DIVERSIFIED CORPORATE BOND INCOME

Subscription limit of £7,000,000

Information Memorandum

WiseAlpha.com

Important Information

This Information Memorandum, which constitutes an invitation to subscribe to WiseAlpha Limited's (hereafter, "WiseAlpha") Investment Bonds, is important and requires your immediate attention. You should not subscribe to WiseAlpha Investment Bonds except on the basis of the information published in this Information Memorandum, the Terms and Conditions (together with any applicable WiseAlpha Investment Bond Supplement).

Before subscribing to WiseAlpha Investment Bonds, you should read and understand this Information Memorandum and determine whether WiseAlpha Investment Bonds are suitable for you as an investment. If you are in any doubt as to the contents of this Information Memorandum, or whether WiseAlpha Investment Bonds are suitable investments for you, you should seek independent advice from an appropriately-qualified financial adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of unlisted securities of the kind referred to in this Information Memorandum.

WiseAlpha Investment Bonds are unsecured bonds issued by WiseAlpha Limited that are not negotiable on the capital markets. The firm that is promoting and arranging the bonds and your investment into them is WiseAlpha Technologies Limited. These are sister firms and from part of the WiseAlpha group, however only WiseAlpha Technologies is regulated by the FCA (FRN:751087). WiseAlpha Limited is not regulated by the FCA and does not offer any regulated services. WiseAlpha investment bonds are issued by WiseAlpha Limited, a company incorporated under the laws of the England, whose registered address is at Level 39 One Canada Square, London, United Kingdom, E145AB and whose registered number is 12309433 (the "Company").

No application is to be made for WiseAlpha Investment Bonds to be admitted to listing or trading on any stock exchange or other public market. As unquoted securities, WiseAlpha Investment Bonds are illiquid, speculative investments involving a degree of risk. There is no guarantee that WiseAlpha Limited will be able to repay all or part of your investment in WiseAlpha Bonds, particularly if WiseAlpha Limited becomes insolvent. You will have no claim under the Financial Services Compensation Scheme if WiseAlpha Limited fails to pay any amount of capital or interest in respect of the WiseAlpha Bonds (see page 12 under Risk Summary for the limited circumstances in which investors may have a claim under the FSCS if WiseAlpha Technologies are in breach of their legal obligations).

Your attention is drawn to the 'Risk Summary' set out on pages 7-9 of this Information Memorandum. WiseAlpha Technologies Limited is authorised and regulated by the FCA (firm reference number: 751087).

The offer of WiseAlpha Investment Bonds is not currently subject to the prospectus rules and, therefore, the requirement to prepare an approved prospectus, as it falls within the exemption at Paragraph 9 of Schedule 11A of the FSMA.

This Information Memorandum has been approved as a financial promotion for the purposes of section 21 of FSMA 2000, by WiseAlpha Technologies Limited. This investment is intended for the following classes of persons only:
(a) Existing clients of a financial adviser regulated by the FCA;
(b) Persons who meet the criteria for being a professional client in accordance with the Conduct of Business Rules ("COBS") 3.5;
(c) Persons who qualify as certified high net worth individuals in accordance with COBS 4.7.7
(d) Persons who qualify as certified sophisticated investors in accordance with COBS 4.7.7
(e) Persons who confirm that they will only invest 10% of their net investible assets in non-readily realisable securities in accordance with COBS 4.7.10

The full requirements for each category of investor can be found on the website at www.wisealpha.com. In addition to any certificate or confirmation you give us, you may be required to demonstrate that investment in WiseAlpha Investment Bonds are appropriate for you.

This Information Memorandum does not constitute an offer to sell, or the solicitation of an offer to buy, WiseAlpha Investment Bonds in any jurisdiction in which such offer or solicitation is unlawful. This document is not available to persons outside the United Kingdom and does not constitute an offer or invitation to invest in any company to any such persons. For the avoidance of doubt, WiseAlpha Investment Bonds are offered to persons in the United Kingdom only. WiseAlpha Investment Bonds have not been, and will not be, registered under the Securities Act of 1933, as amended (the "Securities Act") or the securities laws of any of the states of the United States.

Accordingly, the WiseAlpha Investment Bonds may not be offered or sold directly or indirectly in the United States or to or for the account or benefit of any US Person except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable securities laws.

The Directors have however determined that the WiseAlpha Investment Bonds may not be offered, sold or transferred, directly or indirectly, in the United States or for the benefit of any US Person. Each purchaser of WiseAlpha Investment Bonds shall therefore be asked to certify that they are not a US Person, are not receiving the WiseAlpha Investment Bonds in the United States, and are not acquiring the WiseAlpha Investment Bonds for the account of a US Person.

In this Information Memorandum, "US Person" means a citizen or resident of the United States, a corporation, partnership or other entity created or organised in or under the law of any of the United States, or any person falling within the definition of the term "US Person" under Regulation S promulgated under the Securities Act.

08 April 2019

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Need some help?

We understand that sometimes you might need further information or be unsure of certain details contained within this document. Please don't hesitate to contact us on **+44 20 3927 2790** with any questions.

We cannot provide you with financial advice, but we are always willing to provide you with information or discuss any administrative queries with you.

Risks

Investing in WiseAlpha Investment Bonds carries risks to your capital and we encourage you to read about these risks before you invest. Although we are committed to ensuring you receive the headline returns outlined in the Summary Document, and get your capital back, no investment is without risk. It is important that you understand these risks as well as the benefits. Please speak to a financial adviser who can guide you if you are in any doubt.

Introducing the WiseAlpha Investment Bond

- WiseAlpha Investment Bonds are fixed-term bonds, targeting an attractive annual return
- The issuing entity, WiseAlpha Limited, is a specialist lending company and will use the bond proceeds to primarily gain exposure to corporate bonds of large British corporates via WiseAlpha Fractional Bonds or directly in the institutional capital markets
- By investing in WiseAlpha Investment Bonds, investors can gain exposure to the multi-trillion wholesale corporate bond market that is currently the preserve of institutional investors
- Choose your duration: 1-7 year terms
- Coupons payable annually
- Underlying bond assets WiseAlpha Investment gains exposure to are focused on large FTSE 250 size UK corporates
- Enhanced investment alternative to other types of IFISA bonds or Peer to Peer lending

WiseAlpha Investment bonds are not covered by the Financial Services Compensation Scheme and your capital and interest is at risk. Tax treatment depends on individual circumstances and is subject to change. Your capital will be tied up for a fixed term, and past performance is not a reliable guide for future returns.

Corporate Bonds

Until now, the banking market has inhibited smaller investors from accessing the institutional bond market with the focus of arranging banks to provide these investments to pension funds and specialist funds and banks. WiseAlpha through its unique online marketplace is now making this asset class accessible to a wider investment audience and WiseAlpha Investment Bonds provide a unique way to lock in an attractive fixed return.

Management Team

Rezaah Ahmad

Founding Partner and CEO

As founder and CEO Rezaah is responsible for driving the strategic growth of WiseAlpha. Rezaah is an entrepreneur who started his career in the M&A and Leveraged finance teams at Deutsche Bank. He helped structure and execute numerous multi-billion debt financing and advisory transactions. He then worked at a multi-billion hedge fund investing in senior secured loans, high yield bonds, credit derivatives, equity and distressed debt. Rezaah has also been a board director and strategic advisor to TeleColumbus, a large cable television business in Germany. Rezaah studied Economics at the University of Cambridge and Management at the Judge Institute, University of Cambridge.

Tom Macura

Chief Operating Officer

Tom is managing WiseAlpha's day to day operations, joining us after a 10 year career at Goldman Sachs where he became head of Europe Credit Trading Strategies. The European Credit Trading Desk helps Goldman's institutional clients meet their investment objectives by facilitating transactions in corporate bonds, loans, and credit derivatives. Tom's team was responsible for the mathematical models used by the desk for managing market, counterparty, and liquidity risks as well as the algorithmic quoting of bonds on electronic liquidity venues. Tom has a PhD in Computer Science from University of Cambridge and dual BS degrees in Math and Computer Science from University of Maryland (UMBC).

Aidan Hamade

Chief Technology Officer

Aidan spent 6 years working as a development manager and solutions architect building custom applications for multinationals including HSBC, Deutsche Bank and ANZ. In 2012 he founded a digital agency, Guerilla Software with Andrew Barrett working alongside Google Ideas and Shine Group designing and creating web based platforms using simple and intuitive solutions focusing on modern web patterns. Aidan studied Mathematics with Artificial Intelligence and graduated from The University of Edinburgh in 2002.

Andrea Rebusco

Head of Growth and Partnerships

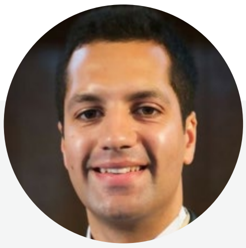
Andrea was previously at IG Index where he was Head of EMEA Trading Services and led a team of one hundred client facing professionals. At WiseAlpha he is driving our efforts to form partnerships with digital banks, retail brokers and other financial networks and steer growth, so the widest range of customers gain access to WiseAlpha products. Andrea holds a Master in Industrial Engineering (University of Brescia, Italy) and a Master in Finance (EBS, London).

Management Team

Amer Bhatti

Chief Compliance Officer

Amer is the Chief Compliance Officer of WiseAlpha. He is an Executive compliance and risk professional with legal qualifications. His skills encompass compliance, audit, risk (regulatory and conduct), insurance, mortgages, quality assurance, debt management, payment service regulations, dispute resolution, product governance, consumer protection, TCF and key parts of PRA, FCA, MOJ and HMRC regulations and requirements.



Tim Ganie

Head of Sales & Distribution

Tim is responsible for sales and distribution of WiseAlpha products and manages partnerships with IFAs and wealth managers to increase growth. For over a decade Tim has advised some of the wealthiest people in the UK, including C-Executives, Entrepreneurs and Finance Professionals, working for both Citigroup and Coutts. As a business developer, he is driving forward the growth of our business. He holds a degree in Economics and attained the Level 6 qualification PCIAM.

How To Invest

- The minimum investment is £100.
- All interest is paid net to include the UK withholding tax (excluding on the ISA and SIPP product) and members of WiseAlpha are responsible for assessing their own tax position.
- Available to UK based Individuals, Companies, Charities and Trusts.
- The WiseAlpha Investment Bond may be placed into the WiseAlpha High Yield IFISA or in a Self-Invested Pension Plan (SIPP) subject to the investment policy and procedures of the relevant SIPP.
- You can subscribe to WiseAlpha Investment bonds on the WiseAlpha market at www.wisealpha.com/smart-interest

Getting Started

1

Open an account

Whether you want to invest as an individual or a corporation we offer an account that can fit your needs.

2

Add funds to your account

Transfer money into your account via debit card or bank transfer.

3

Select your investment

4

Recieve interest income

5

Capital returned

Recieve your capital and accrued interest back at maturiry or by selling your investments to another user.

How are the bond funds used?

The bond funds are used by WiseAlpha Investment to:

- purchase corporate bonds of large British corporates in the institutional bond market
- co-invest in Fractional Bonds (that correspond to individual bonds) alongside Fractional Bond investors on the WiseAlpha Fractional Bond market

The company has negligible operational costs as its sole activity is purchasing the investments described above using the www.wisealpha.com website that is maintained by WiseAlpha Technologies Limited and which funds the operating costs of the website.

Cashflow is earned from the underlying corporate bonds and Fractional Bond selected by WiseAlpha Limited.

You can subscribe to WiseAlpha Investment bonds using the WiseAlpha market SmartInterest™ tool

www.wisealpha.com/smart-interest

Investing via an ISA

WiseAlpha Investment Bonds can be held in an Innovative Finance ISA (IFISA) and benefit from tax free income.

- **Annual ISA allowance** ✔
- **Transfer existing ISA balances** ✔

Every UK resident over the age of 18 is entitled to a tax-exempt individual savings account (ISA). The annual allowance is £20,000 for the 2019/20 tax year.

Your annual ISA allowance can be dedicated to any one, or spread across all ISA categories, including:

- Cash ISAs
- Stocks and Shares ISAs
- Innovative Finance ISAs
- Lifetime ISAs

The IFISA was launched on 6th April 2016. This new class of ISA allows individuals to invest into debentures and receive all interest tax-free.

Furthermore, investors are able to transfer multiple years' worth of savings from existing ISA balances into their IFISA.

It is important to be aware that investors can only subscribe to one IFISA per current tax year. This means that if an investor decides to invest a portion or all of this tax year's ISA allowance into an IFISA, they would only be able to do so with one IFISA manager, such as WiseAlpha. However, transfers of ISA balances which were subscribed to in previous tax years are not counted as new subscriptions and can be invested into multiple IFISAs.

There is no withholding tax for any WiseAlpha investments held in a IFISA.

How do I open a WiseAlpha ISA?

Investors open their ISA simply by applying online at **www.wisealpha.com**. Investors are then able to select the investments they wish to hold within their ISA.

How do I transfer funds from an existing ISA

If investors wish to transfer the cash balance from their existing ISA's they will be required to complete and sign a transfer form available on the platform, before returning it by email to **ifisa@wisealpha.com** or by post to:

WISEALPHA TECHNOLOGIES LIMITED
Level 39
One Canada Square
London
E14 5AB

We will contact your existing ISA Manager to arrange the transfer on your behalf.

Self Invested Personal Pensions (SIPPs)

The WiseAlpha Investment Bond can also be held in selected SIPPs.

Enhance your pension by investing your funds via the WiseAlpha Investment Bond, accessing the attractive returns available, whilst also benefiting from the tax advantages of a SIPP.

There is no withholding tax on any WiseAlpha investments held in a SIPP.

Individual SIPP operators have their own policies and criteria regarding the investments their beneficiaries can invest in. Please consult your financial adviser and SIPP operator to find out whether the WiseAlpha Investment Bond is eligible in your plan.

For more information on SIPPs, please contact us on sipp@wisealpha.com

TAX RISKS

Tax treatment depends on personal circumstances. Tax rules and reliefs are subject to change.

Understanding the Corporate Bond Asset Class

Bond Basics

Better Rates of return

The payment cycle of a fixed rate bond at 6% for 5 years, face value £1,000

What are bonds?

Bonds are often less well understood by the average everyday investor. Why is that? The vast majority of corporate bonds are not as widely available to everyday investors and as a consequence there is less press/media coverage of bonds compared to other asset classes like equities which are broadly available through numerous brokers. As it turns out, bonds are much simpler than investing in shares and can be a less risky and, a more predictable way to make a return.

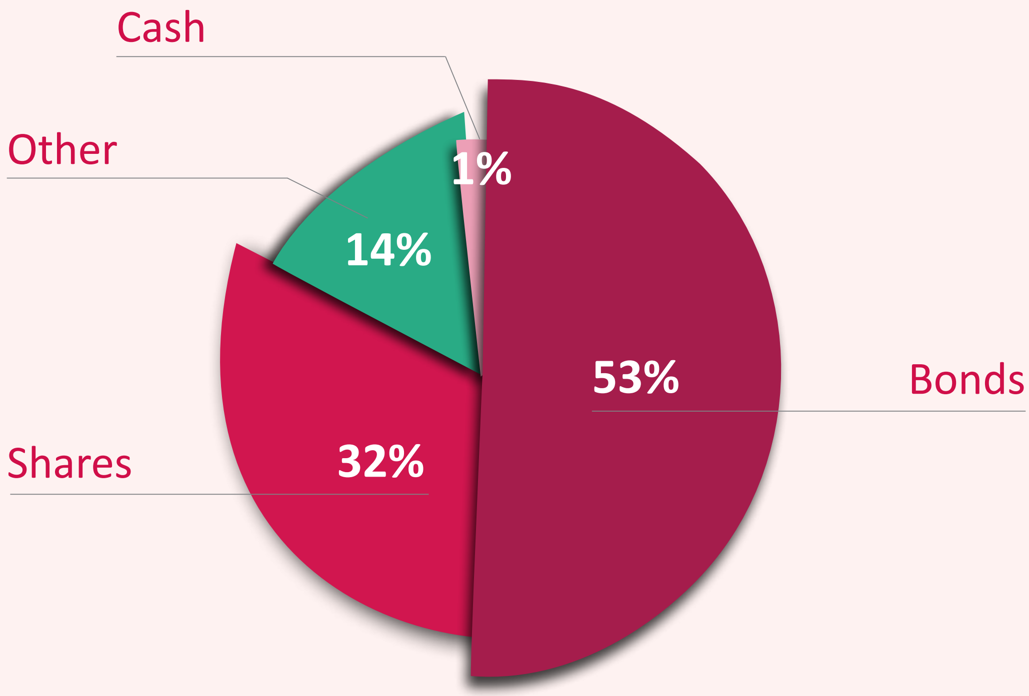
Bonds are a form of borrowing and investing in a bond is a form of lending. The bond issuer is legally obliged to pay a coupon (interest payment) regularly and repay the entire amount that was borrowed at the outset by a certain date (called maturity date). This creates a strong level of predictability for investors both in terms of the return they will make and from the expectation of receiving their capital back at maturity. If we compare this to investing in shares, shares provide no contractual certainty of dividends and no expectation of capital repayment but instead the hope of a capital gain from a rise in the share price.

Bonds are also traded in a secondary market similar to shares. This allows investors to buy bonds with a shorter time to maturity and to also get liquidity if they need to sell their bond early. Bond prices can also move up or down but are generally less volatile than equities, so it is possible to realise higher or lower returns if a bond is sold before maturity. As with shares, the value of an investment in a bond can go up or down depending on the financial performance of a company so for example if Tesco's results are good the bond price may increase (and vice versa) although the price movements are not likely to be as large as with the shares.

Lessons from UK's pension funds: Strong appetite for corporate bonds

Despite equities being the biggest area of a UK investors' portfolio allocation corporate bonds are becoming increasingly more important in delivering income and preserving capital. When you think that the UK pension fund industry allocates 36%[1] of funds to bonds it makes sense that every day investors should also consider putting part of their portfolio into bonds to build their retirement capital. And it's also worth remembering that the global bond market is bigger than the global equity market.

UK pension funds portfolio consisted of 53% Bonds, 32% Shares, 14% Other and 1% in Cash and Term Deposits in 2018[1]



[1]*Global Pension Assets Study 2019, Willis Towers Watson*

Equities vs. Corporate Bonds

Equities and corporate bonds have different characteristics and risks but they are complementary to each other in a portfolio. When markets become more volatile, corporate bonds become more appealing as a way to locking in returns and preserving capital. And they also help to smooth out returns over time. Generally when shares underperform corporate bonds outperform - and the opposite is also true.

Taking a look at the performance of different asset classes over a long period of time shows that corporate bonds have delivered a superior return (taking into account risk) when compared to equities.

“For those with access to the full risk spectrum of corporate bonds and a mindset of consistent income based returns it is not uncommon to see corporate bonds forming the largest part of a portfolio”, says Rezaah.

Since the data sets began over the last 20 years, the UK Corporate Bond Index (Investment Grade) has returned 5.5% and the Sterling High Yield Bond Index has generated 8.9%. However, the FTSE 100 Total return index returned only 4.1% for annualised returns in the same period.

Floating versus Fixed Rate bonds

Fixed rate bonds pay the same annual interest coupon over the life of the bond. When interest rates are low or falling, these give you better income predictability. As interest rates fall, fixed rate bond prices will rise in the secondary market. The reverse is also true, when interest rates rise, fixed rate bond prices will fall. The majority of bonds are issued as fixed rate, because the largest issuers of bonds are corporates and governments and they prefer a fixed rate.

Floating Rate Bonds pay a variable income based on the Libor rate. If the market expects interest rates will rise, your income will increase. Equally, if the market expects interest rates to fall, then your income will also fall.

For investors looking to hedge their risk in a rising interest rate environment picking up floating rate bonds as part of an investment strategy may be a sensible way to partially offset the risk from rising inflation and central bank rates.

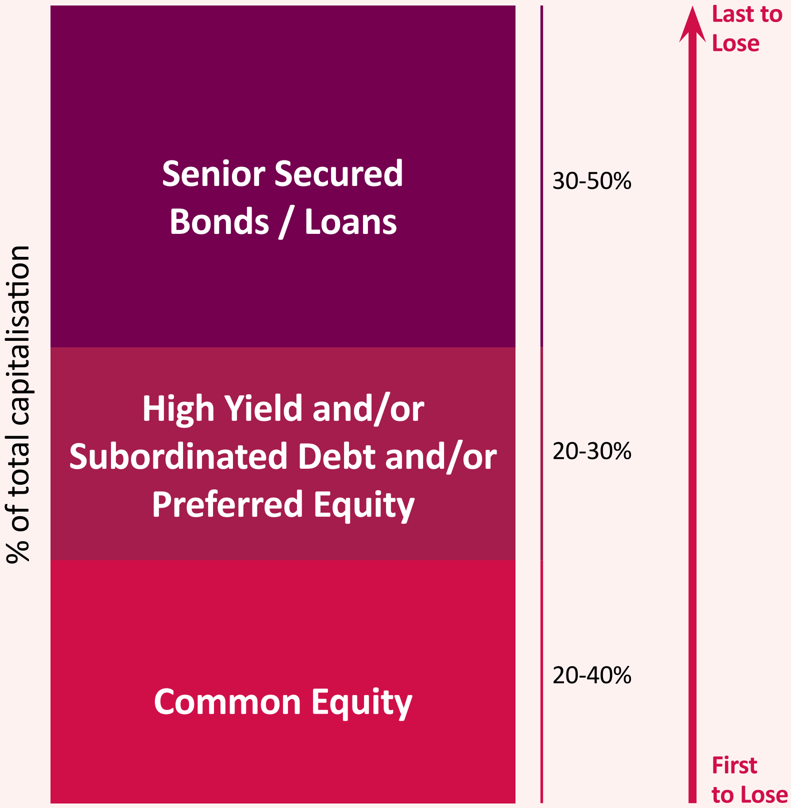
What are the different segments of the institutional corporate bond market?

Unsurprisingly, a market as large as the institutional corporate bond market has a number of different types of bond and venues in which the bonds are accessible. In the UK, the main venue for everyday investors to access individual corporate bonds is via the London Stock Exchange ORB (Order Book for Retail Bonds). However the yields on offer are typically lower and bond maturities are longer.

Institutional investors on the other hand (large funds, banks and pension funds) have access to the institutional corporate bond market which is far bigger and offers a greater variety of bond types and bigger universe of companies. The majority of large corporates, especially household names, issue bonds in the institutional bond markets whereas the retail bonds listed on the London Stock Exchange are mainly used by financial and insurance companies and other opaque companies. The types of bond available in the institutional bond market are much broader and the spectrum of bond returns is more attractive in our view.

But despite this segment of the market being much larger than the retail corporate bond market individual investors have had limited direct access to date and can't choose their own bonds.

Example company capital structure



High quality borrowers

Established blue-chip companies with annual revenues of between £100m and several billion pounds

Asset security

First ranking charge over the assets and a pledge over the company shares for senior secured debt. Second ranking security (but priority over equity holders) for high yield debt

Comprehensive due dilligence

Each loan or bond structured by a global investment bank with due diligence carried out by leading UK accounting and law firms

Typical borrower structure

Senior secured corporate loans and bonds are the most secure capital piece and have first priority while high yield or mezzanine debt has priority over equity holders

Source: Credit Suisse

Senior Secured Bonds

The senior secured bond market is part of the institutional corporate bond market. Senior secured borrowings can be issued as a loan (also known as bank loans) or as a bond (and sold in the high yield bond market). They are typically senior, which means they are secured on the assets of the company and they rank ahead of unsecured borrowings and equity. This asset backing offers a degree of capital and structural protection for investors. Senior secured bonds are typically structured, arranged and administered by one or several commercial or investment banks.

Senior secured corporate bonds offer a fixed rate of interest. A coupon is usually received by investors on a semi-annual basis with the principal paid at maturity.

It is also common for very large corporates such as AT&T and Tesco to issue senior unsecured bonds that while unsecured are for all intents and purposes the primary form of borrowing meaning that there is very little, if any secured borrowing ahead of the bonds. This means the risk is for all intents and purposes similar to that of senior secured bonds.

Compared to retail bonds issued on the London Stock Exchange ORB, in addition to security over the assets of the company senior secured bonds tend to have shorter maturities typically 5-7 years, and in general have higher rates of interest or yields. Senior secured bonds meet investor requirements for a combination of attractive returns with relatively short-medium maturities, which also mitigates the risk of rising interest rates.

High Yield Bonds

The high yield bond market is often used to describe both secured and unsecured bonds but when people think of high yield bonds they are often referring to unsecured bonds that are subordinated to senior secured borrowings (i.e. rank lower in terms of security). Unsecured bonds still have a guarantee from the parent company issuing the bond so the company is still contractually required to pay the interest and capital back on the bonds if it has the ability to do so.

In terms of risk unsecured high yield bonds are generally higher risk than senior secured bonds but less risky than equities (equities rank behind all borrowings).

They typically offer higher interest rates than other types of bond, and they have the potential for capital appreciation in the event of a rating upgrade, an economic upturn or improved performance at the issuing company. The opposite is also true. The maturities of these bonds can range from 5 to 10 years or more.

Also, because the high yield sector generally has a low correlation to other segments of the fixed income market (goverment bonds, investment grade bonds) along with less sensitivity to interest rate risk, an allocation to high yield bonds may provide portfolio diversification benefits.

In addition, high yield bond investments have typically and may continue to offer equity-like returns over the long term with less volatility.

> *“The main reason everyday investors can’t access senior secured and high yield corporate bonds is that bonds in this market segment are only available in minimum sizes of £100,000 - £200,000, limiting access to this market for everyday investors.”*

Hybrids/Perpetuals

Hybrid securities combine features of both traditional corporate bonds and shares. For example, hybrids pay coupons like a bond but can also be converted into shares of the issuing company after a specific event (e.g. a company listing, a share price threshold being reached, or another type of corporate event or mechanism outlined in the investment terms).

Examples of hybrids include convertible bonds, preference shares (that convert into ordinary shares) and some types of perpetuals (‘perps’).

The prices of hybrids can behave differently depending on whether they are structured more like bonds or more like shares.

Perpetuals are a type of subordinated or unsecured corporate bond with no maturity date but which pay coupons forever or in ‘perpetuity’. As such they are viewed more like equity in terms of risk (shares are perpetuity type investments with no defined maturity or repayment date) but unlike equity they have no voting rights and no control over the issuing company.

Most perpetuals issued these days are deeply subordinated bonds issued by banks which are counted as Tier 1 equity capital (called AT1’s) and help the banks fulfil their capital requirements. The prices of these securities can exhibit greater volatility than traditional corporate bonds because they are subordinated and unsecured and perpetual i.e. with no specific short-medium term maturity date. Also, in the event that a bank’s Tier 1 regulatory capital falls below certain ratios the bank could at its option convert the bonds into equity which can create additional risks for investors. These investments are not available for ordinary retail investors but those with professional investment experience.

As such these types of bonds can sometimes require a more sophisticated investment approach because of the higher equity like risk but they can also offer a lot of value depending on the terms and market conditions at the time of purchase.

The Superiority of Corporate Bonds

The superiority of corporate bonds

Corporate bonds have traditionally been an asset class mainly reserved for institutional investors with only a limited selection of bonds available to everyday investors. Corporate bonds are, in our view, a superior asset class to equities.

The data doesn't lie. Corporate bonds give better returns for less risk.

The charts below show the performance of key indices used by the industry to assess the performance of equities (FTSE 100), investment grade corporate bonds (Bloomberg Barclays Sterling Corporate Bond Index), and high yield corporate bonds (BofAML Sterling High Yield Bond Index)

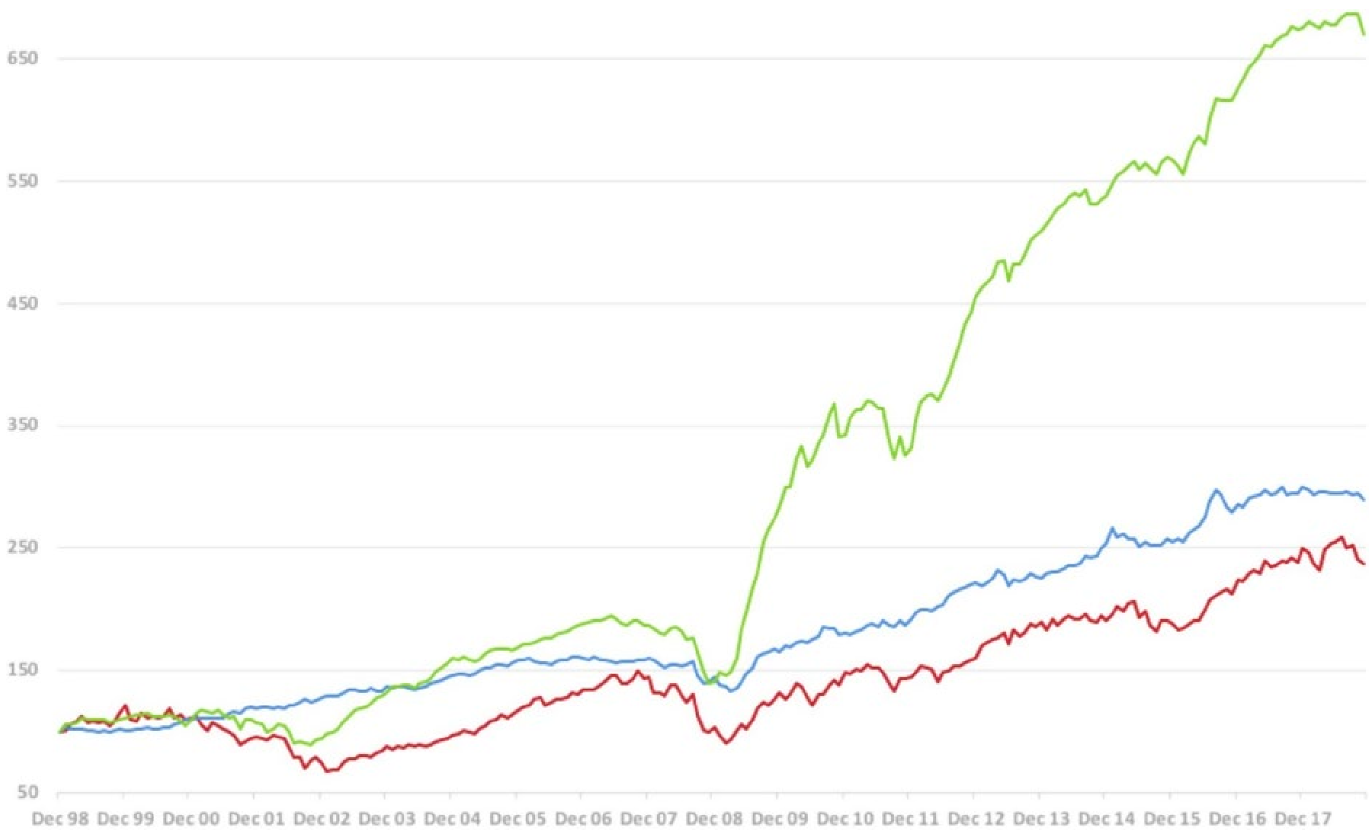
Astonishingly, both investment grade and high yield bonds have outperformed UK equities over the last 20 years both in terms of returns and price volatility.

Even over the short-term, since the beginning of the year bonds have again outperformed equities. Since the data sets began over the last 20 years the Barclays (Investment grade) Corporate Bond Index has generated 5.5% per annum and the BofAML Sterling High Yield Bond Index has returned 8.9% per annum (at the end of 2018), while the FTSE 100 Total return index returned only 4.2% per annum.

While bonds can also go up and down in price like equities, the volatility is not as large and bonds have to be repaid at their face value.

It's worth remembering that since many corporate bond issuers are FTSE 250 size companies, many have issued both bonds and listed equity so both provide exposure to a similar set of companies. From this perspective, bonds offer less risk and more reward.

Historic bond returns across the asset class are provided for context. Remember, that past performance is not necessarily an indicator of asset class returns in the future. The return when investing in WiseAlpha Investment bonds is a fixed rate for a fixed term.



FSTE 100 and UK Corporate Bonds (Investment Grade, High Yield)

Equity (FTSE 100) | Bond (Bloomberg Barclays Investment Grade) | Bond (Bank of America High Yield)

Source: Bloomberg (FTSE 100 Total Return Index [TUKXG], Barclays Sterling Corporate Investment Grade Index [LC61TRGU]), BofAML (Sterling High Yield Index [HL00])

Greater Predictability of Income than Equities

Predictable Income

Bonds	Level of Predictability		Equity
Regular interest income	✓	✗	Hope for share price growth and dividend
Principal repaid at maturity	✓	✗	No guarantee of return of capital
Fixed rate of income	✓	✗	Uncertain dividend income
Defined investment time frame	✓	✗	No specified time frame

VS

Source: WiseAlpha

Why this?

- Dividends are uncertain and can be cut at times of financial performance weakness, whereas bond interest has to be paid contractually and in fact is prioritised over dividend income. This result is that bond income is more predictable.
- Bonds have to repaid by maturity, giving you greater certainty over the return of your capital whereas equity valuations are open-ended.
- Bonds rank ahead of shares and are therefore less risky because bonds have priority over equity investors when the proceeds of asset sales are applied and because there is a contractual date when the bond matures and needs to be paid back out of cash.

In volatile markets bonds are more attractive than equities

When markets become more volatile, corporate bonds become more appealing as a way of locking in returns and preserving capital. And they also help to smooth out returns over time. Generally when shares underperform corporate bonds outperform — and the opposite is also true.

Corporate bonds, in particular high yield bonds, can generate strong income over the economic cycle for the investment risk and should be viewed as a defensive investment versus equities.

Summary Terms

Investors in the WiseAlpha Investment Bond should read the full terms and conditions of the bond offering which are located at **www.wisealpha.com**. A summary of the key terms is shown in the table below:

Investment Strategy	Investing in corporate bonds of major UK corporates			
Fixed Rates	Please refer to the latest rate card or website for current available interest rates			
Investment Terms	1 year	3 year	5 year	7 year
Interest Payments	For Maturity Interest bonds interest is paid at the maturity of your bond. For Annual Interest bonds interest is paid on each anniversary. Interest is paid with withholding tax, being deducted			
Issuer	WiseAlpha Limited			
Early Withdrawal	2.5% fee and an adjustment to the rate for time actually held also applies. Redemptions are subject to liquidity			
Who Can Take Up The Bonds?	Individuals Corporates Companies		Trusts SIPPS / SSAS Financial Institutions	
Minimum Denomination	£100			
Maximum Denomination	£5 million			
Security	Unsecured			
Status	Transferable			
Call Option	Callable at any time			
Closing Date	Subscriptions for bonds will be accepted on a continuous basis and issued in multiple series until closed at the discretion of WiseAlpha Limited.			
Initial Fee	None			
Annual Management Fee	None			
Performance Fee	None			

Risks

As with any investment, there is no guarantee that the target returns will be achieved and investor's capital is at risk. Past performance is not a guide to future performance and may not be repeated. Tax rules and reliefs are subject to change. A more detailed summary of the risks is laid out in the Risk Summary. Liquidity not guaranteed.

Click here for the full Terms & Conditions

Taxation

Interest from WiseAlpha Investment Bonds is currently paid to Bond holders with withholding tax being deducted. Any income you earn from your investments in WiseAlpha Investment Bonds forms part of your overall income that is subject to personal or corporation taxation rules.

Withholding tax is currently based on the basic rate of 2019. Please note that the rate may vary for non-uk residents.

Interest payable to Bond holders on money invested is charged to income tax in the tax year the interest is received. For example, interest received on 31 December 2018 is received in and taxable for the tax year 2018/19.

You should declare any interest and capital gains to the HM Revenue & Customs on a self-assessment tax return if you are an individual or inform your local tax office. At the end of the tax year WiseAlpha will make available to all investors an Annual Income Statement, splitting out the relevant amounts for your tax return, to download from your account. If you are in any doubt about your tax position you should seek independent tax advice. IFISA account holders are not required to declare interest as the income is tax free and withholding tax does not apply.

Risk Summary

Helping Investors To Understand The Risks

Investing in WiseAlpha Investment Bonds does carry risk and investors need to ensure that they have considered and understood all of the risks before deciding to invest in WiseAlpha Investment Bonds. Investing in WiseAlpha Investment Bonds mean that investors are lending money to WiseAlpha Limited. Investors will not become shareholders or have any ownership stake in the company. Instead, subject to the risks that we describe here, investors will receive interest and at the end of the term of each WiseAlpha Investment Bond (when it matures), their initial investment amount back.

It is important to understand that WiseAlpha Limited is solely responsible for its financial status and consequently its ability to pay interest and return investor capital when the WiseAlpha Investment Bonds reaches maturity.

Loss of investment and/or interest payments

Like all businesses, WIseAlpha Limited is vulnerable to financial difficulty and investing in WiseAlpha Investment Bonds involves the risk of WiseAlpha Limited becoming insolvent. Should this happen, investors may lose some or all of their initial investment or all of any outstanding or future expected interest payments.

Even though we have put what we believe to be comprehensive risk processes in place to help mitigate the risk of financial difficulty, it is important that investors understand that such a risk exists. WiseAlpha Investment Bonds are not protected by the Financial Services Compensation Scheme (FSCS). There are two types of relevant FSCS protection: deposits and investments. Deposit protection applies when money belonging to investors is held in a segregated Client Account. With investments in WiseAlpha Investment Bonds, this occurs initially when investor money is transferred to us to make an investment and when interest payments and the repayment of capital are being made. While the money is in a segregated Client Account (which is likely to be a short period) it is protected by the FSCS deposit protection which is currently £85,000 per person. This Client Account is operated by Global Custodial Services Limited and is held with Lloyds Banks plc.

Repayments of principal and interest will be made to the segregated Client Account. Should investors have any complaint about WiseAlpha Technologies Limited (which has approved the Information Memorandum for the purpose of FSMA 2000), that we are unable to resolve to the investors satisfaction, it may be possible to raise these with the Financial Ombudsman Service (“FOS”). For more detail on the FOS and their eligibility criteria see their website **www.financialombudsman.org uk**. We always welcome, and prefer, the opportunity to handle any concerns investors may have directly so please contact us at **investing@wisealpha.com**.

Committing to a fixed term

Investors are committing their money for the length of the WiseAlpha Investment Bond’s duration and so it is important they understand they cannot liquidate investments early unless their WiseAlpha Investment Bonds are redeemed by WiseAlpha Limited. Investors should bear this in mind when deciding the amount they are happy to invest and the term of the WiseAlpha Investment Bonds selected.

The WiseAlpha Investment Bonds shall not be dealt in or negotiated on any stock exchange or other recognised or capital market in the United Kingdom or elsewhere and no application has been or will be made to any recognised Investment Exchange for the listing of, or for permission to deal in, the WiseAlpha Investment Bonds.

Early call risk

WiseAlpha Limited has the right to repay its WiseAlpha Investment Bonds early. Should this happen WIseAlpha Limited would return the money the investor initially invested and the amount of interest that has been earned and not paid up to that date. This right is included in the Terms and Conditions.

Interest rate and inflation risks

WiseAlpha Investment Bonds pay interest at a fixed rate rather than at a variable rate that can change during the life of the WiseAlpha Investment Bond. Fixed rates remove the uncertainty associated with variable rates – however, there is a risk that fixed rates become less attractive if interest rates available elsewhere go up whilst an investor is invested in the WiseAlpha Investment Bond. Similarly, high inflation could adversely impact investors "real" (inflation adjusted) return over time.

Business risk

As with all businesses, good management of WiseAlpha Limited should mean better financial performance. Poor financial performance may impact WiseAlpha Limited's ability to repay the interest and capital due to holders of WiseAlpha Investment Bonds and so it is important for investors to understand the risks. The success of the business depends on a variety of factors which include the quality of its customer base, the quality of its revenue streams, the value of any assets held as security, and their liquidity. In addition, WiseAlpha Limited is an unregulated body corporate registered in England.

Credit risk

If corporates fail to make the bond payments that they owe to WiseAlpha Limited or to WiseAlpha plc under the Fractional bond programme in which WiseAlpha Limited may also co-invest; WiseAlpha Limited's ability to pay interest and capital to holders of WiseAlpha Investment Bonds could also be affected. Although WiseAlpha Limited focusses on lending investments in large companies who tend to be better prepared for changes in economic factors (such as interest rate changes, inflation, political and regulatory changes, etc.) there is still a risk that these factors can affect the borrowing companies WiseAlpha Investment lends to or other company specific risks which they face.

Balancing investments with repayments

Fully investing the bond proceeds in credit assets is an important part of generating enough revenue to make the interest payments to holders of WiseAlpha Investment Bonds. At the same time, WiseAlpha Limited needs to time the sale or receipt of proceeds from its lending in such a way that it has, at any one time, enough money to make any payments due to holders of WiseAlpha Investment Bonds. If WiseAlpha Investment does not achieve this balance effectively, this could impact on its ability to meet payments due to holders of WiseAlpha Investment Bonds.

Economic risk

The businesses which WiseAlpha Limited lends to (or is entitled to receive payments from) are subject to UK-based economic risk.

If there are adverse changes in the market or in the macro-economy this could cause WiseAlpha Limited to generate less income than expected which could in turn impact its ability to make payments to holders of WiseAlpha Investment Bonds.

Conflicts of allocating deal flow between different WiseAlpha group entities

WiseAlpha plc which operates the main Fractional Bond programme on the platform may be interested in lending investments which are relevant for WiseAlpha Limited. As a result, a deal allocation policy is in place to ensure that a set process is followed which seeks to balance all interests involved.

IFISA Legislation

The amount investors can invest into an IFISA each year is decided by the UK Government. Currently ISA investments are free from capital gains tax and income tax. These benefits may be changed by the Government in the future and investors should make sure that they understand any changes that are made. Once investors have invested the maximum they can't make any further contributions in the tax year. This means that if investors withdraw money from their ISA they will not be able to pay it back in if they have reached their annual subscription limit. If investors decide to transfer an ISA from one company to another they will need to do this as an ISA transfer rather than take money out and pay it back in again. Investors can transfer cash to an IFISA from an existing ISA. If investors choose to transfer cash from a stocks and shares ISA, they may be required to sell current investments.

For further information please contact

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