



30 May 2017

Woodford and Artemis back RateSetter

Peer-to-peer lending platform RateSetter has raised £13m in equity capital from a combination of the company's existing shareholders, including well-known fund managers Woodford Investment Management and Artemis. RateSetter will use the investment to scale up the business ahead of the anticipated launch of its Innovative Finance ISA.

The fundraising takes the total amount of capital raised by RateSetter since its launch in 2010 to over £40m and values the business at over £200m. The business has always raised ordinary equity, choosing not to use the preference share structures typically favoured by venture capital-backed firms.

The announcement follows the recent news that Paul Manduca, the Chairman of FTSE 100 global insurer Prudential, will become RateSetter's Chairman in July 2017.

Rhydian Lewis, Founder and CEO of RateSetter, said:

RateSetter is giving ordinary investors the opportunity to access better returns and borrowers the opportunity to look beyond their bank.

It is important to keep up the momentum of investing in our platform and this further injection of capital, coupled with the appointment of Paul Manduca as chairman, lays the ground for an important new phase of development for our business.

There has never been more confidence in RateSetter's future – we have already delivered more than £70m in interest to our lenders and, as we continue to scale up, we look forward to delivering even more impressive results."

RateSetter has grown significantly since its launch in 2010. On the borrowing side, it has diversified across multiple channels and across both consumer and business loans, and is investing to build up its capability to originate loans at scale across these channels.

On the investing side, RateSetter pioneered many firsts in the sector, including the Provision Fund model which has made it popular with retail investors. RateSetter currently has over 300,000 active investors and borrowers on its platform, making it one of the largest FinTech businesses in the UK.

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For more information please contact:

RateSetter	John Battersby / Luke O'Mahony	+44 20 3735 7344
Brunswick Group	Joe Shipley / Imran Jina	+44 207 404 5959

Notes to Editors

RateSetter has grown from start-up in 2010 to a platform that has originated close to £2bn of loans. It has over 300,000 active investors and borrowers, making it one of the largest FinTech business in the UK.

RateSetter pioneered many firsts in peer-to-peer lending, including the Provision Fund model. All borrowers pay a risk-adjusted premium into the Provision Fund, which reimburses investors in the event of a borrower default. The Provision Fund has a 100% track record to date, but capital is at risk and RateSetter is not covered by the Financial Services Compensation Scheme.

Another innovative feature of RateSetter is that the interest rate on the platform is set by the supply and demand of money, not by the platform itself. The aspiration is that this rate will become a benchmark rate for money.

In 2014, RateSetter became the first peer-to-peer lender to launch with a retail licence in Australia. RateSetter Australia has recently passed AUS\$100m of volume.

In November 2016, the platform won Best Peer-to-Peer Lender in the FT and Investors Chronicle Wealth Management Awards for the third year running. RateSetter was the highest-rated platform by Which? readers in both 2015 and 2016.

RateSetter is regulated by the Financial Conduct Authority.

More info is available at www.ratesetter.com. Follow us on Twitter [@RateSetter](https://twitter.com/RateSetter).