

IMF
BENTHAM
INTERNATIONAL LITIGATION FUNDING



Euroz Presentation

April 2019

Fund 1 Commitments, Deployed, Capacity at 31 March 2019 (see notes on Slide 11)



- US Fund 1 had committed 85.5% of available capacity.
- US Fund 1 commenced in February 2017 and in February 2018, the majority of US investments on IMF's balance sheet were sold into the fund. At 31 March 2019, the Fund had committed 85.5% of available capacity.
- The exclusivity period for Fund 1 will conclude shortly following which commitments can be made into Fund 4, where the investment exceeds Fund 1's mandate or capacity. To that end, we are close to writing our first investment into Fund 4.

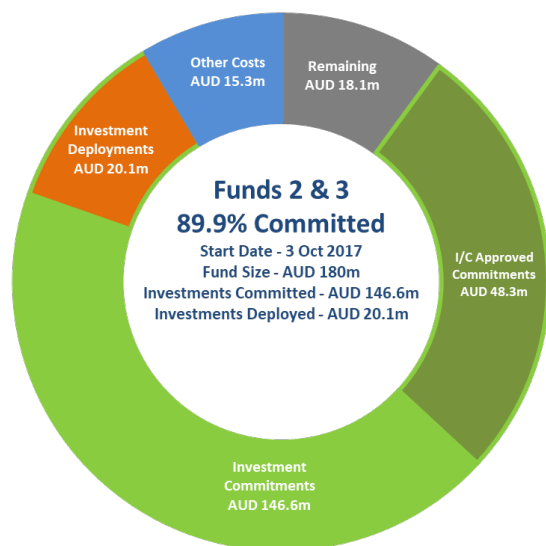
No. of Investments	EPV ¹ USD m	Possible completion EPV USDm ²			
		FY 2019	FY 2020	FY 2021	FY 2022 +
35	1,966.2	65.7	1,183.4	537.4	179.7

Called Capital USDm			Un-called Capital USDm ³			Preferred Return value USDm			Residual Profit share %		
Total	Investors	IMF	Total	Investors	IMF	Total	Investors	IMF	Total	Investors	IMF
126.5	94.3	32.2	40.2	30.7	9.5	6.7	6.7	-	100%	15%	85%

1 Whilst an aggregate portfolio EPV figure is provided, this is for ease of comparison with prior periods only and IMF continues to report on its US cases in its quarterly Investment Portfolio Report utilising invested capital as the appropriate metric.

2 The uncalled amount of USD40.2m has now been fully called.

Fund 2/3 Commitments, Deployed, Capacity at 31 March 2019 (see notes on Slide 11)



- RoW Funds 2 & 3 had committed 89.9% of available capacity, after the increase in size to \$180m.
- Commitments includes the budgets for the full life of all unconditionally funded investments and also include aggregate commitments of \$13.3m to three conditionally funded investments.
- There are a further ten investments which have been approved by the Investment Committee but are not yet funded, which have combined investment budgets of \$48.3m.
- If conditionally funded investments do not become unconditional, capacity will be released for further commitment.
- Anticipate sufficient capacity until end of fiscal year, after which Fund 5 will operate. Although well advanced in planning Fund 5 is not yet established.

No. of Investments	EPV ¹ \$m	Possible completion EPV \$m ²			
		FY 2019	FY 2020	FY 2021	FY 2022 +
20	2,386.2	-	392.4	1,649.1	344.7

Called Capital AUDm			Un-called Capital AUDm			Preferred Return value AUDm			Residual Profit share %		
Total	Investors	IMF	Total	Investors	IMF	Total	Investors	IMF	Total	Investors	IMF
57.9	46.3	11.6	122.1	97.7	24.4	5.5	5.5	-	100%	20%	80%

1 Whilst an aggregate portfolio EPV figure is provided, this is for ease of comparison with prior periods only and IMF continues to report on its US cases in its quarterly Investment Portfolio Report utilising invested capital as the appropriate metric.

2 This is not a projection and only shows possible EPV completion of investments at 31 March without allowance for any additions thereafter.

Balance Sheet Investment Portfolio at 31 March 2019 (see notes on Slide 11)

No. of Investments		EPV ¹ \$m	Possible completion EPV \$m ²			
			FY 2019	FY 2020	FY 2021	FY 2022
FY 2014 and earlier	4	665.5	639.5	26.0	-	-
FY 2015	3	84.6	-	84.6	-	-
FY 2016	6	302.4	73.2	59.2	170.0	-
FY 2017	7	357.5	-	277.5	80.0	-
FY 2018	3	122.2	50.0	72.2	-	-
Total	23	1,532.2	762.7	519.5	250.0	-

Capital Invested \$m	Un-spent Budget \$m	Residual Profit share %
IMF	IMF	IMF
102.3	25.2	100%

- Balance sheet investments are in run off, and no new investments have been made on balance sheet since launch of Fund 2/3 in October 2017
- Wivenhoe and Westgem are investments made in FY14 or earlier, and are expected to complete this FY if by way of settlement. If a final court determination is required, the completion of these investments will slip into FY20 or beyond

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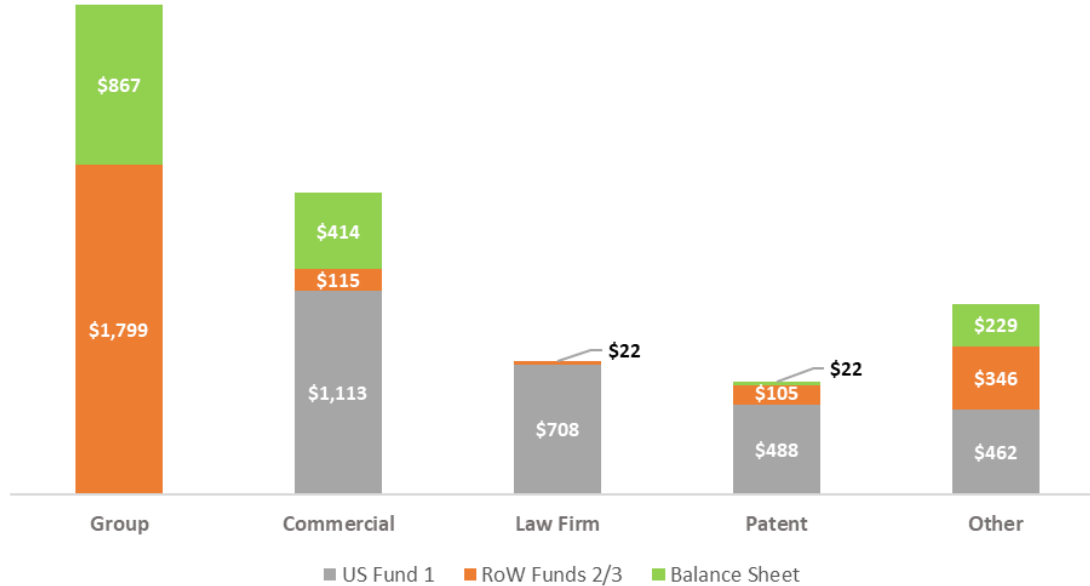
- IMF's budgeted cash requirements for investment commitments to current funds and balance sheet investments are summarised below:

Description	Amount A\$ millions
Fund 1	13.2
Fund 2/3	24.4
Balance Sheet	25.2
Total	62.8

- Given the nature of the investments, especially in Fund 2/3 and on Balance Sheet, budgets may not be fully expended, for example where settlements occur before trial, or may be exceeded, depending on the complexity of the pre-trial and trial process.
- Cash on balance sheet (excluding cash in funds) at 31 March 2019 was \$175.8 million and as such, without any completions there is sufficient cash to meet current investment obligations and operational overheads, and sufficient capital to meet initial capital commitments for Funds 4 and 5.
- Given the mandatory draws in Fund 2/3, IMF's commitments will be required to be invested into the funds within the next 18 months, where funds for balance sheet investments will be invested over the next two years. Since 31 March, the fund commitment to Fund 1 has been fully paid.

Diversification by Type (31 March 2019)

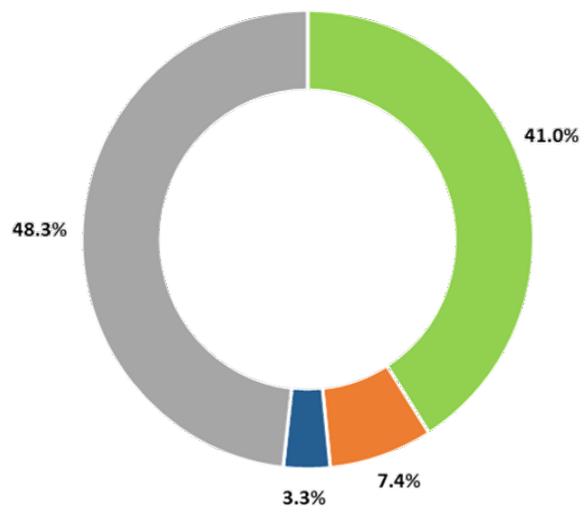
EPV - Balance Sheet, US Fund 1 and RoW Fund 2/3
(\$ Millions)



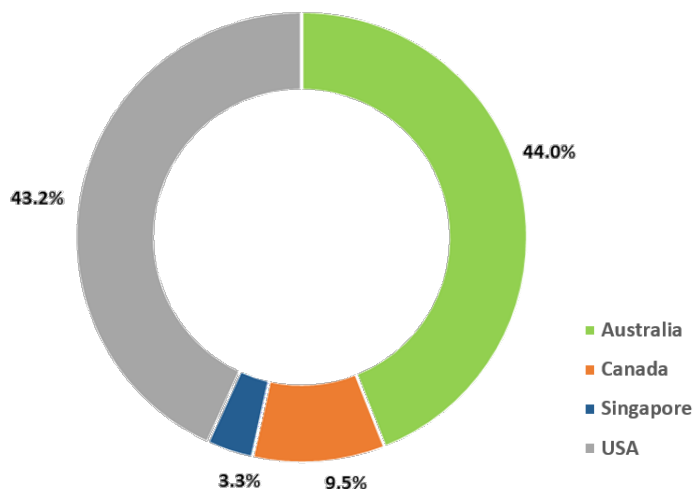
- Moving from balance sheet investor to via Funds (100% balance sheet June 2016; 23% balance sheet 31 March 2019).
- Opportunistic investor, so no hard rules on blend of investments, other than
 - Fund 1 hard cap on patent claims;
 - Concentration caps for individual and portfolio investments in both funds; and
 - Geographic caps in RoW Funds.
- Investments in group claims predominately Australia, but also in Canada with potential for UK.
- Law firm portfolio funding c.10%, given lower returns, although risk adjusted returns are appealing.
- Primary focus on single party and group claims, given specialist nature of IM skill set and infrastructure, and generally higher return profile.

Diversification by Geography (31 March 2019)

Total Commitments by Geography (%)



Total EPV by Geography (%)



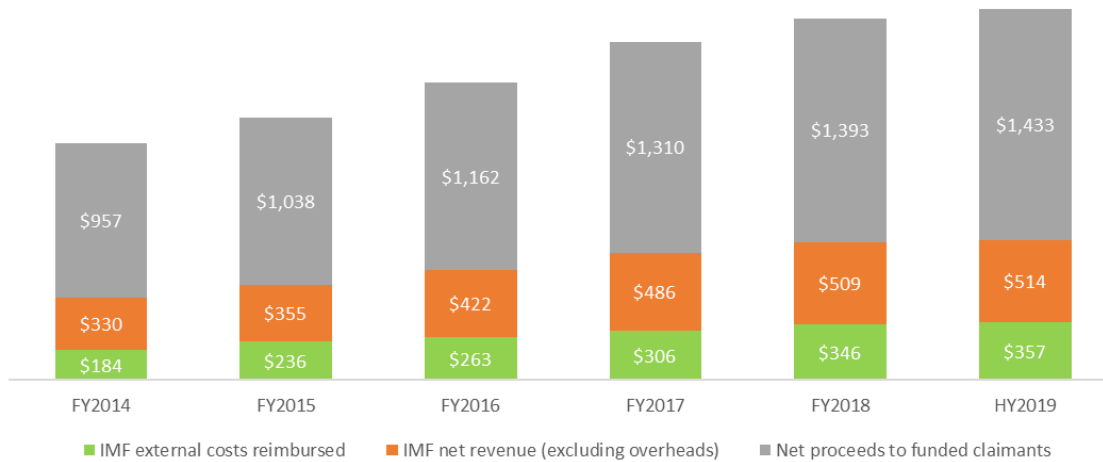
- **14 offices**
in 6 countries in Australia, Asia, North America and Europe

- **100 employees, including 44 Investment Managers**
on the ground in each of the jurisdictions, providing access to better investments, and better access to investments

- **Investment Committees**
includes former Judges and industry founders, split between a US Committee and a Non-US Committee

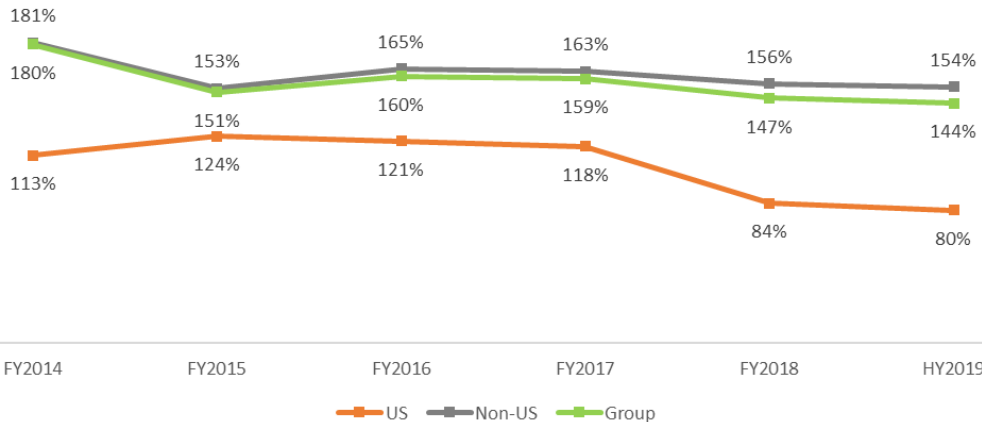
IMF's Historical Track Record

IMF's Cumulative Track Record
\$ Millions



- 90% success rate at 31 December 2018
- Average duration has remained consistent since FY2014 at approximately 2.6 years
- ROIC has decreased over time, as the volume of US completions has increased as a proportion of total completions

ROIC



Fund

- IMF has commenced preparation and planning of a new Fund for non-US investments (Fund 5).
- Investments will propagate this new Fund once the committed capital available in RoW Fund 2/3 has been utilised.
- As at 31 March, \$146.6m was committed to investments in the RoW 2/3 Fund, representing 89.9% of upsized Fund.
- IMF is targeting a fund size of USD\$300m-USD\$500m of commitments.
- IMF will seek to replicate the economics obtained for the recently announced US Fund 4.
- Target to close by 30 June, if not sooner.

Debt

- OTC Notes mature on 30 June 2020 with an option for IMF to accelerate to 30 June 2019.
- Consideration being given to accelerate notes, to align covenants with recently restructured listed bonds and to extend maturity.

IMF continues to identify opportunities for growth and risk diversification.

Item	Opportunity
Major growth opportunities	<ul style="list-style-type: none"> ■ Focus on development of corporate funding and commercial arbitration in all jurisdictions. ■ Exploring opportunities in Europe including M&A options. ■ Increased contributions from the Canadian, Asian and European offices as they become more established.
Growth and diversification	<ul style="list-style-type: none"> ■ Operates from 14 offices in six countries around the world, with plans for expansion into Continental Europe, and consideration of further expansion within jurisdictions in which we currently operate.
Capital structure	<ul style="list-style-type: none"> ■ Look to launch RoW Fund (Fund 5) before end of financial year. ■ Examine options for refinance OTC Notes to extend maturity and align covenants.

Investments Included in Portfolio

The Investment Portfolio includes investments for which the IMF Group have entered into an unconditional commitment to fund and includes investments where a previously conditional funding agreement has become unconditional. Investments in Australian shareholder class actions included in the portfolio as unconditional may still be subject to a Court process, where there are competing class actions claims, to determine which case proceeds.

Past Performance

Past performance is not necessarily an indication of future performance. Both the Long-Term Conversion Rate and IMF's ROIC may vary materially over time. By providing this information, IMF has not been and is not now in any way providing earnings guidance for future periods. IMF will update its Long-Term Conversion Rate and ROIC figures semi-annually in its Investment Portfolio report following the EY review of completed investments.

EPV

EPV is IMF's current estimate of a Non-US claim's recoverable amount after considering the perceived capacity of the defendant to meet the claim. It is not necessarily the amount being claimed by the claimants, nor is it an estimate of the return to IMF if the investment is successful. An EPV is subject to change over time for a number of reasons, including, but not limited to, changes in circumstances and knowledge relating to an investment, partial recovery and, where applicable, fluctuations in exchange rates between the applicable local currency and the Australian dollar. Where a global portfolio EPV figure is noted which incorporates US Claims, the applicable EPV value for US claims is calculated by a different methodology from the non-US claims reflecting the difference in compensation structures.

Possible Completion Periods

The possible completion period is IMF's current estimate of the period in which an investment may be finalised. An investment may finalise earlier or later than the identified period for various reasons.

Completion for these purposes means finalisation of the litigation by either settlement, judgment as to liability or arbitrator determination, for or against the funded claimant, notwithstanding that such finalisation may be conditional upon certain matters such as court approval in the context of a class action. It may not follow that the financial result will be accounted for in the year of finalisation. Possible completion period estimates are reviewed and updated where necessary.

Invested and Committed Capital

Invested and committed capital is equal to the total capital either invested or committed to investments, translated to Australian dollars at the foreign exchange spot rate prevailing on the reporting date.

Non-USA

IMF's Non-USA classification includes all regions excluding the USA in which IMF has commitments currently being Australia, Canada, Asia and Europe.

Accounting Consolidation of IMF's Investment Vehicles

IMF's USA Fund 1, Fund 2 and Fund 3 are consolidated within the IMF group financial statements, with the respective external investors' interests reflected as Non-Controlling interests. Therefore, the entire EPV for investments funded by Fund 2 and Fund 3, and the entire funding commitment for investments funded by the Fund 1, are included in the quarterly Investment Portfolio.

Split Reporting

The different regional reporting formats within the Investment Portfolio reflect the predominant underlying earnings structure the IMF utilises in each of the applicable regions: namely a multiple of capital invested in the USA and a percentage of the resolution amount for the non-USA investments.

- The material in this presentation has been prepared by IMF Bentham Limited (IMF) and is general background information about IMF's activities. The information is given in summary form and does not purport to be complete.
- A number of terms used in this presentation including; ROIC, EPV , success rate by \$ weighted average, success rate by number of investments, IRR, actual, budgeted and deployed committed capital are categorised as non-IFRS information prepared in accordance with ASIC Regulatory Guidance 230 – Disclosing non-IFRS financial information, issued in December 2011. This information has not been audited or reviewed. For further commentary and analysis refer to IMF's 2018 annual report.
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