Peer Funding Limited Trading as Sourced Capital Outcomes Statement

Financial Year-Ending 31st December 2024.

Introduction

This Outcomes Statement is designed to help current and potential investors understand how the loan portfolio at Sourced Capital has performed during the most recently reported trading period.

In keeping with the Financial Conduct Authority's rules, Sourced Capital must publish this statement within four months of our financial year-end.

This Outcomes Statement will include (as applicable):

(1) the expected and actual default rate of all P2P agreements the firm has facilitated by risk category, by reference to the risk categories set out in the risk management framework;

(2) a summary of the assumptions used in determining expected future default rates; and

(3) where the firm offered a target rate, the actual return achieved.

Loan Performance – NB All loans presented for Investor Participation have been “Medium Risk.”

Year	2020 and earlier *	2021 *	2022 *	2023	2024
Loan Facilities drawn the year to 31/12 (£) (Note 1)		£6,229,330	£14,956,000	£12,015,250	£5,765,035
Cumulative value of total facilities (£) (Note 2)	£15,805,953	£22,035,283	£36,991,283	£49,006,533	£54,771,568
Live Loan total facilities (£) (Note 3)		£11,371,779	£20,630,000	£27,270,245	£24,519,182
Projected capital bad debt write-off as a percentage of Live Loans (%) (Note 4)	1.0%	1.0%	1.0%	1.0%	1.0%
Value of Loans in default as a percentage of Live Loans (%) (Note 5)	0.0%	0.0%	0.0%	1.26%	4.3%
Value of Loans in default as a percentage of cumulative loans (%) (Note 6)	0.0%	0.0%	0.0%	0.7%	1.9%
Actual capital bad debt written off during the current reporting period (£) (Note 7)	Nil	Nil	Nil	Nil	Nil
Actual capital bad debt written off cumulatively (£) (Note 8)	Nil	Nil	Nil	Nil	Nil
Capital repaid during the current reporting period (£) (Note 9)		£6,035,204	£5,697,779	£5,375,005	£9,698,103
Capital repaid cumulatively (Note 10)	£4,628,300	£10,663,504	£16,361,283	£21,736,288	£31,434,391

1. Total of loan facilities drawn down in the year.
2. Total Cumulative Lending drawn to date.
3. Total of the 'Live' Loan Facilities (i.e. drawn down but not repaid)
4. Potential losses for investors (capital bad debt write off) is projected at 1% of capital invested. This low projected rate reflects the secured nature of the loans provided, the maximum LTGDV of 70%, the use of tranche drawdowns for developments and the actual performance metrics.
5. Total loans in Default. “Default” is specifically defined by the FCA for P2P loans secured on property as being past the contractual payment date by more than 180 days. This is shown as a percentage of Live Loans.
6. Total loans in Default. “Default” is specifically defined by the FCA for P2P loans secured on property as being past the contractual payment date by more than 180 days. This is shown as a percentage of Cumulative Loans.
7. Total of all capital bad debts written off as an actual £ amount during the reporting period.
8. Total of all capital bad debts written off as an actual £ amount, reported as a cumulative figure.
9. Loan balances repaid and distributed to investors during the reporting period. This is capital only, with the interest distribution showing in the following section of this Outcomes Statement
10. Loan balances repaid and distributed to investors during on a cumulative basis. This is capital only, with the interest distribution showing in the following section of this Outcomes Statement

This Outcomes Statement provides a transparent overview of loan performance and investor returns for the financial year ending 31 December 2024. Key highlights include:

- Expected Default Rate:
Sourced Capital has established a pre-determined expected default rate of 7%, which it considers to be an acceptable level of risk within its peer-to-peer lending framework. This threshold aligns with the Financial Conduct Authority’s (FCA) definition of default for property-backed P2P loans, which occurs when a loan is past its contractual payment date by more than 180 days. While actual defaults have remained significantly below this level—reaching 4.3% of live loans and 1.9% of cumulative loans in 2024—the 7% benchmark serves as a prudent risk management measure, ensuring that portfolio performance remains within regulatory expectations and investor risk appetite.

- Loan Repayment Adjustments:
In cases where a P2P loan exceeded its expected repayment date, the situation was resolved through a majority lender vote. This democratic process led to a revised repayment schedule, and all such loans were subsequently repaid in full, maintaining the platform’s strong repayment record.

- Performance Metrics:
  The report confirms no capital bad debt write-offs during the reporting period or cumulatively. Interest returns exceeded targeted rates across all investment bands, and capital repayments continued to grow year-on-year.

This statement reinforces Sourced Capital's commitment to transparency, investor protection, and consistent performance in the P2P lending space.

* With effect from 1/2/2022 Jark 2 Limited completed the acquisition of Peer Funding Limited with full FCA approval. From 1st February 2022 all new loans were provided via the directly authorised P2P Platform of Peer Funding Limited trading as Sourced Capital. Prior to this date, Sourced Capital had been an authorised representative of Rebuilding Society. All the figures in the above table are accurate but, with consideration given to the revised structure from 1/2/2022, anything prior to 2021 is shown as cumulative.

Sourced Capital will be displaying this comparative information available for ten years, so wants to keep the data relevant to the current structure of Peer Funding Limited being the directly authorised party. Historic data is included to demonstrate the performance of the management team and actual returns provided to investors by jark 2 Limited t/as Sourced Capital.

Interest Paid to Investors

Year	2020 and earlier *	2021 *	2022 *	2023	2024
Targeted interest rate for investments below £20,000 (Note 1)	10.00% pa	10.00% pa	10.00% pa	10.00% pa	10.00% pa
Interest rate received by investors for investments below £20,000 (Note 2)	10.24% pa	10.23% pa	10.24% pa	11.67% pa	11.87% pa
Targeted Interest Rate for investments above £20,000 (Note 1)	12.00% pa	12.00% pa	12.00% pa	12.00% pa	12.00% pa
Interest rate received by investors for investments above £20,000 (Note 2)	12.29%	12.27%	12.28%	13.87% pa	14.02% pa
Projected interest write-off from targeted rate a percentage of targeted interest (%) (Note 3)	1.0%	1.0%	1.0%	1.0%	1.0%
Actual interest write-off from targeted rate during the current reporting period (£) (Note 3)	Nil	Nil	Nil	Nil	0.5%
Actual interest write-off from targeted rate cumulatively (£) (Note 3)	Nil	Nil	Nil	Nil	0.28%
Interest paid during the current reporting year (£) (Note 4)		£712,200	£1,392,500	£1,173,300	£2,128,000
Interest paid cumulatively (Note 4)	£698,900	£1,411,100	£2,803,600	£3,976,900	£6,104,900

1. All loans have been presented to investors under a consistent targeted interest rate structure, aligned with their classification as “Medium Risk.” While the risk category remains uniform, the advertised target rates vary based on investment size—10% per annum for investments between £1,000 and £19,999, and 12% per annum for investments of £20,000 and above. This tiered approach reflects the platform’s strategy to offer competitive returns while maintaining a secured lending model, with all loans backed by a first charge on UK property and a maximum loan-to-value (LTV) of 70%.

2. Interest is paid to investors upon repayment of the loan (or closure in case of default). If the interest rate payable is higher than the targeted rate, there must have been an element of forbearance provided in return for an enhanced return – or a period where default interest was paid.

3. Potential losses against expected interest returns for investors (interest write off) is projected at 1% of targeted interest. This low projected rate reflects the secured nature of the loans provided, the maximum LTGDV of 70%, the use of tranche drawdowns for developments and the actual proven performance metrics to date of 100% repayment all capital and interest (100% repayment history verified as correct as at 31/12/2024).

4. As detailed in Note 2 above, interest is paid to investors upon repayment of the loan. The interest paid to investors relates only to those loans where capital repayments (or partial repayments) have been received and interest applied. This figure does not include accrued interest which is to be paid to investors as loans are repaid throughout 2025 and beyond.

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