

Investment Portfolio at 31 March 2020

Highlights

Omni Bridgeway Limited (OBL)

- During the quarter, OBL recognised gross consolidated income and revenue of \$24.8 million from litigation investments, taking the total for the 9 months to \$176.2 million.
- Further completions are expected in the last quarter for both balance sheet and fund investments.

Omni Bridgeway (excluding the EU and Middle East) (OB Group)

- The total EPV of all investments including conditionally funded and IC approved investments, but excluding the OBE portfolio, has increased to \$12.5 billion representing a 9% net increase in the last quarter and 32% over the 2020 financial year to date.
- Funding applications to 31 March 2020 are 17.7% higher than to the same time last year. There has been a significant increase in the volume of funding applications since the onset of the COVID-19 pandemic, across all markets.
- During the quarter, OB Group recognised gross income of \$17.7 million from litigation investments, taking the total for the 9 months to \$160.4 million.
- There is a further \$256.1 million of gross income that is pending possible recognition during the remainder of FY20 or in FY21 from investments that have completed prior to 31 March 2020.
- Five new investments were made by Funds 1 to 5 with an aggregate EPV of \$218.1 million and aggregate capital commitments of \$32.4 million. The EPV of completed investments in the period was \$31.6 million.
- Additionally, there are a further 16 conditionally funded and Investment Committee (IC) approved investments with an aggregate EPV of \$1.9 billion.

Omni Bridgeway EU and Middle East (OBE)

- OBE recognised revenue of \$7.1 million in the quarter.
- 12 new investments have been made by OBE since acquisition, with 12 investments approved but not yet funded.

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Reporting format

Estimated Portfolio Value (EPV) for all jurisdictions excluding OBE

OB Group continues to report all investments using only EPV in the quarterly investment reports. See the Notes section at the end of this report for details on the different calculation methodologies for EPV depending upon the structure of the funding commission.

The EPV for investments which are the subject of conditional settlements or appealable judgements or which are impaired, have not been removed from the portfolio. They will remain within the portfolio until they become unconditional completions. The EPV of any impaired investment reflects the impairment.

OBE jurisdiction

OBL reports the capital invested for all OBE investments.

Overview

Portfolio:

Total EPV of OB Group funded, conditionally funded and IC approved investments increased by 9% during the quarter from \$11.5 billion to \$12.5 billion, a net increase of 32% over the 2020 financial year.

Movement in the OB Group funded portfolio:

	Balance Sheet	Fund 1	Funds 2/3	Fund 4	Fund 5	OB Group Total	EPV
	#	#	#	#	#	#	\$b
Funded investments (opening)	15	30	31	5	4	85	9.7
New investments	-	1	2	-	2	5	
Completed investments	(2)	-	-	-	-	(2)	
Withdrawn / Terminated	-	-	(1)	-	-	(1)	
Funded investments (closing)	13	31	32	5	6	87	10.5
Conditionally funded investments	-	-	6	-	1	7	
IC approved investments	-	-	-	-	9	9	
Total including all investments	13	31	38	5	16	103	12.5

Movement in the OBE funded portfolio since acquisition*:

	Balance Sheet	Fund 6	Fund 7	OBE Total	Cost	Purchase Price Adjustments (PPA)	Consolidated Total
	#	#	#	#	€m	€m	€m
Acquisition date	5	180	-	185	38.2	64.0	102.2
New investments	1	11	-	12			
Completed investments	-	(12)	-	(12)			
Withdrawn / Terminated	-	(2)	-	(2)			
Funded investments (closing)	6	177	-	183	40.7	58.9	99.6
Conditionally funded investments	-	-	-	-			
IC approved investments	-	12	-	12			
Total including all investments	6	189	-	195	40.7	58.9	99.6

* OBE continues to be integrated into the OBL business. This integration is ongoing and includes reconciling and aligning of investment status definitions, whilst this continues there could be changes in case numbers.

Performance:

During the quarter, gross consolidated income of \$17.7 million and revenue of \$7.1 million was recognised from litigation investments. This takes the total for the year to \$176.2 million.

There were also unconditional and conditional settlements, and appealable judgments which may result in further gross consolidated income of another \$277.20 million in FY20 or FY21.

Consolidated income (OB Group):

AUD (millions)	Balance Sheet	Fund 1	Funds 2&3	Fund 4	Fund 5	OB Group Total
Opening balance 1 January 2020	50.1	49.9	13.2	29.5	-	142.7
Recognised income*						
Completed investments	10.9	-	-	-	-	10.9
Ongoing investments	-	5.4	-	1.2	-	6.6
Other	-	-	-	0.2	-	0.2
Total income recognised	10.9	5.4	-	1.4	-	17.7
Total income recognised YTD	61.0	55.3	13.2	30.9	-	160.4
Income yet to be recognised						
Agreed in-principle settlements	47.4	-	29.5	-	-	76.9
Binding conditional settlements	-	-	1.8	-	-	1.8
Successful judgments	169.6	7.8	-	-	-	177.4
Total income yet to be recognised	217.0	7.8	31.3	-	-	256.1

*The income recognised is based on actual completions during the quarter and supersedes any previous announcements.

Consolidated revenue (OBE):

AUD (millions)	Balance Sheet	Fund 6	Fund 7	OBE Total
Opening balance at 1 January 2020	-	8.7	-	8.7
Recognised revenue*				
Completed investments	-	0.2	-	0.2
Ongoing investments	-	6.9	-	6.9
Other	-	-	-	-
Total revenue recognised	-	7.1	-	7.1
Total revenue recognised YTD	-	15.8	-	15.8
Revenue yet to be recognised				
Agreed in-principle settlements	-	-	-	-
Binding conditional settlements	-	-	-	21.1**
Successful judgments	-	-	-	-
Total revenue yet to be recognised	-	-	-	21.1

*The income recognised is based on actual completions during the quarter and supersedes any previous announcements.

**Allocation is yet to be determined, refer to ASX announcement dated 20 March 2020.

Portfolio and funds review

BALANCE SHEET – Rest of World (RoW) & USA

OB Group's balance sheet investments, excluding the OBE portfolio are analysed below:

Year of Investment	Number	EPV \$m	Possible Completion EPV \$m		
			FY2020 & FY2021*	FY2022	FY2023 +
FY 2015 and earlier	3	679.5	679.5	-	-
FY 2016	5	306.2	136.2	170.0	-
FY 2017 and later	5	290.0	290.0	-	-
Total	13	1,275.7	1,105.7	170.0	-

*The EPVs for investments with possible completions in FY2020 and FY2021 have been combined so as not to disclose the EPV of individual investments.

The appeals to the Wivenhoe judgment are set down for hearing starting in the first half of FY2021. Accordingly, the possible completion date has moved from FY2020 to FY2021.

Movement from the previous quarter is reconciled as follows:

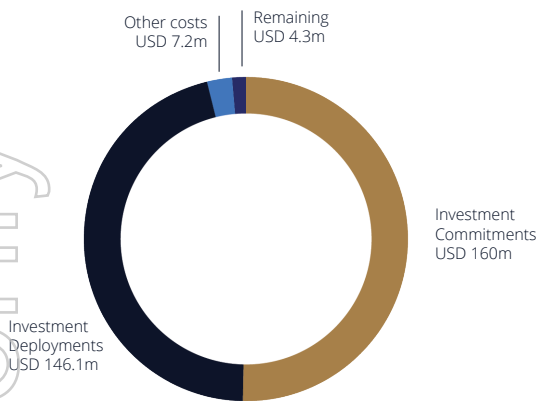
	Balance Sheet		USA		Rest of World	
	Number	EPV \$m	Number	EPV \$m	Number	EPV \$m
Opening	15	1,360.9	4	119.3	11	1,241.6
Additions	-	-	-	-	-	-
Completions	(2)	(31.6)	(1)	(1.6)	(1)	(30.0)
Withdrawn / Terminated	-	-	-	-	-	-
Updates	-	(70.0)	-	-	-	(70.0)
FX adjustment	-	16.4	-	16.4	-	-
Quarter end	13	1,275.7	3	134.1	10	1,141.6

Details for the OBE balance sheet portfolio are below:

	Number	Cost €m	PPA €m	Consolidated Total €m
Acquisition date	5	1.0	0.3	1.3
Additions	1	-	-	-
Completions	-	-	-	-
Withdrawn / Terminated	-	-	-	-
Additional amounts invested	-	(0.7)	-	(0.7)
Other costs	-	-	-	-
FX adjustment	-	-	-	-
Total	6	0.3	0.3	0.6

Fund 1 – USA

Commitment status:


Fund 1
97.5% Committed

Start date – 10 Feb 2017

Fund Size – USD 171.7m

Investments Committed – USD 160m

Investments Deployed – USD 146.1m
(Includes additional USD 5m upside)

New US investments are being funded by Fund 4.

Investment status:

Year of Investment	Number	EPV \$m	Possible Completion EPV \$m			
			FY2020	FY2021	FY2022	FY2023 +
FY 2015 and earlier	6	326.2	23.4	194.4	108.4	-
FY 2016	8	1,235.1	-	1,100.1	135.0	-
FY 2017	5	287.9	3.3	284.6	-	-
FY 2018	7	747.7	-	601.3	146.4	-
FY 2019 and later	5	478.7	-	208.7	-	270.0
Total	31	3,075.6	26.7	2,389.1	389.8	270.0

The anticipated completion dates of several Fund 1 investments have been delayed due to the Covid-19 pandemic.

Movement from the previous quarter is reconciled as follows:

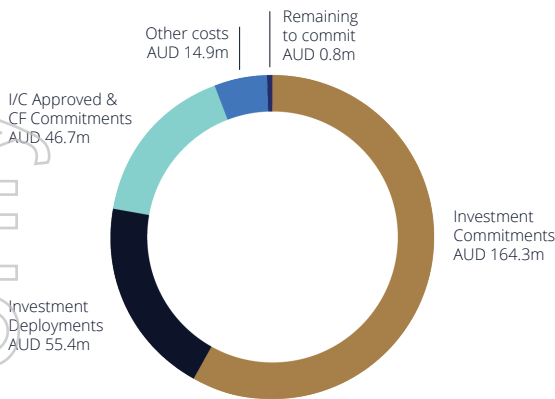
	Number	EPV \$m
Opening	30	2,758.4
Additions	1	105.7
Completions	-	-
Withdrawn / Terminated	-	-
Impairment	-	(100.0)
Updates	-	(56.3)
FX adjustment	-	367.8
Quarter end	31	3,075.6

Capital Status

Capital Called USDm			Uncalled Capital USDm			Accumulated Preferred Return USDm	Accumulated Special Distribution USDm	Accumulated Management Fee USDm
Total	Fortress	OB Group	Total	Fortress	OB Group	Fortress	Fortress	OB Group
166.7	125.0	41.7	-	-	-	30.2	1.8	3.8
Distributions	(52.6)	-	n/a	n/a	n/a	(8.3)	-	-
Total	72.4	41.7	-	-	-	21.9	1.8	3.8

FUNDS 2 & 3 – Rest of World (RoW)

Commitment status:



Fund 2 & 3 99.6% Committed

Start Date – 3 Oct 2017
Fund Size – AUD 180.0m
Investments Committed – AUD 164.3m
Investments Deployed – AUD 55.4m

Fund 5 will make all future RoW investments, save in the event that committed amounts from Fund 2&3 investments are released due to early completions or IC approved matters not proceeding, in which case further investments will be made in Funds 2&3 in priority to Fund 5 to utilise this capacity.

Investment status:

Year of Investment	Number	EPV \$m	Possible Completion EPV \$m			
			FY2020	FY2021	FY2022	FY2023 +
FY 2018	7	838.1	215.1	607.8	-	15.2
FY 2019	17	1,844.1	65.7	515.3	918.4	344.7
FY 2020	8	520.7	-	63.8	282.5	174.4
Total	32	3,202.9	280.8	1,186.9	1,200.9	534.3

Movement from the previous quarter is reconciled as follows:

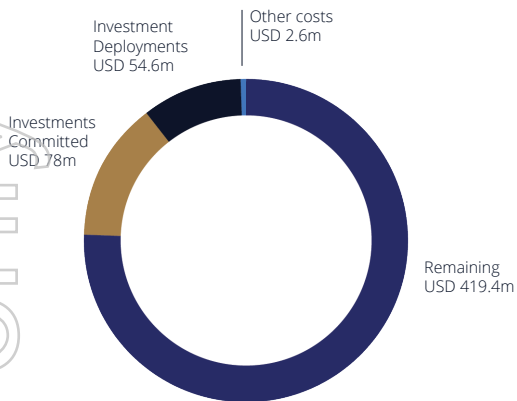
	Number	EPV \$m
Opening	31	3,007.2
Additions	2	29.4
Completions	-	-
Withdrawn / Terminated	(1)	-
Updates	-	166.3
FX adjustment	-	-
Quarter end	32	3,202.9

Capital status:

Capital Called \$m			Uncalled Capital \$m			Accumulated Preferred Return \$m	Accumulated Special Distribution \$m	Accumulated Management Fee \$m
Total	Investors	OB Group	Total	Investors	OB Group	Investors	Investors	OB Group
80.9	64.7	16.2	99.1	79.3	19.8	14.2	3.3	1.0
Distributions	(4.0)	-	n/a	n/a	n/a	-	-	-
Total	60.7	16.2	99.1	79.3	19.8	14.2	3.3	1.0

FUND 4 – USA

Commitment status:


Fund 4
16.1% Committed

Start date – 1 Apr 2019
Fund Size – USD 500m
Investments Committed – USD 78m
Investments Deployed – USD 54.6m

Investment status:

Year of Investment	Number	EPV \$m	Possible Completion EPV \$m			
			FY2020	FY2021	FY2022	FY2023+
FY 2019 and later	5	2,716.4	-	1,840.2	-	876.2
Total	5	2,716.4	-	1,840.2	-	876.2

Movement from the previous quarter is reconciled as follows:

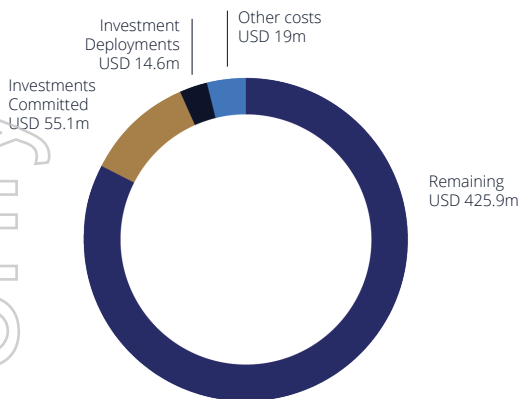
	Number	EPV \$m
Opening	5	2,419.0
Additions	-	-
Completions	-	-
Withdrawn / Terminated	-	-
Updates	-	-
FX adjustment	-	297.4
Quarter end	5	2,716.4

Capital status:

	Capital Called USDm			Uncalled Capital USDm			Recycled Proceeds USDm		
	Total	Investors	OB Group	Total	Investors	OB Group	Total	Investors	OB Group
	75.3	60.2	15.1	424.7	339.8	84.9	-	-	-
		n/a	n/a	n/a	n/a	n/a	18.5	14.8	3.7
Distributions		(1.1)	(0.3)	n/a	n/a	n/a	-	-	-
Total		59.1	14.8	424.7	339.8	84.9	18.5	14.8	3.7

FUND 5 – ROW

Commitment status:


Fund 5
14.8% Committed

Start date – 27 Sep 2019
 Fund Size – USD 500m
 Investments Committed – USD 55.1m
 Investments Deployed – USD 14.6m

Investment status:

Year of Investment	Number	EPV \$m	Possible Completion EPV \$m			
			FY2020	FY2021	FY2022	FY2023+
FY 2020	6	260.8	-	79.7	123.6	57.5
Total	6	260.8	-	79.7	123.6	57.5

Movement from the previous quarter is reconciled as follows:

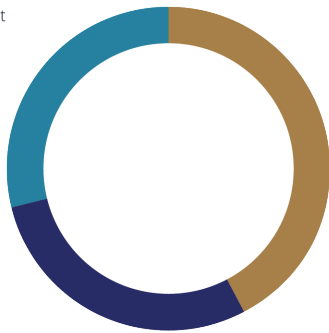
	Number	EPV \$m
Opening	4	180.5
Additions	2	83.0
Completions	-	-
Withdrawn / Terminated	-	-
Updates	-	(27.7)
FX adjustment	-	25.0
Quarter end	6	260.8

Capital status:

Capital Called USDm			Uncalled Capital USDm			Recycled Proceeds USDm		
Total	Investors	OB Group	Total	Investors	OB Group	Total	Investors	OB Group
39.1	31.3	7.8	460.9	368.7	92.2	-	-	-
	n/a	n/a	n/a	n/a	n/a	-	-	-
Distributions	-	-	n/a	n/a	n/a	-	-	-
Total	31.3	7.8	460.9	368.7	92.2	-	-	-

FUND 6 – OBE**Commitment status:**

Remaining
Commitment
to Fund 7
EUR 43.1m



Capital called
EUR 63.4m

Fund 6
42.3% Capital called

Start date – 2016
Fund Size – EUR 150m

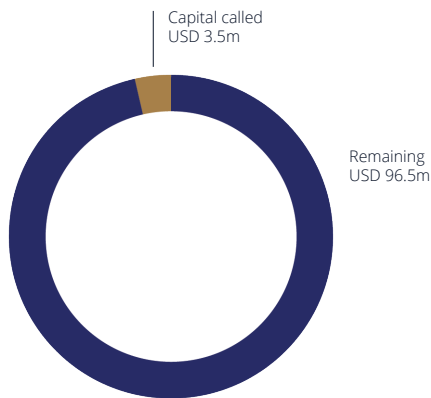
Fund 6 has a capital commitment to Fund 7 of USD 50.0 million being 50% of Fund 7's capacity.

Investment status:**Movement from acquisition is reconciled as follows:**

	Number	Cost €m	PPA €m	Consolidated Total €m
Acquisition date	180	37.2	63.8	100.9
Additions	11	0.1	-	0.1
Completions	(12)	(1.7)	(1.8)	(3.5)
Withdrawn / Terminated	(2)	0.5	-	0.5
Additional amounts invested	-	3.1	(3.3)	(0.2)
Other costs	-	0.2	-	0.2
FX adjustment	-	0.9	-	0.9
Total	177	40.3	58.7	99.0

Capital status:

	Capital Called EURm			Uncalled Capital EURm			Recycled Proceeds EURm		
	Total	Investors	OBE	Total	Investors	OBE	Total	Investors	OBE
	63.4	60.4	3.0	86.6	82.1	4.5	-	-	-
		n/a	n/a	n/a	n/a	n/a	15.0	14.3	0.7
Distributions	-	-	-	n/a	n/a	n/a	-	-	-
Total	60.4	3.0	86.6	82.1	4.5	15.0	14.3	0.7	

FUND 7 – Distressed Asset Recovery Program (DARP)**Commitment status:**

Fund 7
3.5% Capital called

Start date – 2019
Fund Size – USD 100m

Fund 7 is an OBE joint venture project with the World Bank / International Finance Corporation to assist banks with the funding and international legal workout of non-performing loans.

The Fund commenced operations during the period with an initial equity draw on investors to fund administrative costs. At 31 March 2020, no investments have been made.

Capital status:

Capital Called USDm			Uncalled Capital USDm			Recycled Proceeds USDm		
Total	Investors	Fund 6	Total	Investors	Fund 6	Total	Investors	Fund 6
3.5	1.0	2.5	96.5	49.0	47.5	-	-	-
Distributions	-	-	n/a	n/a	n/a	-	-	-
Total	1.0	2.5	96.5	49.0	47.5	-	-	-

Funds performance review

Completed and current investments in OBL's funds to 31 March 2020, excluding withdrawals and overheads is shown below:

	Number of current investments	Number of completed investments	Average investment length (years)	Success rate on investment number (%)	ROIC excluding overhead (%)	IRR excluding overhead (%)
Fund 1	31	18	2.6	83	16	10
Funds 2&3	32	5	0.6	80	302	924
Fund 4 (Series I)	5	1	0.3	100	16	93
Fund 5 (Series I)	6	-	n/a	n/a	n/a	n/a
Fund 6	177	134	3.1	74	304	158*
Fund 7	-	n/a	n/a	n/a	n/a	n/a

*IRR is calculated on the OB completed investments (21) and does not include Roland completions (113) as this data is not available.

The completion metrics for the Funds shown above, particularly for Funds 2 & 3 and Fund 4, represent early completions which may not be representative of longer-term metrics.

Fund 4's ROIC & IRR metrics are consistent with OBL's pricing policy for a very short successful investment as is the case here.

Cash reporting

	\$m
Cash held	
OB Group (excluding Funds)	146.4
Funds 1, 2&3 & 4*	47.7
100% of Fund 5 (including external investors interests)*	10.6
OBE	8.4
Total	213.1
Receivables - Note 2	
OB Group (excluding Funds)	34.8
Funds (1, 2&3, 4, 5)	14.1
OBE	0.9
Total	49.8
Total Cash and Receivables	262.9

*A total of \$13.5 million represents contributions by OB Group.

Authorised by

Stuart Mitchell
Chief Financial Officer

Notes

This announcement is for the use of OBL's public shareholders and is not an offering of any private fund.

Investments Included in Portfolio

The Investment Portfolio includes investments for which the OBL Group have entered into an unconditional commitment to fund and includes investments where a previously conditional funding agreement has become unconditional. It includes investments that have settled or have appealable judgments until they have finally completed and the associated income can be recognised. 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.

Past performance indicates that OBL's litigation funding investments (excluding OBE investments) have generated average gross income of approximately 15% of the EPV of an investment at the time it is completed (**Long Term Conversion Rate**).

OBL's completed investment data has been reviewed by the auditor of OBL, EY, to 30 June 2019. It has been updated to 31 December 2019 by management and will be reviewed by EY as part of the half year review.

OBL's past performance indicates that OBL's litigation funding investments have generated an average multiple of 4.2 x on closed cases (**MOIC**). This has not been reviewed by EY.

ROIC (return on invested capital) is calculated as gross income to the funding entity less all reimbursed costs, divided by total expenditure (excluding overheads but including any adverse costs on lost cases).

IRR is calculated on underlying flows for completed cases including losses but excluding withdrawals, excluding overheads but including any adverse costs on lost cases.

The Long-Term Conversion Rate, MOIC, ROIC and IRR from completed investments may vary materially over time. By providing this information, OBL has not been and is not now in any way providing earnings guidance for future periods.

EPV

EPV for an investment where the OBL funding entity earns:

(i) a percentage of the resolution proceeds as a funding commission, is OBL's current estimate of the claim's recoverable amount after considering the perceived capacity of the defendant to meet the claim and any other pertinent factors. Such amount is not necessarily the amount being claimed by the claimants, nor is it an estimate of the return to OBL if the investment is successful;

(ii) a funding commission calculated as a multiple of capital invested shall be calculated by taking OBL's estimate of the potential income return from the investment and grossing this up to an EPV using OBL's Long-Term Conversion Rate; and

(iii) a funding commission calculated on a combination of the above bases or on an alternative basis, may utilise one of the above methodologies, or a hybrid construct, or an alternative methodology depending upon the components of the funding commission. However calculated, 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 or the defendant(s) perceived capacity to meet the claim, partial recovery and, where applicable, fluctuations in exchange rates between the applicable local currency and the Australian dollar.

Possible Completion Periods

The possible completion period is OBL's current estimate of the period in which an investment may be finalised. It is not a projection or forecast. 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 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.

Rest of the World/Non-USA

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

Accounting Consolidation of OBL's Investment Vehicles

Funds 1, 2 & 3, and the investments of Funds 4 and 6 are consolidated within the OBL group financial statements, with the respective external investors' interests reflected as Non-Controlling interests. Fund 5 and Fund 7 are not consolidated within the OBL Group financial statements. Regardless of consolidation, the entire EPV for all investments including external investors proportionate share therein are included in this quarterly investment portfolio announcement.

Investment Commitments

(i) Fund 1 & 4 are the amounts committed to conditionally & unconditionally funded investments and are generally fixed;

(ii) Fund 2/3 and Fund 5 are the investment budget amounts of conditionally & unconditionally funded investments.

Other Costs

Include unrecoverable due diligence costs; and for Funds 2 & 3 and Fund 5 it additionally includes the cost of the After-the-Event insurance policy premium.