Property (Octopus Choice sister company) provides deal-flow and has an excellent track record in lending with minimal defaults.

Year	Avg. Borrower Rate	Avg. Loan Size
2016	9.50%	£599,683
2017	6.97%	£593,036
2018	6.43%	£803,355

When evaluating borrowers, Octopus Property considers the loan purpose, property securing the loan, borrower credentials, location, exit strategy (repayment strategy) and so on, to ensure only the highest quality borrowers are approved onto the platform, maintaining their 0% loss rate.

Contact

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