Update on Funding For $1.6 Billion New Investments

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BURFORD CAPITAL SECURES FUNDING FOR $1.6 BILLION IN NEW LITIGATION INVESTMENTS

Burford enters strategic capital relationship with long-term sovereign investor

Burford Capital Limited ("Burford" or "the Company"), the leading global finance and investment management firm focused on law, today announces the structuring of new funding arrangements to facilitate its next $1.6 billion in litigation finance investments. The capital for those arrangements will come from three sources: a sovereign wealth fund with which Burford has entered a strategic capital relationship; a new private investment fund; and the Company's own balance sheet.

Christopher Bogart, Burford's Chief Executive Officer, commented:

"Our success in being able to attract substantial long-term capital positions Burford to sustain its competitive advantage in the global legal finance industry. Burford's unique ability to attract a large-scale commitment from a sovereign wealth fund and to close a new investment fund with capital from institutional

investors underscores its distinction as industry leader in terms of performance and governance, critical factors in making our capital the most attractive in the market. These new funding arrangements are consistent with the strategic vision we have outlined for our capital structure, including most recently at our Capital Markets Day last month, and aim to provide shareholders with optimal risk-adjusted returns."

Strategic capital relationship

Burford has entered a strategic relationship with a sovereign wealth fund to provide capital for Burford's litigation finance investments along with potential further capital for other opportunities.

The commitment is for a $1 billion pool of capital to be invested on a 2:1 basis, with the investor deploying $667 million and Burford providing the remaining $333 million. Burford will allocate 50% of each new litigation finance investment to this pool of capital for the next four years or until the pool is fully committed, whichever occurs first.

After the recovery of the capital invested, Burford will receive 60% of investment profits while investing only 33% of the capital. Distributions will be made on an investment-by-investment basis so that Burford will receive cash flows considerably faster than in a traditional private fund structure. Burford will also receive a priority distribution in an expected amount of approximately $7 million annually to defray Burford's running costs.

In addition, the investor has expressed the potential to invest in other Burford opportunities as Burford's business continues to expand.

Burford Opportunities Fund

With the current Partners III investment fund now fully committed ahead of schedule[1], Burford has also raised a new private fund, the Burford Opportunities Fund ("BOF"). As a result of the size of its new strategic capital relationship, the Company decided to limit BOF to $300 million. Burford is not making an investment in BOF, although more than 40 of Burford's employees have invested a total of $5.7 million, demonstrating the team's belief in the attractiveness of the investment opportunities ahead. Burford will allocate 25% of each new litigation finance investment to BOF during the fund's three-year investment period or until the fund is fully committed, whichever occurs first.

BOF investors will pay Burford a 2% annual management fee on investor commitments and a performance fee of 20% of fund profits, subject to an 8% per annum priority return to investors, after which the Burford performance fee will receive a full general partner catch-up.

Burford balance sheet

The combination of Burford's new strategic capital relationship and the raising of BOF meet Burford's objectives of drawing capital from multiple sources while also enabling Burford's balance sheet to participate directly and significantly in each new litigation finance investment. Moreover, Burford has considerably enhanced the economics of its alternative capital sources and at the same time ensured access to a significant pool of capital to fund its continued expansion.

The aggregate position under the new funding structure for these $1.6 billion of litigation finance investments is that Burford will invest directly 42% of the capital for each new investment and will receive 60% of the resulting profits.

Vehicle	**Size**	**Allocation of new investments**	**Burford's investment**	**Burford's share of profits**	**Example of Burford profit on $100 of total investment gain[2]**
Strategic capital relationship	$1 billion	50%	33%	60% plus priority expense distribution	$30
BOF	$300 million	25%	0%	20% plus 2% annual management fee	$5
Direct balance sheet investments	$300 million	25%	100%	100%	$25
Total	**$1.6 billion**	**100%**	**42%**	**60%**	**$60**

Burford believes it has sufficient capital resources to finance its direct investments, although it may continue to make use of the long-term credit markets when desirable and appropriate.

Elizabeth O'Connell, Burford's Chief Financial Officer, commented:

"As I said last month at our Capital Markets Day, we intend to continue to use multiple capital sources to finance Burford's growth and we think doing so is the best way to balance producing desirable returns for public shareholders without assuming excessive leverage or undue balance sheet risk. The new capital sources we are announcing will enable us to make $1.6 billion in new

investments with only $633 million of that coming from the balance sheet. We simply would not have been able to provide for that level of growth solely on the Burford balance sheet, let alone to have the implied leverage provided by this structure where we provide 42% of the capital but earn 60% of the returns. These new arrangements also show the need for - and the expected use of - the equity capital we raised in October."

[1] The launch of BOF will result in the early termination of the Partners III investment period and thus Partners III will move to charging management fees only on capital committed to investments. At present, such investment commitments exceed the size of the fee-paying investor commitments and thus there will not be any immediate change in Burford's management fee income from Partners III.

[2] This column shows a worked example of what portion of a hypothetical total $100 investment gain (following return of invested principal and, in the case of BOF, following satisfaction of the investment hurdle) would be earned by Burford from each capital source.

Further details about the funding arrangements

Strategic capital relationship

- $1 billion commitment to be invested on a 2:1 basis between the investor and Burford
- Four-year investment period
- Allocation of 50% of all new litigation finance investments except for those made in the complex strategies fund, asset recovery and insurance and except for certain contractual exclusions
- Distributions paid to investor and Burford on a per-investment basis with a traditional clawback
- Investor entitled to 30% investment in any new Burford fund or strategy

BOF

- $300 million private investment fund
- Three-year investment period
- Allocation of 25% of all new litigation finance investments except for those made in the complex strategies fund, asset recovery and insurance
- 2% management fee on investor commitments during investment period; 2% management fee on investment commitments thereafter for several years (exact duration to be determined based on investment progress at the time); 0.5% management fee on deployed capital in run-off period
- 20% carried interest after an 8% soft hurdle with a full catch-up
- European waterfall - investors to recover all invested capital fund-wide before carried interest kicks in

The person responsible for arranging for the release of this announcement on behalf of the Company is Elizabeth O'Connell, Chief Financial Officer.

For further information, please contact:

Burford Capital Limited	
Elizabeth O'Connell, CFA, Chief Financial Officer	+1 212 235 6825
Macquarie Capital (Europe) Limited - NOMAD and Joint Broker Jonny Allison Nicholas Harland	+44 (0)20 3037 2000
Liberum Capital Limited - Joint Broker Richard Crawley Jamie Richards	+44 (0)20 3100 2222
Numis Securities Limited - Joint Broker Charlie Farquhar Jonathan Abbott	+44 (0)20 7260 1000
Montfort Communications Limited - Financial Communications Robert Bailhache - email	+44 (0)20 3770 7908

About Burford Capital

Burford Capital is the leading global finance and investment management firm focused on law. Its businesses include litigation finance and risk management, asset recovery and a wide range of legal finance and advisory activities. Burford is publicly traded on the London Stock Exchange, and it works with law firms and clients around the world from its principal offices in New York, London, Chicago, Washington DC, Singapore and Sydney.

For more information about Burford: www.burfordcapital.com

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