

Why Consider Investing in Asset-Based Lending

The challenge with making an investment decisions is that the majority of investment options don't offer the growth desired or they are too unpredictable. If you prefer high returns without higher risk, then you may want to consider investing in ABR's Asset-Based Lending Program.

Background

Asset-based lending goes back centuries with its roots in international trade financing. Today, asset-based lending is considered good public policy well-suited to the demands of economic growth.

Asset-Based Lending

Asset-based lending is a transaction in which a business sells its receivables, to a third-party financial company. The sale of receivables transfers ownership of the receivables to the lender, who then holds all rights associated with the receivables. The receivables become an asset owned by the asset-based lender, who then collects payment on those invoices from the business's customers. The lender earns the difference between the price paid for the invoice and the money received from the debtor.

The main reason that companies choose to asset-based lending is that they want to receive cash quickly on their receivables, rather than waiting the 30 to 60 days, or longer, to be paid. Asset-based lending allows companies faster access to cash flow and working capital, which makes it easier for them to meet expenses, handle orders, hire staff and add more business. And, asset-based lending is not a loan so there is no debt.

Asset-based lending considerations include credit worthiness of invoiced customers, type of business, client quality, history and experience in the industry, and terms. For investors, the way to mitigate risk is to focus on payers that have a strong, reputable history of paying their bills, and businesses that have strong reputable history of delivering quality products and services.

Why Invest in Asset-based Lending

Companies of all sizes, including Fortune 500 corporations, use asset-based lending services. This is a strong, established industry worth \$1.5 trillion annually worldwide, and \$150 billion in North America. And the industry is growing larger every year.

Investors profit by supplying asset-based lenders with the capital necessary to purchase invoices from businesses

looking to sell. In a typical investor scenario, an asset-based lender might offer a seven percent return on a one year investment term. But not all asset-based lending investment opportunities are the same. You can earn higher returns while also mitigating common risks.

Risk Factors to Investing in Asset-based lending

Your money is committed for the term of investment.

Investing in a company such as ABR that carefully screens and approves businesses, and only lend on invoices approved to be paid by federal, state or local governments contracting authorities, and where the asset-based lender has been legally assigned payment of invoices, substantially lowers, and effectively minimizes, investor risk. Bottom line: government agencies pay their bills.

Mitigating Risk When Investing

If you are considering investing in an asset-based lender and want to mitigate investment risk, an investor should consider the following:

1. ABR has a 24 + year history of funding government service and construction contractors.
2. ABR is recognized for superior investor and customer relations and results.
3. ABR has a 24-year proven track record of investment performance and it delivers results.
4. Our staff that has a minimum of 22 years each in experience and maintains high standards on the credit worthiness of its borrowing customers.
5. ABR limits its business to specific government contracts where it has deep experience and understanding.
6. ABR limits its asset-based lending to receivables directly linked to government contracts.
7. ABR limits its customers to only U.S. businesses and transactions.

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