



**CB Growth Fund is an alternative, un-correlated, Collective Investment Scheme that is aimed at international EXPERT investors seeking consistent, above-average returns.** It is suitable to investors wanting to diversify their investment portfolios to gain exposure to the fast growing UK and European based small & medium-sized enterprises (SMEs)

<b>Fund Name</b>	<b>CB GROWTH FUND</b>
BRN	C122645 C1/GBL
FSC License	C114012978
ISIN	MU0612S00004
CFI Code	ESNUFR
Country of registration	Mauritius
Launched	November 2014
Registered Address	4th Floor, 19 Bank Street, Cybercity, Ebene 72201, Mauritius
Fund Advisers	YesGrowth Ltd 10 Greycoat Place London SW1P 1SB
Administrator	Apex Fund Services Ebene Mauritius
Website	<a href="http://www.cbgrowth.com">www.cbgrowth.com</a>

## INVESTMENT OBJECTIVE

The objective is to **generate returns** through direct or indirect **investments in debt- and money market instruments** primarily in the United Kingdom and continental Europe. The Fund will target returns through a combination of **capital appreciation and current income** for Investors to receive a regular income with dividends paid quarterly and annually in cash or reinvested.

*Debt Instruments are an **attractive asset class** offering high yield, high liquidity<sup>1</sup>, relatively low risk<sup>2</sup> and low correlation with other asset classes*

- <sup>1</sup> Focus on short-term debt instruments provides greater liquidity than most private debt, private equity and venture capital asset classes
- <sup>2</sup> Default rate (including hidden insolvencies) of debt in UK SMEs with 6-100 employees averaged 3.3% in 2005-2014.

## CB GROWTH FUND IS

- An expert open end investment fund both authorized and supervised by the Mauritius Financial Service Commission and reporting to UK FCA,
- Registered in terms of Securities Act 2005
- A licenced CIS
- Administered by an award winning global fund administrator which administers circa \$550bn in assets

Minimum term	12 months
Notice	3 months
Target Dividend Yield	6% p.a.
Dividend Frequency	Quarterly
Bonus payments	Annual
Currency	Sterling
Placement fee	1%
Annual Management fee	0%
Significant drawdowns in last quarter	0

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## FUND NARRATIVE

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CBGF is an open end fund that allows investors to top-up their investment or withdraw income on a regular basis. Its objective is to generate returns from investments in debt instruments procured from UK-based SMEs (small and medium-sized enterprises) on 3-month to 2-year term. Additionally, the fund benefits from a high level of diversification (average investment size represents less than 2% of the total fund portfolio) and the short-term nature of the underlying instruments (average term is less than 12 months).

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The Company targets a minimum investor return of 6% with potential for greater earnings based on a performance bonus paid at the end of each financial year. The Investment Manager controls and reduces the risk profile by utilising an institutional strength underwriting process involving thorough due diligence with respect to sourcing, screening and validating investment opportunities. The Investment Manager also continuously monitors and enforces instrument terms. The entire process is run by a team of experienced executives with substantial business and portfolio management experience.

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## FUND TERMS AND BENEFITS

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- Short-term, flexible investment which pays quarterly income and an annual bonus (in cash or reinvested in additional shares)
- Minimum one year investment term; 3 months notice after the first 12 months
- The Fund is open to Expert investors only.

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## EXPERT INVESTOR

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An **expert investor** means-

- (i) an investor who makes an initial investment, for his own account, of no less than US\$ 100 000; or
- (ii) a sophisticated investor as defined in the Act or any similarly defined investor in any other securities legislation.

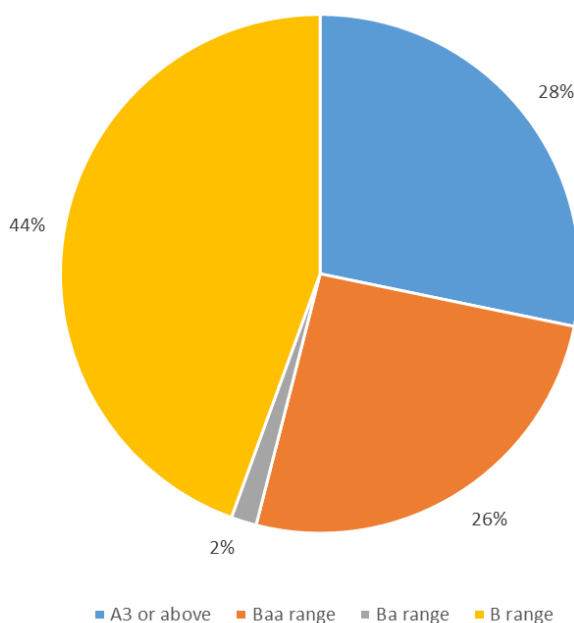
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## REDUCED RISK

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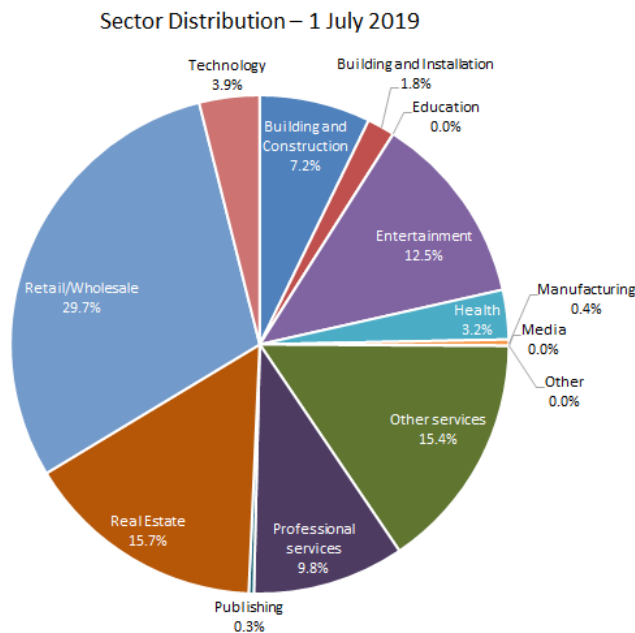
- Risk is reduced by utilizing a proprietary, institutional strength underwriting process, active on-going monitoring and syndication
- To protect investors' capital, cash reserves are accumulated on all investments
- Investments are spread over a large volume of deals spanning 25 industry sectors
- Transactions vary in length between 3 months and 2 years from as small as £15k

Ratings Portfolio Distribution



**NOTE:** *These ratings are based on an internal ratings model designed as part of the underwriting model to assess investment risk and is proprietary to CBGF*

## TRACK RECORD – 1 July 2019



- Successfully trading since 2014 (fully audited)
- Successfully developed and implemented an institutional strength underwriting process
- In-depth understanding of the UK and European SME market, its trends and opportunities
- Capital managed by CB Growth Fund has never incurred any capital or income losses
- Strong deal-flow generating capabilities

## CASE STUDIES

### Mrs. A

Subscribed in November 2014. £100k  
 28.09.2018: GBP 144,374.76  
*44.3% growth in 3years 10months*

### Mr. B

Subscribed in February 2015. £400k  
 28.09.2018: GBP 563,498.52  
*40.87% growth in 3years 7months*

### Trust C

Subscribed in April 2016. £100k  
 28.09.2018: GBP 119,353.63  
*19.4% in 2 years 5months*

## CHALLENGES INVESTORS ARE FACING

- Low or even negative returns on sterling, euro and dollar denominated deposits
- High risk and high level of volatility on stock exchange equity investments
- Long term reward/risk profile of private equity investment
- Low & often unpredictable return on retirement annuities
- Investors need to think beyond some of the more common strategies to secure greater consistent income

## MARKET OPPORTUNITY

- SMEs account for 99% of the 5.4 million businesses in the UK
- SMEs employ 12.3 million people and have a combined turnover of £1,650bn
- Major UK and European banks continue to shrink their balance sheets due to regulatory constraints
- According to the Bank of England's latest Trends, bank debt finance to SMEs is decreasing. The trend could escalate with Brexit
- Traditional banking model is unable to meet demands of SMEs
- SME "debt finance gap" in the UK is estimated at £18bn to £40bn
- The average default rate experienced by debt financiers to SMEs in UK is less than 3%
- This creates a new asset class for investors searching for high yield

Since inception in November 2014, investors received a consistent quarterly dividend of 1.5%

Quarters	March
	June
	September
	December

Annual bonus is paid in September every year.

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**EXTRACTS FROM PRIVATE PLACEMENT MEMORANDUM**

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**Taxation:**

- Under the provisions of the Mauritian Income Tax Act 1995, the Fund pays tax at a preferential rate
- Currently, no capital gains tax is payable in Mauritius in respect of the Fund's realized Investments. Profits or capital gains made by the Fund on disposal of securities are exempt from income tax in Mauritius
- Dividends and redemptions proceeds paid by the Fund to Shareholders are exempt in Mauritius from any withholding tax

**Personal Taxation:**

- Levels and bases of taxation in relevant countries of investors may change
- The taxation of the income of the Fund may depend upon the Double Taxation Avoidance Agreements (DTAA) between Mauritius and the countries where Investments are undertaken
- Changes in tax regulations may affect the Fund's operations and profitability
- Investors should always consult a specialist tax adviser for further information before proceeding with a transaction
- The fund does not guarantee returns

***"Investors in CB Growth Fund are not protected by any statutory compensation arrangements in Mauritius in the event of the fund's failure."***

***"The Mauritius Financial Services Commission does not vouch for the financial soundness of the fund or for the correctness of any statements made or opinions expressed with regard to it."***

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**DISCLAIMER**

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