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## Best for Specialist Fund Management Services - UK



LCM Partners is a specialist credit investment and management firm with over 16 years' experience in the industry. We speak to Alison Swonnell who provides us with an exciting overview of this dedicated company and how they balance the interests of their customers with those of their investors.

LCM Partners is one of Europe's leading specialist investment management and advisory firms, with over 16 years' experience investing in credit. Investing in performing, semi-performing and non-performing secured and un-secured loans in Europe, LCM offers clients a unique opportunity to access wholesale credit portfolios.

During these 16 years the assets we have invested in and managed have delivered a return of 14.9% IRR (unleveraged). The LCM Credit Opportunities Strategy offers numerous ways to unlock potential value from portfolios: portfolios consisting of thousands of underlying loans spread across product, originator and region provide high levels of granularity, enabling LCM to deliver year on year positive returns since January 1999. This is an impressive track record that few asset managers can claim.

Drawing on our vast experience in the industry, we have come to the conclusion that there is one attribute that investment managers must possess in order to build long term partnerships with their clients: an unfaltering commitment to delivering on your promise. Too many investment managers were caught out in the financial crash because they failed to do the right thing by their clients, shareholders or employees. From the founding of our business in 1998, LCM Partners has made deliverability and doing the right thing its mantra, integral to all aspects of its business and operating model.

Sixteen years ago when the business was formed, there was no secondary market in Europe to buy impaired credit assets. LCM saw an opportunity for sustained returns by buying portfolios at a discount to face value. However, integral to delivering these returns was treating all of its customers (the underlying borrowers whether performing or impaired) fairly and with dignity and respect; an innovative idea back in 1998.

Indeed, LCM's investment thesis is that a customer who was originally considered 'prime' doesn't become bad or subprime just because a "life event" has occurred. These events could take the guise of a job loss, redundancy, divorce or sickness which can quickly lead to financial problems for indebted customers. Purchasing portfolios of non-performing loans and rescheduling them with appropriate payment plans ensures that the underlying customer is able to repay their debt, albeit over a longer period than initially anticipated by the original lender.

Therefore, by treating borrowers with respect and not adding to their burden through compounding interest payments, penalties and fees we have been able to do the right thing for our customers, whilst delivering superior returns for our investors and shareholders. Furthermore, our reputation of treating customers fairly has meant that financial institutions looking to exit performing lines of business now seek out LCM as strategic partner because they know that their regulatory responsibilities will be preserved and their brand reputation maintained. This is fundamental to the breadth of sourcing opportunity that LCM has access to and why our latest Credit Opportunities Strategy has delivered 15% gross unleveraged IRR since inception in mid 2014.