



KHK CAPITAL

Investing in the Future

**Earn 9% Fixed interest, with our
property-backed Secured Bond.**



ABOUT US

KHK Capital provides short-term, property-backed loans to property professionals for business purposes. Our borrowers typically use the funds to purchase and refurbish the properties, then sell or refinance.

KHK started life in 2016 as a small “family office”, offering loans with our own funds. In order to expand we brought in cash from other HNW private investors, and in 2020 established a formal revolving credit facility from a major bank. The bank appoints a third party auditor, Rockstead LLP, to ensure high standards with quarterly audits.

Our own funds are always alongside our investors throughout, ensuring our interest are aligned. We commit to keep a 5% “first loss cushion” ahead of you at all times.



WHAT WE DO



Our lending practices are monitored by 3rd Party auditors

BRIDGING LOANS

- We offer short term bridging loans secured against UK property, by way of first charge, for a period of around 12 months.
- No single new loan above 75% LTV and **average portfolio LTV always below 67.5%**. (2024 average of 63.2%)
- Development Loans always less than 25% of the portfolio (2024 average 14%)
- Commercial Loans less than 15% of the portfolio
- Strong underwriting standards

Bridging loans are an extremely useful way of raising capital quickly for any legal purpose, including:

- Auction purchases and speedy private treaty purchases.
- Refurbishment to get a property to high street mortgage eligibility.
- Raising debt secured against two or more properties with equity

LOAN BOOK

Around £90 million and growing steadily.

Over £275million across 410 loans since inception.

Borrowing Base Covenants

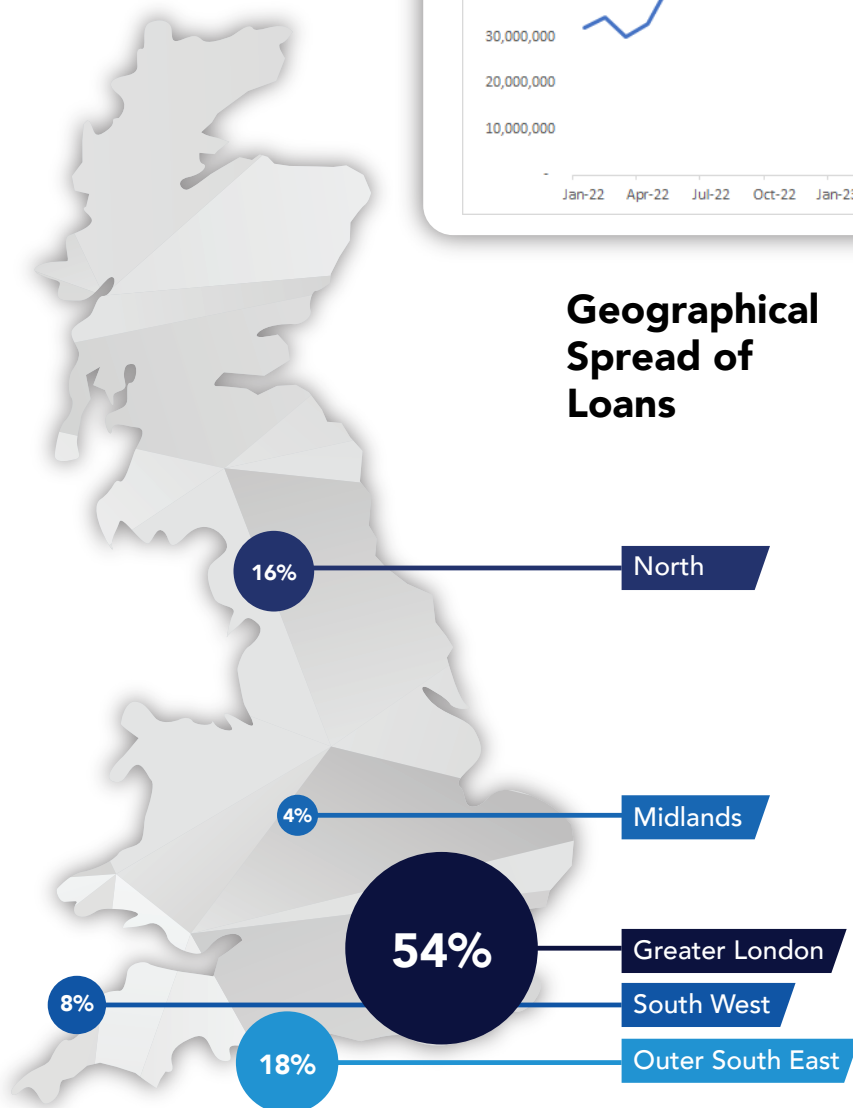
	Actual	Covenant
Weighted Average LTV	63.4%	67.50%
Average Loan Size	951,276	1,050,000

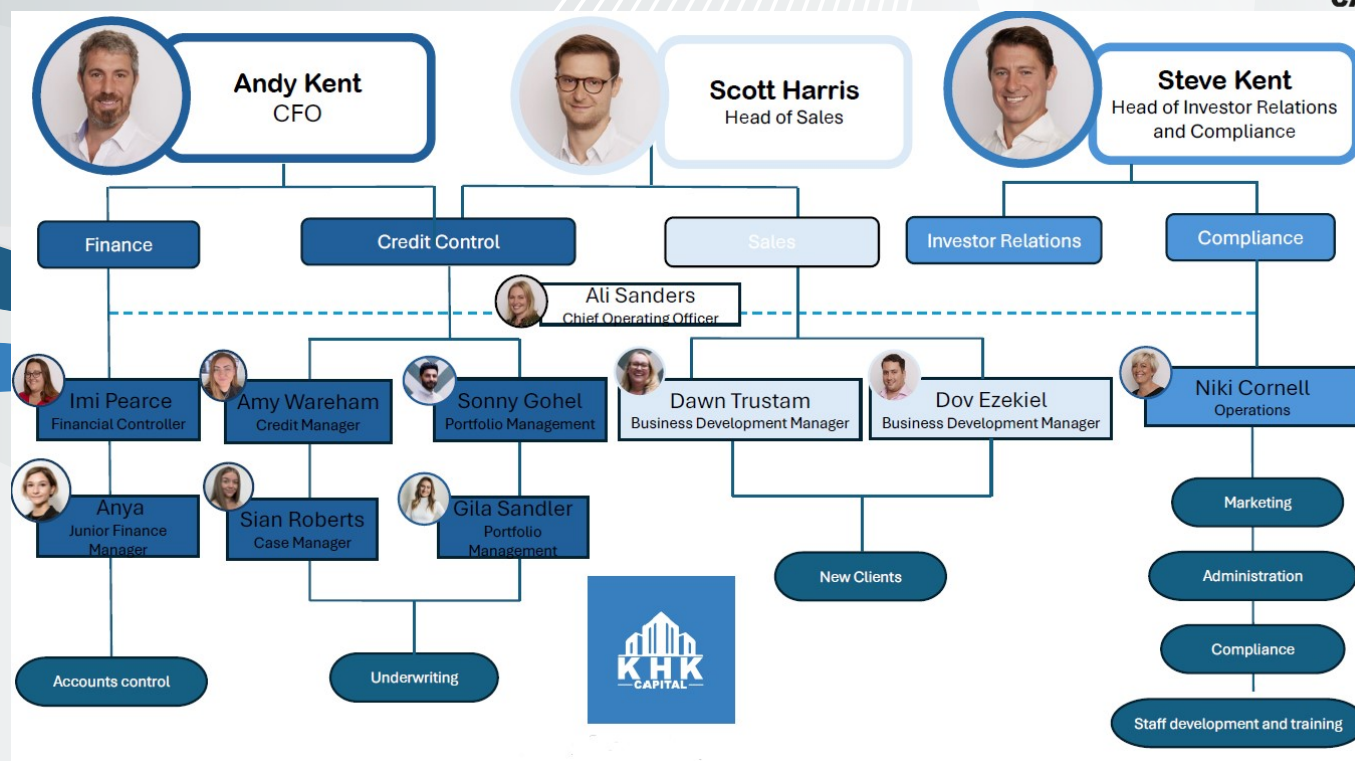
Borrowing Base Covenants

	Actual	Covenant
Commercial Loans	5.3%	15.00%
Development Loans	18.5%	25.00%



Geographical Spread of Loans





EXTERNAL AUDITORS COMMENTS



2. Executive Summary

2.1 Operational Areas of Strength

1. The highly qualified directors and senior staff are accomplished professionals with a proven history of real estate lending experience
2. The due diligence and loan assessment process, coupled with repayment terms that are assessed, demonstrates that a clear and feasible exit strategy is in place for each loan
3. KHK applies the key areas of risk management to the loan assessment process to ensure that the loan is structured to minimise risk, and the value of the security is sufficient to recover all capital and any outstanding interest and fees at redemption stage
4. The loan management processes ensure that loans are managed effectively and efficiently during their lifetime to mitigate any loss
5. From the review it is evident that robust and sound operational practices are in place throughout KHK

2.2 Operational Areas of Potential Risk

No areas of potential operational risk were observed during the review.

2.3 Recommendations

No recommendations are considered to be necessary.

IN THE NEWS

Mortgage Finance Gazette

'Family office' bridging lender KHK Capital secures £25 million funding

By Kate Saines in Bridging finance, Funding 12th January 2021 0

KHK Capital has secured a £25 million funding line from Shawbrook Bank to help it meet the rapidly-growing demand from new and repeat customers.



BRIDGING&COMMERCIAL



<https://bridgingandcommercial.co.uk/article/18398/khk-capital-secures-additional-funding-from-htb>

Conservative Lending Standards & practices – monitored by independent quarterly audit

- Our bank facility legally mandates a number of "covenants" - risk metrics which we must adhere to - such as average portfolio LTV below 67.5%, average loan size below £1,050,000 and many more; as well as adherence to rigorous operational standards.
- Adherence to our covenants and standards are monitored by independent 3rd party audits - reports available on our website investor portal or on request.

EXTRACT FROM AUDITORS REPORTS

2. Executive Summary

2.1 Data Verification

Grade	Number	%
Green	97	97
Red	3	3
Total	100	100

1. We reviewed 20 data fields on each of the 5 loans, representing a total of 100 individual data points for verification
2. 97% accuracy was achieved
3. 1 loan had 2 minor keying errors relating to the Interest Facility
4. 1 loan was missing the name of the valuer

Please see section 3.1 for further information.

2.2 Re-Underwrite

Grade	Number	%
Green	5	100
Orange	0	0
Red	0	0
Total	5	100

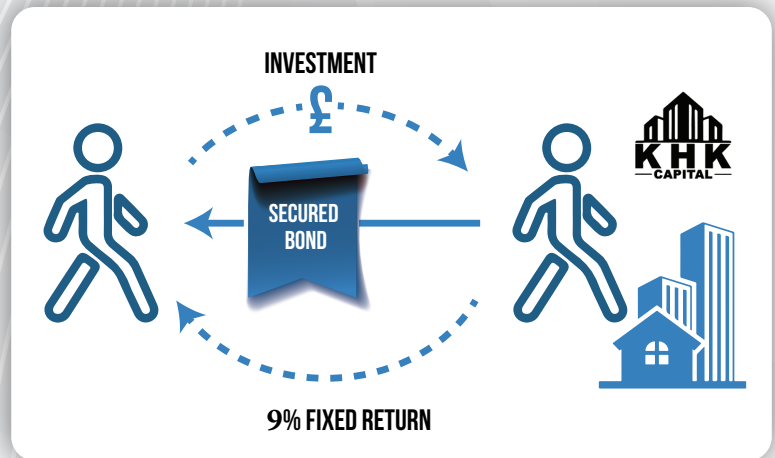
1. The loans were considered to have been well underwritten in accordance with KHK's policy

INVESTING WITH US

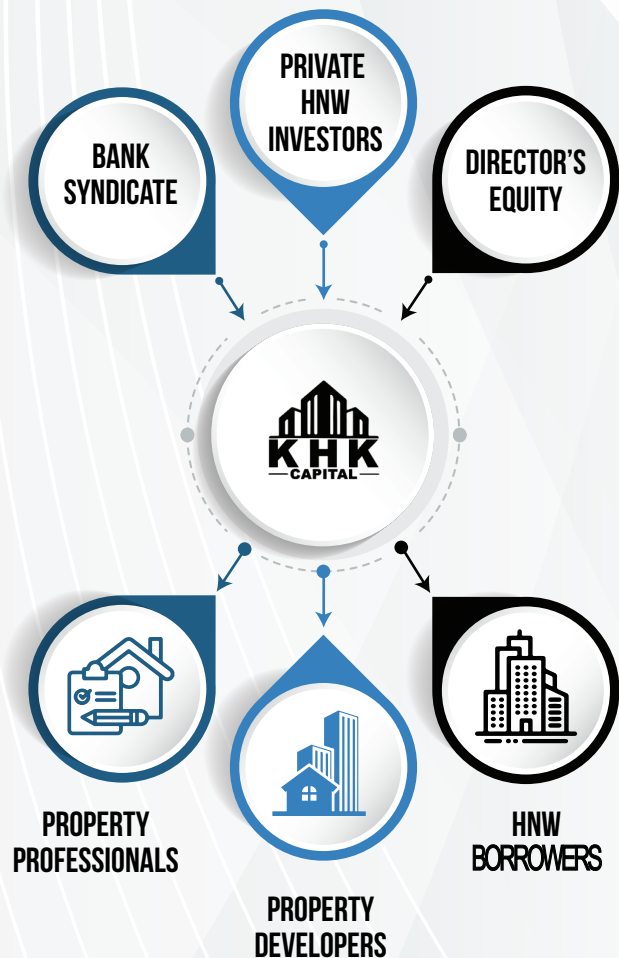
We believe in every loan we make – our money is always invested alongside yours.

We hold substantial amounts of our own funds pari-passu with investors.

We keep equity of 5% of the whole portfolio as a first loss cushion.



- HNW investors will receive 9% return on money invested with KHK , paid monthly.
- Your investment is backed by the whole portfolio of ~100 loans, each one secured on UK property, providing strong diversification.



KHK Secured Bonds. Listed, tradeable, cleared.

- The KHK 9% Secured Bond GBP series, maturity May 2029, is listed and tradeable at the Frankfurt Stock Exchange with ISIN CH116113991.
- The KHK 8% Secured Bond EUR series, maturity May 2029, is listed and tradeable at the Frankfurt Stock Exchange with ISIN CH1161139915.
- The bonds are cleared and settled, via SIX SIS and Euroclear Clearstream.
- Investors can also purchase directly from KHK with application form and bank transfer.
- KHK Secured Bonds are issued by bankruptcy remote vehicle, MTN Funding PLC, an entity of Truva Trust Corporation.
- Debenture on KHK Capital is held in trust for bondholders by Truva Trust Corporation.



Overview of KHK Bond Series - Key Parties

Issuer	MTN Funding PLC, (registered number 12474989);
Borrower	KHK Capital Limited (registered number 10482158);
Borrower Security Agent	Truva Trust Corporation PLC (registered number 13327899;
Trustee	Truva Trust Corporation PLC (registered number 13327899;
Servicer and Calculation Agent	Truva Corporate Administration Limited (registered number 12642399)

TESTIMONIALS

"I have worked with a number of lenders and KHK go above and beyond to understand the nature of my projects, offering me a product which matches my needs."

—
Ari - Developer and KHK Borrower

"A bridge loan company that has the customer in mind."

—
Morris - Developer and KHK Borrower

"I find dealing with KHK an enjoyment rather than stress. Scott is always there to help and stands by your side for everything you need"

—
Dov - Developer and KHK Borrower



CONTACT

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