

# OXFORD BUSINESS CAPITAL

BACKGROUND AND OVERVIEW OF  
FUNDING MECHANISMS

DECEMBER 10, 2015

# I. BACKGROUND AND HISTORY

- The Oxford Business Capital of Companies began life in the commercial real estate finance sector
- We have since financed more than \$250 million in debt and equity transactions in the real estate and operating company segments
- Cross invested and/or otherwise affiliated with more than 25 Life Insurance Company more than \$50 billion under management
- Extensive financing and deal origination network, including a presence in Raleigh NC, and other cities

## II. PRODUCTS AND SERVICES

- Direct investing using structured loan
- Corporate finance and advisory services
- Lines of credit, business loans, lease and equipment financing
- SBA Lending
- Bridge Lending
- Loan syndications
- Note Purchase Financing
- Multifamily Lending
- Securities Lending
- Assets Base Lending

### III. BUSINESS LINES

- 4 main business lines
- Real estate finance
  - Senior debt
  - Mezzanine debt
  - Equity
- Business finance
  - Working capital
  - Trade Finance
  - Acquisition Finance

## IV. BUSINESS LINES – CONT'D

- Specialty finance
  - Hotels
  - Resorts
  - Senior Care
- Hedge fund management and participation
  - Cross invested with 25 Life Insurance Company with \$50 billion under management
  - Partnership portfolio investments for several hedge fund groups investing excess cash

## V. Structured Loans

- Oxbridge currently makes direct investments through structured loans only
- 5 key features
  - All loans are insured
  - Loans fund over 3 periods – 18, 24 & 36 months
  - Equity kicker – not less than 25% of fully diluted voting equity is typically required
  - Debt is convertible at Oxbridge's sole discretion
  - Borrowers/sponsors must have at least 10% to 15% cash equity available for funding

## VI. BRIDGE LOANS -- USES

- New real estate construction
- Existing real estate acquisitions
- Traditional and alternative power project capitalization
- Equipment purchases
- Infrastructure projects
- Share acquisitions
- Instalment note payments
- A/R financing
- Trade finance
- Early stage company finance

## VII. TYPICAL LOAN TERMS

- High LTV ratios – between 70% and 99%
- Low interest rates – between 4.25% and 9.25%
- Wide uses
- Repayment and amortization – up to 30 years
- Flexible draw down schedules – 18, 24 and 36 months •

Non recourse – no personal guarantees

- Credit – no minimum credit requirements
- Experience – no minimum experience requirements
- Collateral – flexible collateral requirements – e.g. shares or receivables
- No upfront fees – fees only charged after term sheet issued
- Limits – can be stacked in capital structure or off balance sheet
- Loan size preference – between \$250K and \$25mm



## VIII. MAJOR MARKETS

- AMEX
- NYSE
- NASDAQ
- MSE
- TSX
- TSX VENTURE
- LSE
- NYSE Euronext
- Nasdaq OMX
- ASE
- BME
- NIMEX
- JSE
- BSE
- KSE
- SIX
- MICEX
- SSE
- Hong Kong

# IX. FUNDING PARTNERS

- Aegon USA Realty Advisor
- Guardian Life
- ING Investment Management
- John Hancock Life
- ManuLife
- Metropolitan Life
- New York Life
- Royal Bank of Canada
- TD Canada Trust
- HSBC
- Bank of Montreal
- CIBC
- Bank of America
- Deutsche Bank
- GE Capital
- Goldman Sachs
- Citibank
- Morgan Stanley
- JP Morgan
- KeyBank
- Axa SA
- Aegon NV
- Allianz
- Zurich Financial Services
- BNP Paribas
- Societe General
- Credit Agricole
- Commerzbank

# X. OXFORD FUNDING PROCESS

- STEP 1 Borrower/sponsor engagement - NCND
- STEP 2 Initial review of deal sheet project summary
- STEP 3 Initial review of key documents
- STEP 4 Conference call with all relevant parties
- STEP 5 Soft underwriting
- STEP 6 Investment committee decision
- STEP 7 Term sheet issued and signed
- STEP 8 Formal due diligence; third party reports commissioned
- STEP 9 Offer to Finance issued
- STEP 10 Formal legal documents tendered for signature
- STEP 11 Borrower equity and insurance deposits posted
- STEP 12 Bonding deposit in escrow
- STEP 13 Insurance – CDS or put agreement
- STEP 14 Funding commences

# XI. FEES & EXPENSES

- Due Diligence Fees
  - Only charged once a term sheet is issued; standard banking practice
  - \$7,500 to \$15,000 depending on loan size and deal complexity
  - Fully refundable
  - Non refundable once formal Offer to Finance issued
- Syndication Fee – 1% of loan balance
- Broker Fee – 1% of loan balance