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## **Paxton Secured Income Fund scores first year goal**

Short-term lending scheme Paxton Secured Income Fund LP has concluded its first year of operations by making the first income distributions to investors at an annualised rate of 11.25% pa, thereby exceeding the 10.30% pa target set by the loan manager, Paxton Private Finance.

Launch investors, whose subscriptions were in play for only part of the financial year, have shared in a strong fourth-quarter result which saw almost full utilisation of equity available for lending. Demand from prospective borrowers was such that the proceeds of one loan redemption were employed on fresh lending within three days. Loan manager Paxton Private Finance commented "High Street banks are still reluctant to support small property developers and are tending to increase margins and renewal fees for existing accounts wherever possible, making the Fund's typical lending rates more competitive. Cost aside, brokers and borrowers alike say the most significant factor influencing lender selection is our proven ability to deliver quickly".

During the fourth quarter further equity continued to be issued as the Fund progresses towards its £10m fundraising target.

Real Estate Associates Ltd is FSA-regulated operator and trust manager, with day-to-day administration undertaken by sister-company Real Estate Associates (GP) Ltd. Among their duties, treasury functions are segregated from the loan manager for an additional layer of security; consequently loan monies flow directly between the fund's bank account and the solicitor responsible for each loan's security package. "The investor community has recognised the importance of strong governance for lending schemes. The steps we have taken to monitor reporting by external valuers and solicitors, and embed those processes during the fund's first year, have created a solid platform for expanding volumes of lending", said Real Estate Associates.

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