

Executive Summary

1 August 2021



LONDON
BONDS



LONDON BONDS

Overview

London Bonds is seeking to raise £50m by 31 December 2022 from the issue of Loan Notes to purchase investment properties in London.



"Our investments will typically be sourced from distressed sales prior to repossession of the properties by lending institutions."

RAMON VEGA,
HEAD OF INVESTMENTS

Our Track Record

Prior to the launch of this Loan Note our sourcing team has identified and purchased 38 properties in and around the London area for £6.2m. These properties have either been sold or refinanced at a total value of £11.1m making a gross profit of £4.9m before costs.

What We Do

London Bonds will identify and purchase good housing stock in London. The properties we purchase will always be priced significantly below the current market value and represent fantastic growth opportunities. Once purchased, there will be several opportunities available to create profit for the company.

"The properties we purchase will always be priced significantly below the current market value and represent fantastic growth opportunities."

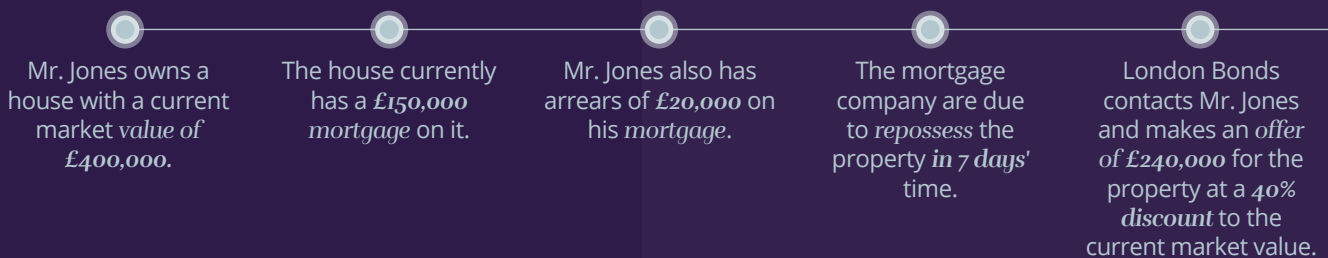
When London Bonds purchase a property, they are able to implement three exit strategies. In the example at the bottom of the page a property valued at £400,000 has been purchased for £240,000.

Option 1: The property is sold at a 10% discount to the current market value to an investor. The sales price is £360,000 and London Bonds has made a profit of £120,000 less costs.

Option 2: The property is refurbished for £40,000 (typically 10% of the valuation). Following the refurbishment, the property has gone up in value and is sold through an estate agent for £500,000. Having purchased the property for £240,000 and used £40,000 to refurbish it, London Bonds has made a profit of £220,000 less costs.

Option 3: The property is refurbished for £40,000 (typically 10% of the valuation). Following the refurbishment, the property has gone up in value to £500,000 and is refinanced through a mortgage company. The mortgage company will provide a 75% loan on the property of £375,000. Having purchased the property for £240,000 and used £40,000 to refurbish it, London Bonds has made an initial profit of £95,000 in cash and holds equity in the asset of £125,000.

An example of how the property purchasing process works:





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About Us

London Bonds is a Residential Property Investment Company based in Chelsea, London. Our company focuses upon sourcing and purchasing investment properties in and around the London area and is managed by London Chelsea Limited, which was established in 2012.

“London Bonds is a Residential Property Investment Company based in Chelsea, London.”

Our investment team is headed up by Ramon Vega, who has a strong track record of managing client’s investments through his own asset management firms. Our clients include asset managers, family offices, high-net-worth individuals, pension funds as well as major international investors.

Security

London Bonds is a UK public limited company over which the Noteholders have a high level of investment security. Noteholders have the benefit of a first legal charge over all the assets of the company, held on their behalf by the Security Trustee. This first legal charge can be exercised by the Security Trustee acting solely in the interest of the Noteholders in the event of default.

The first legal charge covers all the assets of the business, which includes the properties purchased by London Bonds and the cash held in the bank accounts. The cash raised from investors is used to fund real estate purchases and when each property is purchased the title deeds will be transferred into the name of London Bonds. When the property is sold or refinanced, the money is returned to London Bonds. The capital and profit is used to repay the Noteholders.

Loan Note Basics

LAUNCH

1 December 2019

RAISE

£50,000,000

Investor Facts

MINIMUM INVESTMENT

£10,000

TERM

3 Years

RETURNS

Income – 10%

*interest per annum
paid as 2.5% each quarter.*

Capital Growth – 12%

*interest per annum with one payment
made at the end of 3 years.*

ELIGIBILITY

*Sophisticated and
High-Net-Worth Investors*

Mr. Jones *accepts the offer* and contracts are exchanged on the same day.

London Bonds pays off the mortgage and the arrears *totalling £170,000* and stops the repossession.

London Bonds now owns the property and has gained *£160,000 equity* in the property.

Mr. Jones is also *satisfied* because rather than be repossessed, with the possibility he would have received nothing from the mortgage company, he has received *£70,000 cash*.

—» Further details are available
in the full Information Memorandum

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