



ETR Overview

Debtors Exchange® was founded in 2011, specifically to address two important issues in the economy: 1. liquidity in the micro-medium business sector; and 2. providing a strong, stable, cash equivalent alternative to bank deposits for Investors. Trading commenced in July, 2013 and Debtors Exchange® continues to deliver on its commitments to both businesses and Investors.

The Investor's yield is achieved by purchasing Exchange Traded Receivables [ETR] at a discount. As explained in the ETR Fact Sheet, ETR are invoices issued under Contract for goods and services supplied to investment quality companies or credit insured invoices from Investment Grade [IG] insurers. ETR provide Investors with:

Protected

- ✦ ETR payable by investment quality Debtor companies
- ✦ **100% ETR Repurchase** (see overleaf & AIG in ETR Fact Sheet)
- ✦ 4-Tier capital protection (see overleaf)

Liquid

- ✦ Using RPA, typical investment period is 1-Year revolving
- ✦ Full or partial redemption available on request
- ✦ No 'break charges' or early redemption fees

Tax Efficient

- ✦ Significantly tax efficient for individuals with annual exemption
- ✦ Subject to status, may be off-set against capital losses
- ✦ Individual's return taxed as a capital gain

Yield

- ✦ Substantial increase on comparable bank deposit rates
- ✦ Capital not committed for long periods, or years
- ✦ Higher yield than alternative cash equivalents

Quistclose Accounts

All Investor funds are received into segregated Quistclose Investor accounts for the explicit and exclusive purpose of purchasing ETR.

Investor Profile

Investors in ETR are from a wide and diverse market. To date, private individuals and partners, religious orders and charities, profitable trading companies and pension funds are all active participants. Subject to status and depending on independent tax advice, the treatment of gains from ETR has been either: Capital Gains Tax [CGT]; subject to corporation tax; or tax free for pension and Qualifying Investment Funds [QIF].

Buy rate, up to
3.50%
Negotiated

Yield
Allocated
Liquid



4-Tier Capital Protection

ETR have been specifically designed with the primary objective of protecting Investor funds and also to ensure that the agreed Buy rate/yield is delivered. The simple, effective and tested set of capital and yield protection mechanisms are managed by the 4-Tier Capital Protection Policy. The 4-Tier Capital Protection Policy is extensively documented and rigorously enforced to deliver on the Debtors Exchange® commitment to Investors.

ETR Off-Set

- Any unpaid ETR is replaced by a new Eligible ETR
- Debtors Exchange® controls a large 'pool' of ETR Debtors

Reserve

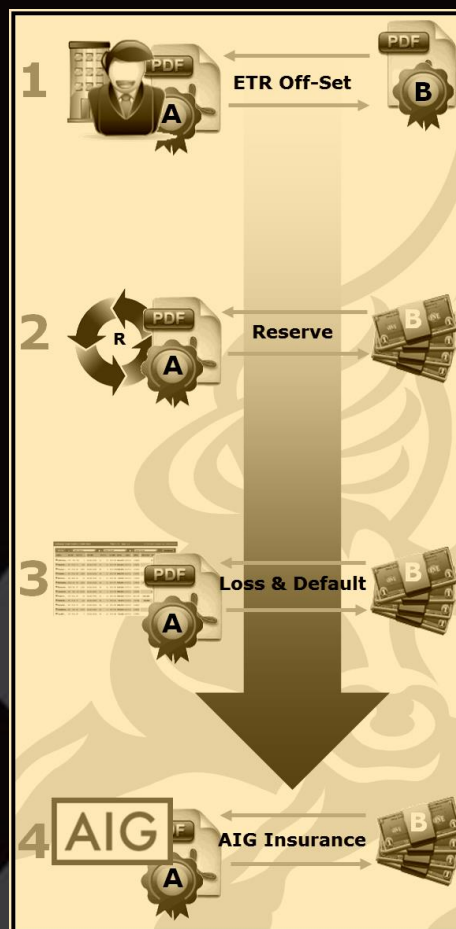
- 90% is the average amount paid to Purchase an ETR
- The remaining 10% Reserve protects against ETR default

Loss & Default

- All Traded ETR contribute to the Loss & Default fund
- Loss & Default fund supports ETR Repurchase exclusively

AIG Insurance

- ETR specific AIG policy supports 4-Tier Capital Protection



IMPORTANT:- This document is an introduction to the ETR Fact Sheet and should not be read in isolation. Debtors Exchange® will only accept direct investment for qualified, professional Investors and all investors, regardless of circumstance, are advised to consult a qualified financial advisor or accountant. For more details, visit our web site or contact us using the details below.