

October Monthly Update

Elaine Securities Plc announces a monthly update for October. The full announcement is attached.

The directors take responsibility for this announcement.

Attachment:

1. **October Monthly Update**

Non Regulated

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Elaine Securities Plc

October 16

General update

October has been a busy month for the team at Elaine Securities Plc with just under £180,000 in new investment being received from bond issuance and some interesting deals that we are currently investigating and hoping to secure in November.

Current Investments

Elaine Securities currently have five investments.

The first investment is a loan to an SPV that have purchased and will lease a private aircraft. Elaine has acquired a 1/3 equity stake in the borrower SPV to protect its interests. The lessee will commence the lease in January 17, where Elaine finances the monthly holding costs, then the SPV will charge the lessee on pre-defined terms.

The second investment secured was a 19-month loan facility for approximately £900,000, which was used to acquire a property based in Heathrow. Under the Governments Permitted Development Rights, the borrower intends to convert the existing office space in to residential apartments. A first ranking charge on the property and all-monies Debenture on Corporate Borrower has been secured.

The third investment is a loan facility provided to corporate body for regular draw down to fund the provision of motor stocking facilities to its car trader clients. We are actively working with the company to investigate the potential routes of sale of their book and the required size of the book before this is an option.

The fourth investment is a one-year loan facility to a corporate borrower due for final repayment in February 2017, secured against a development site in Purley. It is the intention of the borrower that the site will be marketed upon grant of planning, with loan repayment upon sale.

The fifth investment is a loan facility, to a corporate house builder to fund land acquisition and development costs for a site based in Leeds. An extra piece of land, located adjacent to the site has been secured expanding the overall scale of the development. The proposed scheme is to build nine detached houses (each with 4-6 bedrooms) and to refurbish one existing detached house. The loan repayment is upon sale of the first five units, which is estimated between July 2017 and November 2017.

Potential Investments

Elaine Securities are currently negotiating terms with a borrower for a potential loan facility amount of over £2.5m. A first ranking charge has been secured against the property with an OMV of £4.5m based in Hadleigh Wood. A 6-month term has been agreed.

Another potential loan facility for a total sum of £1.5m net, to be used to purchase 10 classic cars currently in the US is currently being negotiated. Elaine will be financing 80% of the purchase of each car, and borrower has agreed to fund 20%, but Elaine will retain ownership. The loan would be syndicated, either upon draw down or at a later date, to spread risk and to allow Elaine to pursue other opportunities. Negotiations are still being undertaken.

A third potential loan facility is currently being negotiated to purchase four commercial aircrafts that are currently leased to airlines. With a low LTC, Elaine Securities continue to negotiate terms with the vendor, and are actively looking for syndication partners.

The company has approximately £180k in cash to fund or participate in these investments.

We will update you again at the end of November 2016.

Yours sincerely,

Elaine Securities Plc

