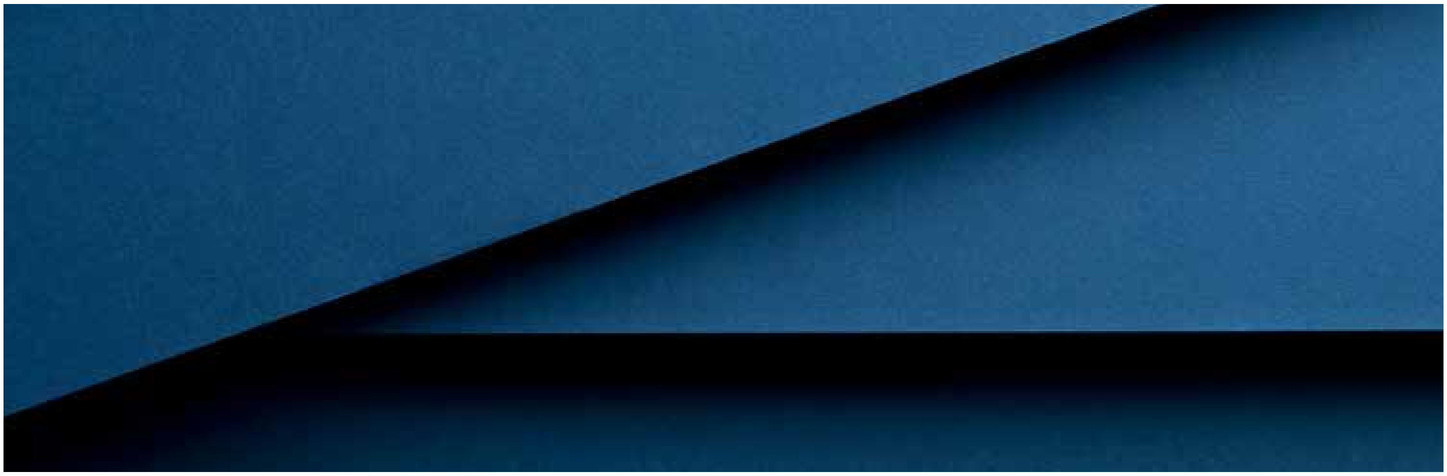

Financing commercial arbitration for law firms & their clients

Arbitration finance is increasingly a matter of choice, not just necessity, for businesses and law firms. For both, arbitration finance is a form of corporate finance, in which the underlying asset value of a pending claim or portfolio of matters can be unlocked to provide capital.

Law firms with active international arbitration practices are also increasingly making arbitration finance a part of their new business pitches—so they can offer more competitive terms—as well as leveraging finance to work with existing clients under pressure to lower fees. Indeed, law firms reported 208 funded arbitrations to Global Arbitration Review as part of the 16th edition of the GAR 100 survey, with nearly half (14 out of 30) of the GAR 30 firms accounting for 50.4% of all funded arbitrations reported.

HOW LAW FIRMS USE LEGAL FINANCE

Law firms and their clients work with Burford to finance fees and expenses for commercial arbitrations—and to address a variety of broader business and risk management needs.

For businesses, shifting cost and risk off P&L simply makes good business sense. Doing so alleviates budget pressures and leads to better outcomes for risk management and financial reporting. It is particularly powerful on a portfolio basis, which allows for both claimant and respondent solutions and lower finance costs. Increasingly, however, monetization financing arrangements are gaining in popularity among claimants involved in arbitrations. In a monetization, capital is advanced against the future value of pending claims, and it can be used for general business purposes in addition to the pursuit of the claim.

For law firms, client needs can eclipse a law firm's capacity to take risk—and that can leave the firm at a competitive disadvantage, particularly in an economic climate in which businesses face more disputes but have less cash to pay lawyers. Portfolio finance—in which Burford provides the firm a capital facility tied to a pool of matters—solves these challenges.

Burford advances capital on a non-recourse basis, meaning that the businesses that work with us owe nothing unless and until the arbitration or litigation is successful, thereby eliminating the downside risk of loss. We provide financing at any stage, from pre-litigation to appeal as well as post settlement. And because Burford is a passive investor, we do not control a business's litigation decisions or impact existing attorney-client relationships.

BURFORD'S ARBITRATION FINANCE SOLUTIONS

We provide a range of custom capital solutions, at any stage of a dispute, that enable companies to address urgent business challenges and add quantifiable value to their organizations.

- **Monetization:** Burford provides an immediate, upfront payment as an advance on the expected value of a pending claim or award, enabling businesses with significant recoveries to accelerate cash payments and reduce risk.
- **Fees and expenses:** Burford provides capital to pay fees and expenses for a single, high-value commercial matter, relieving budget pressure and removing downside risk while enabling the business to hire its firm of choice.
- **Portfolio finance:** Businesses involved in several arbitration or litigation matters can use portfolio finance to cover all or partial fees or expenses and create significant liquidity.
- **Asset recovery:** Burford's global asset tracing team helps businesses address enforcement challenges, transforming award and judgment debts from "legal paper" into cash.
- **Risk management and insurance:** Burford Worldwide Insurance Limited offers adverse costs insurance for funded matters, mitigating risk in cost-shifting jurisdictions.

CASE STUDY

> A leading law firm wanted to expand its arbitration practice, offer more compelling terms to clients and receive the additional upside, but could not take additional alternative fee risk onto its P&L. Burford worked with the firm's head of global disputes to create a $50 million going-forward portfolio of potential matters that would each be placed into the portfolio as new case opportunities arose. The assurance of having financing available for future matters gave the firm a competitive advantage over other top firms offering alternative fee options and ensured the firm would not have to turn down a strong case or a new client simply because it could not absorb additional risk. As a result of this flexible portfolio arrangement, the firm was able to expand its practice and increase its opportunity to earn highly profitable success fees, while limiting its exposure to a loss of its time and out-of-pocket cash investment.

Why Burford?

- **Team:** Burford's in-house underwriting team is ranked Band 1 by Chambers and draws from leading arbitration groups at top-tier firms and includes published experts in the field
- **Scale:** With a current investment portfolio of $7.2 billion, Burford has unmatched capacity to finance commercial litigation and arbitration
- **Experience:** Burford has financed more than 50 high-value international arbitration matters in all the world's leading arbitration centers
- **Professionalism and transparency:** We are the institutional-quality legal finance partner—dual-listed on the New York Stock Exchange (NYSE: BUR) and London Stock Exchange (LON: BUR) and with a track record and reputation that reflect well on our counterparties

Jeffery Commission
Director
jcommission@burfordcapital.com

Christiane Deniger
Director
cdeniger@burfordcapital.com

Florencia Villaggi
Vice President
fvillaggi@burfordcapital.com