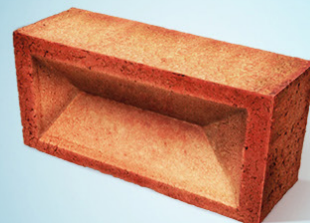


Octopus Choice

Quarterly factsheet as at 31 December 2018



What is Octopus Choice?

Octopus Choice lets you access an age-old asset class in a new way. We use peer-to-peer technology to automatically spread your investment across 60+ property-backed loans in multiple sectors. Investors benefit from the expertise of the Octopus Property team, which has an established track record of screening borrowers and lending against property.

Key facts

£216m
assets under management

£8.97m
interest earned to date

£73.8m
successfully withdrawn

£359m
lent to date

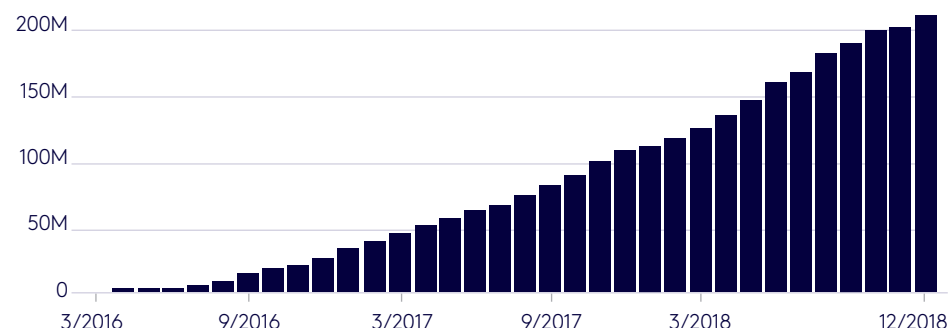
559
loans funded

Fees and charges

- No investor fees
- No fixed term

Assets under management

AuM (£)



Investment performance 12-month discrete

	1 Jan 17 - 31 Dec 17	1 Jan 18 - 31 Dec 18
Amount invested	£97.01m	£152.3m
Average interest rate	4.21%	4.10%
Amount withdrawn	£17.56m	£52.58m

Past performance is not a reliable indicator of future results.

Loanbook performance 12-month discrete

	1 Jan 17 - 31 Dec 17	1 Jan 18 - 31 Dec 18
Average proportion of live loanbook that's late-paying at the end of each month	0.48%	0.91%
Number of loans passed to debt collection	0	6
Amount of interest lost	£0	£0
Amount of capital lost	£0	£0

At the end of each month we count the number of loans on hold and express them as a percentage of all open loans. The figures in this table show the average monthly percentage for each year. It's not unusual for loans to be placed on hold from time to time. It's a typical part of the lending experience and shouldn't necessarily be a cause for concern.

Octopus Choice launched in March 2016, so no further discrete 12-month performance data is available.

Key risks

- The value of an investment and any income from it, can fall or rise. You may not get back the full amount you put in.
- Peer-to-peer investments are not protected by the Financial Services Compensation Scheme (FSCS).
- Money invested through Octopus Choice is concentrated in loans backed by property and could be affected by market conditions.
- For the same reason, instant access to your money cannot be guaranteed.

About Octopus Property

Octopus Property has offered specialist loans since 2009, lending more than £3.5 billion over that time. We take the time to get to know customers, applying a flexible approach that's not driven by credit scores. It's an approach that means more landlords, property developers and property investors get the loans they need.



The underwriting process

Octopus Property lends at conservative loan to value (LTV) ratios. For residential property, the most we lend at is 76%. In other words, a £760,000 loan would have to be secured against a property worth £1 million. This would give a substantial 24% cushion against any fall in the value of the property. We get an independent valuation report on every property we lend against, which is backed up by our own visit. Every borrower is comprehensively screened.

Quarterly commentary - product news

Greater diversification

When money is invested in Octopus Choice we aim to build a diversified portfolio of loans (a minimum of 10 loans). We've been able to increase the maximum diversification from 30 to 60 loans. This means, provided 60 loans are open on the platform, investors will have far broader loan diversification.

Over term loans

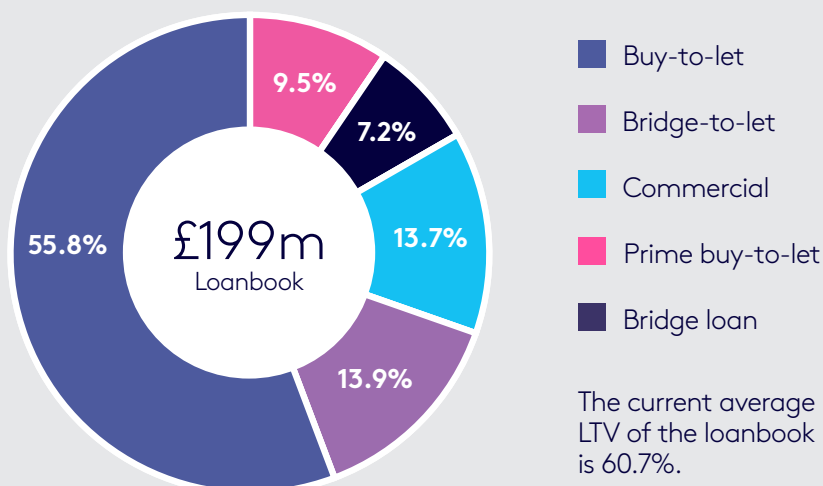
Over term loans are those which have a fixed end date, but haven't been redeemed by this date. As soon as a loan is a day late we mark it as over term, even if the borrower has refinance plans in place.

You may be seeing an increase in loans that are over term within your clients' portfolios. As the loan book matures, there is more opportunity for loans to go over term, which is why you may be seeing rising numbers.

Redeeming non-performing loans

It's important that investors understand that a proportion of their loan book could be illiquid at any given time. To date, however, more than half of non-performing loans redeemed within 30 days, nearly 80% recovered within 60 days, 97% recovered within 180 days, and all loans recovered within 360 days, with no capital losses.

Lending by type



The current average LTV of the loanbook is 60.7%.

Enquiries

To speak to us, please call **0800 316 2295** or email **info@octopusinvestments.com**.

Important information

All information is sourced from Octopus Investments. We do not offer investment advice. Investors should read the product brochure before deciding to invest. This is available at octopusinvestments.com. Octopus Choice is offered by Octopus Co-Lend Limited, which is fully authorised and regulated by the Financial Conduct Authority. Issued by Octopus Investments Limited, which is authorised and regulated by the Financial Conduct Authority. Registered office: 33 Holborn, London EC1N 2HT. Registered in England and Wales No. 03942880. We record telephone calls. Issued March 2019. CAM07789-1903