# Trading Update

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Burford Capital
02 November 2010

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## Burford Capital Announces Further Investment Successes And Capital Commitments

***Substantial Capital Commitments and Continued High Returns Confirm Investment Thesis***

Burford Capital Limited ("Burford" or the "Company"), the commercial dispute investor, today is pleased to report on its further progress since the Company's previous trading update on 28 July 2010.

Investment Highlights

- More than $100 million of capital committed since IPO

- Investing activity well ahead of schedule with more than 80% of IPO capital committed in one year
- More than $40 million in new capital commitments across six investments made in the last three months

- Short duration portfolio continues strong performance
  - Further cash generation and judicial successes since our last report
  - A short duration investment was both funded and fully resolved within the period covered by this report, providing an annualised return in excess of 300%
  - Judicial success in another investment has created the likelihood of further gains in the future; enforcement of the current judicial decision would yield at least a 100% return on capital

Portfolio Information

Burford's capital deployments continue to be strong; the table below reports on capital commitments to date[1].

| Portfolio Type | Total Investments | Total Capital Committed[2] |
|---|---|---|
| Short duration | 6 | $28 million |
| Core | 10 | $55 million |
| Special Situations | 2 | $19 million |

Burford is also seeing continued strong demand for its capital with an active pipeline of potential investments of widely varying size and duration.

**Christopher Bogart, Chief Executive Officer of Burford Group, commented:**

"We are very pleased with the pace of our capital commitments and with the early returns and performance from our short duration portfolio. We have consistently advocated a portfolio approach to investing in this asset class and believe our early successes continue to affirm our investment proposition and business model."

**For further information, please contact:**

**Macquarie Capital (Europe) Limited**

Jonny Franklin-Adams +44 (0)20 3037 5231
Ben Oakley +44 (0)20 3037 2147

**Financial Dynamics**

Nick Henderson +44 (0)20 7269 7114
Laura Pope +44 (0) 20 7269 7243

www.burfordcapital.com

[1] Capital commitments are provided on a gross basis without deduction for realisations. Financial information concerning realisations is provided semi-annually, most recently in Burford's interim accounts as of June 30, 2010.

[2] It should be noted that when Burford enters into agreements to fund international arbitration matters, one of its core areas of business, it typically does so using a form of agreement that commits the claimant to Burford irrevocably on agreed terms but provides a period of further case development during which Burford is free to withdraw unilaterally from the agreement with no penalty and usually without having expended any capital. This approach is desirable because it ensures that we do not expend undue time and resources on intensive diligence without being sure that we can fund the case on agreed terms once the diligence is completed. As a result, although we report matters once definitive agreements have been signed, there remains the possibility that in some matters Burford will elect not to proceed in light of further information learned during the case development period. In the current period, we elected not to proceed with two such matters that had been previously reported and they are no longer included in the table provided.

**About Burford Capital**

Burford Capital's strategy is to create and manage a portfolio of commercial dispute financing investments diversified by duration, claim type, geography and a number of other variables, with the aim of providing shareholders with attractive levels of dividends and capital growth. The Company expects returns to be uncorrelated to general equity market performance.

In the short term, the Company's focus is on commercial disputes in the United States and on international arbitration matters; in the medium term, the Company may expand its focus to other attractive and suitable jurisdictions.

Burford Group Limited acts as Investment Adviser to the Company. www.burfordgroupltd.com

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