

Bond FAQs

1. **What does it mean if NCM approve an Information Memorandum and/or website as a financial promotion under s21 of the Financial Services and Markets Act 2000?**

This means that as a regulated entity NCM have, in conjunction with the company's lawyers, carried out a verification exercise on all material statements and ensured they are correct, fair, clear and not misleading. NCM will also have obtained undertakings from the company Directors to this effect. The approval is at the date of publication so NCM cannot be responsible for any changes made after that date. Having a regulated entity approve a financial promotion does not mean it is suitable for all recipients but rather a mechanism by which the FCA is trying to ensure potential investors know a regulated entity has checked all the facts within the document.

2. **What does it mean if NCM act as Security Trustee?**

This means in the event of default NCM will step in and take security over the assets of the company at that time and act in the interests of the bondholders to maximise a return to them (subject to any first charge a bank may have). NCM are not involved in the running of the business day to day, have no control over the assets on a day to day basis and cannot guarantee that in the event of default there will be sufficient monies to pay bondholders. NCM would urge a potential bondholder to read in full the Information Memorandum issued by the relevant company which has a full description of NCM's role, the business and the risk factors associated with the investment.

3. **Does this mean my monies are protected?**

No – as stated above NCM are not involved in the running of the business day to day, have no control over the assets on a day to day basis and cannot guarantee that in the event of default there will be sufficient monies to pay bondholders.

4. **What should I do if I have a complaint?**

You should complain to the company in the first instance and if not satisfied can raise a complaint with the Financial Ombudsman. Note that the company is unlikely to be regulated and the bonds are not a regulated product so there is little protection and potential bondholders should read the risk factors in any Information Memorandum very carefully before making any investment. If NCM are acting as security trustee then you can also raise a complaint with them.

5. **Do the bonds rank above all other securities?**

Each bond offering will differ but if there is bank lender involved then it is highly likely that their security will rank above that of the bondholders. NCM would urge a potential bondholder to read in full the Information Memorandum issued by the relevant company which will have a full description of the business, any security and the risk factors associated with the investment.

6. **What do I do if my coupon has not been paid?**

You should contact the administrator or registrar as detailed in the Information Memorandum and make them aware. If there is not one appointed then contact the company directly.

7. What do I do if I have changed my bank account details or address?

You should contact the administrator or registrar as detailed in the Information Memorandum and make them aware. If there is not one appointed then contact the company directly. It is likely they will need written confirmation of any change.

8. Does a bond offering have to have a security trustee appointed?

No. Some companies choose to offer this as an additional safeguard for potential bondholders but it is not a regulatory requirement.

9. Are bonds a suitable investment for me?

Only you can make this decision and unregulated bonds are only suitable for sophisticated and experienced investors. You should take independent financial advice from an adviser authorised by the FCA to give financial advice before investing into any bond and be aware your capital is at risk

10. Are bonds regulated?

No. Regulated bond products are available but typically these are offered by listed entities.

11. Is the Financial Services Compensation Scheme available?

No. Potential bondholders should take independent financial advice from an adviser authorised by the FCA to give financial advice before investing into any bond and be aware your capital is at risk