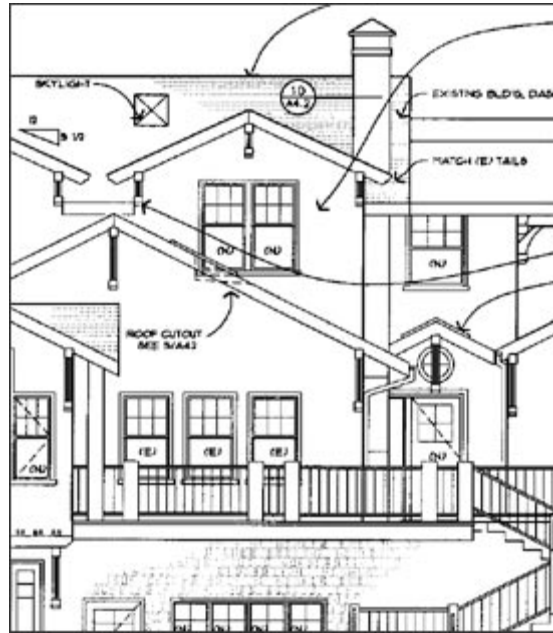




LIBERTY INVEST LTD.
International Property Network



Property Syndicate Opportunity.

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Liberty Invest property syndicate opportunity.

“The whole point of a syndicate is that a pool of investors shares LESS risks and MORE rewards of any financial venture.”

Rare are the people who have enough time, money and expertise to become directly involved in the business of finding, buying, renovating or building, and then renting or selling properties for profit. Most people find that either capital or time is a limited resource or that they simply do not have enough understanding of the property market to interact with it directly. The easiest way to ‘get in on the act’ is to pool your capital with like-minded investors, and act together. Each investor has a share in the property deal, and in the funds resulting from the successful sale of any property. You are, in effect, investing in a company and you own shares in that company, in line with the percentage of funds you have invested.

The property syndicate formula has been used particularly to allow individual investors to participate in property opportunities that would have been inaccessible to single investors. It has also filled a gap in the investment market by reducing the down side while providing significant upside.

This is a highly specialised investment vehicle aimed at clients who demand the highest returns attained through involvement in property developments from the very start.

Rather than access the property opportunities when properties are built, investors can literally get in on the deal at ground level. Each syndicate is unique in its own right, but have the same underlying principles.

The syndicate’s basic structure

When you commit to invest into a specific property development, you will own shares in a special purpose vehicle (set up for the purpose of that investment opportunity). This vehicle, often a limited company, is set up for the sole use of acquiring, securing, purchasing, constructing, marketing and/or selling a particular development, and is specially chosen by Liberty Invest Ltd. The payment of the profit share apportioned to the investor will effectively form the buy-out of the investor, leaving the SPV free to repeat the cycle if required.

As an alternative arrangement, certain opportunities will be structured under a loan agreement for investors, with very aggressive short-term rates if applicable, or a repayment clause linked to the profit of the project

Syndicates often aim to achieve the following:

- To provide reservation / deposit money to landowners / developers in order to get a project off the ground, and then equity capital to complement senior debt lending
- To form a joint venture vehicle to develop a project to be sold to the local and UK markets off-plan

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It is estimated that the SPV will leverage senior debt (high street banks primarily) at a ratio of 75% LTV. In certain cases, this may be lower (one bank will, for example, loan 75% of acquisition finance and 100% of development finance, subject to pre-sales), but each deal will be slightly different.

The types of opportunities that will be targeted

Our projects will be primarily major refurbishment or new build of apartments, where the sales value will be in the £130-250K range. This will mean that often we will be looking at regeneration areas where the potential upside for enhanced equity appreciation is greatest. It also means that we should be able to move much of the product through the property clubs in the UK, if required, given that almost all of the units will stack as a BTL investment.

We also have strict selection criteria for projects, including:

- Maximum price limit for end unit sales values;
- Minimum number of units in a scheme (normally 8, allowing for a % of off-plan sales and mitigating risk by spreading profit across more than one unit);
- Minimum EBIDTA of 20%;
- Minimum profit to cost of approximately 23-25%;
- Often the ability to lock out the project for a period of due diligence via a reimbursable option (under certain conditions).

The SPV will effectively act as the developer, responsible for sourcing, negotiating, acquiring and contracting the build of the property, and selling the finished units. Some of the SPVs will be NHBC registered, but in any circumstance, all projects will go out to tender and a fixed-price JCT contract will be put in place with an NHBC-certified builder. Each project will have a structure including the SPV's board, a project Director, a project manager who will be selected via a formal interview process, and the normal team structure below them. Through the individual track records of the team, we already have established relationships with suppliers of modern methods of build, including steel frame and timber frame builders, which allow us as developers to add speed and consistency of delivery to the cost control element of fixed-price contracts.

How it works

1. Property syndicate investors first register with Liberty Invest indicating the level of funds available for investment. Investors will then be required to return all relevant paperwork to Liberty Invest along with a £2,000 commitment to invest. This commitment then allows liberty Invest to plan a presentation to coincide with the amount of committed funds. If the investor does not wish to proceed with the opportunity then the commitment to invest fee is refunded minus the solicitors handling charge.

2. Liberty Invest will carry out due diligence to determine the profitability for development of a site and then offer it to potential investors to purchase. We will only introduce a development to investors once it has been fully packaged into a secure stand alone project, with all due diligence carried out.

3. A separate limited company will be set up for each of the projects to ensure that each development is contained within a stand alone SPV Company (special purpose vehicle). The investor's funds will be paid into a separate company that provides the finance to each development vehicle. The funds committed are deposited in a secure client account of the firm of solicitors who will act for the syndicate prior to exchange of contracts on the property.
4. Once sufficient funds have been pledged the SPV company exchanges contracts with the seller of the land using a combination of investor's funds and a loan from a commercial lender. We would expect the ratios of bank funding to investors equity to be approx 70/30.
5. The SPV will grant a second charge/mortgage for the syndicate investors against the property as security. This mortgage will be registered at Companies House and The Land Registry. The lending bank will take a first charge/mortgage over the development property as security. The bank will obviously carry out their own diligence and will not lend on the development unless they believe that the project as well as the people behind it, will be able to make a success of it. This is a safeguard for the investor in itself.
6. Liberty invest will employ a highly experienced consultant who will lead the design, compile the specification, and attend all meetings. The construction process is controlled by a team of professionals and the contractor is engaged under a specific fixed price contract (JCT). The costs are therefore contained which in turn secures effective cost control and efficiency. The successful contractor is selected through an open tendering process and appointed based on track record, cost, programme and reputation.
7. Liberty Invest will keep the investors fully up to date with the projects in which they have funds invested by sending a monthly report with photo's to show progress.
8. As the project is completed the company will repay the bank borrowings first from any sales proceeds and then will repay the syndicate investors with their original capital and any interest and profits once all costs and taxes have been finalised.

What's the big attraction of property syndicates?

- Lower capital requirements
- Allows investors to participate in projects when their time is limited.
- Low-risk diversification
- UNIQUELY, direct access to the development projects and their margins, thus the RETURN

Lower capital requirements

The biggest restriction for investors is the amount of funds available to invest. For example, if you had £100,000 to invest and you wanted to spread your exposure by investing into four individual opportunities such as geographic or residential/commercial, etc, you would be unable to do so at the £25,000 level. Commercial property or larger development deals, with typically greater returns, would be out of reach. Being part of a

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syndicate can solve this problem, as you will pool your money into one company and invest into a larger number of deals including, possibly, commercial property and land development.

Time is money

By utilising the knowledge and expertise of people to enable you to make investments into projects without the need to carry out extensive due diligence of your own, and often by leveraging the expertise of others to tackle projects outside your domain expertise. Syndicates provide the vehicle for their members to maintain their creativity in their investment portfolio without the added strain on already precious time.

Experiment in new property ventures

For a reasonably low level of invested funds you could become involved in exciting and innovative investment projects. Syndicates can cover some very diversified opportunities from luxury beachfront developments to French chateau renovation projects or even large scale land development deals. For example, we recently packaged a 325 acre parcel of raw land in Georgia U.S.A, with the intent to install all the required infrastructure, including the re-zoning of the land into ½ acre building lots for the purpose of selling on to construction companies and land investors. Syndicate members can experience the satisfaction of being involved in large development projects which would almost certainly of been previously out of their reach.

Become involved in large development projects

At present, we have sourced a number of land development projects in Georgia, USA, as well as smaller residential conversions in the UK, and three new-build developments in the exciting and emerging isles of Cape Verde. This location has recently been tipped as the number 1 area for investment, due to its expected capital growth of over 70% in the next 24-months. We have access to sites and opportunities in over 12 countries, direct from land owners or in partnership with other developers – the opportunities for expansion and growth are therefore immense.

Typical returns

By using the LTV ratios above, we estimate that investors will receive a minimum 30% risk-related return, which may rise to as much as 120%+ per annum depending on the amount invested and the project, or a guaranteed return of between 15-20% per annum based on a short-term loan underwritten by a contract and a second charge.

A specific development project opportunity

- The project on the South coast of England has current planning for 30 units, but a new planning application which envisages 47 units, has being submitted. We are confident that an increase of planning will be granted, above the current 30 units. A single investor has allowed us to exchange on the land, and independent valuation has illustrated that at the 30-unit level, our GDV is about £300K too conservative! We are now looking for long-term funding for the project, which will allow us to:
 - Buy out the current investor;
 - Complete the purchase of the land;

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- Await the response from the planning department on the new planning submission; and
- Present a proposal with the new planning to a selection of 3 banks with whom we work.
- The funding for the project assumes a 75% LTV gearing, and on a worst-case scenario of no increase in planning, the amount required will be £450,000 for the purchase of the land. Additional development contributions will be required, as below. However, should the increased planning be granted, the total required funding will actually be £956,000.

	Based on 30 units	Based on 47 units
Land Purchase	£1,000,000	£1,235,000
Investor funds	£700,000	£956,000
Total estimated sales	£3,960,000	£6,800,000
Total estimated cost of development	£1,870,000	£2,590,000
Total estimated profit	£880,000	£2,867,000
Investor receives 25% of profit	£220,000	£716,750
% Return on investment	30.7%	75%
% ROI (annualised)	30.7%	50%

* All returns are calculated pre-discount.

Why You Should Join Liberty Invest

Above is just one example of the type of projects which you could become involved with, we have many other opportunities and projects that we will be packaging together once we have full commitment into our group.

So, why should you become a member of a Liberty Invest syndicate?

1. Because we do not charge up-front joining fees, or ongoing annual memberships. All we charge is a one-off administration fee of £150.00 + vat, which is only payable once you are fully committed and 100% happy with the investment project.
2. We have the ability and expertise to be able to source the most lucrative projects and deals available throughout the world, making sure that each opportunity passes our stringent qualifying criteria. The deals are 99% direct from land owners or together with developers who are developing out the project.
3. We have a well-rounded team of associates based around the world, with many years experience and excellent ability in developing and property investing, in addition to the drive and expertise to ensure each project generates maximum returns, after all, we, ourselves are investors, and would not offer deals to our syndicate members which do not stack up.
4. We consider every deal in detail, from small renovation projects to large developments and new-build opportunities.

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5. We will update all syndicate members on a regular basis on the progress and status of each project and your investment.
6. By becoming a Liberty Invest syndicate member, you will, effectively, be buying into carefully sourced investment and development opportunities around the world. Liberty Invest aims to generate the best possible returns, thus giving you the chance to diversify your property portfolio, without having to research the deals yourself.

Membership options

At Liberty Invest, we offer three syndicate options, bronze, silver and gold, with the goal being to reach a usable pool of investment funds of £2,000,000 within 12 months.

Bronze

Our bronze option is the entry level investment and requires a minimum commitment of £20,000 in order to receive a guaranteed return of 15-20% per annum.

Silver

Our silver option requires a minimum commitment of £50,000, which will entitle you to a profit share of the development proceeds, and therefore increasing your returns to a range of 30-75% per annum on invested funds.

Gold

The gold option is aimed at investors with liquid funds of £100,000+. Investors who take advantage of our Gold option are projected to receive returns anywhere from 60% up to 120%+ per project, and can, therefore, diversify their property investment portfolio by becoming involved in large development projects and commercial property ventures.

Frequently Asked Questions

1. How are investor's funds secured?

The funds are secured by a second mortgage on the development co's property. All funds are initially placed in a solicitors clients account and a loan agreement between the SPV and finance co is put in place. Once the required level of funds is confirmed the project is purchased by the SPV company. At this time a second charge on the property is created in favour of the investors. At no stage does Liberty Invest handle any investors money.

2. What sort of returns can we expect? Typically returns on capital introduced are projected at around 30% over twelve months, however as with any investment this may go up or down.

3. What sort of property development will the company be involved in?

The type of development that the syndicates will be involved in will typically be development sites that have/ will have planning permissions for 10-20, 1 & 2 bed

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apartments in good locations. This type of property is the bread & butter of the development industry and the finished properties are suitable for the investment and first time buyer market. We are also constantly sourcing development projects around the globe from apartment block refurbishments to raw land developing. We do not believe in restricting our goals to one particular type of deal or location.

4. How do we know a project is viable?

Before a project is offered to investors, Liberty Invest will already have strong (typically 70-75%) bank funding in place. In order for this to happen the bank will have carried out stringent due diligence procedures to ensure that the project is viable, including valuation by Chartered Surveyors. It is therefore not just Liberty Invest saying that it is a good project, we get other professionals to confirm it!

5. Why do you use bank funding as well?

It makes good commercial sense to borrow as much as possible from the bank so that investor's funds are not diluted. For example, if a project was going to cost £1M with a profit of £250K and we only used investor's money, their return would be £125K or 12.5% of capital used. If however, we used bank funds of 70% it means we only need approximately £300K instead of £1M, but they still return £125K profit which is over 40% return on capital invested.

6. Who builds the properties?

Liberty Invest will award a fixed price JCT contract to an independent NHBC registered building contractor to ensure that the project is completed on time and to budget. This process will also be overseen by bank appointed Quality Surveyors to ensure the build is completed.

7. What happens at the end of the project?

As the units are sold we repay bank borrowing first, followed by repayment of the investors loans and any interest and profits accrued after costs and taxes are accounted for.

8. What tax implications are there?

It is anticipated that the rate of Corporation Tax applicable to each company's profits will be 19%. We strongly advise potential investors to discuss the personal tax implications of their investment with their accountants or tax advisers.

9. Should we take legal advice?

All the documents and procedures used are produced by Liberty Invest's nominated syndicate solicitors, but we would always recommend that if you have any concerns you should seek independent legal advice.

10. Can we re-invest?

We would positively encourage this. In fact there is nothing to stop you having funds in more than one project at a time. We hope that at the end of your first project you will be sufficiently pleased with the return you receive that you will want to re-invest.

11. Will there be more projects? Very much so, we are looking to build this business into a long term investment tool and will forward details of new projects as they become available.

12. What do we need to do now?

You need to fill in our registration form indicating your interest and confirming the level of funds you have available for investment. We will then contact you to discuss the proposition in more detail.

We are expecting interest to be high, and therefore places within our syndicate are limited. Once we have reached our target number of members we will be closing the doors on the first round of this exciting opportunity. We look forward to welcoming you into Liberty Invest.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Matthew Hand', written in a cursive style.

Matthew Hand
Managing Director

Liberty Invest Ltd – registration form for property syndicates

Please complete this form and return within 21 days

The information you provide will be treated as strictly confidential

Title		Forename(s)		Surname	
--------------	--	--------------------	--	----------------	--

Address 1	
------------------	--

Address 2	
------------------	--

Town	
-------------	--

County	
---------------	--

Postcode:	
------------------	--

Home Tel		Work Tel	
-----------------	--	-----------------	--

Mobile		Fax	
---------------	--	------------	--

E-mail address	
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Yes, I would be interested to receive details of any syndicated property transactions.

Membership Level: (Tick one) BronzeSilver.....Gold.....

Any Particular Requirements?

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.....

Statement for Certified High Net Worth Individual

I declare that I am a certified high net worth individual for the purposes of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001.

I understand that this means:

- (a) I can receive financial promotions that may not have been approved by a person authorised by the Financial Services Authority;
- (b) the content of such financial promotions may not conform to rules issued by the Financial Services Authority;
- (c) by signing this statement I may lose significant rights;**
- (d) I may have no right to complain to either of the following—
 - (i) the Financial Services Authority; or
 - (ii) the Financial Ombudsman Scheme;
- (e) I may have no right to seek compensation from the Financial Services Compensation Scheme.

I am a certified high net worth individual because **at least one of the following applies—**

- (a) I had, during the financial year immediately preceding the date below, an annual income to the value of £100,000 or more;
- (b) I held, throughout the financial year immediately preceding the date below, net assets to the value of £250,000 or more. Net assets for these purposes do not include —
 - (i) the property which is my primary residence or any loan secured on that residence;
 - (ii) any rights of mine under a qualifying contract of insurance within the meaning of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001; or
 - (iii) any benefits (in the form of pensions or otherwise) which are payable on the termination of my service or on my death or retirement and to which I am (or my dependants are), or may be, entitled.

I accept that I can lose my property and other assets from making investment decisions based on financial promotions.

I am aware that it is open to me to seek advice from someone who specialises in advising on investments.

Signature _____

Name _____

Date ___/___/____

Statement for Self-certified Sophisticated Investor (Financial Promotions)

I declare that I am a self-certified sophisticated investor for the purposes of the Financial Services and Markets Act (Financial Promotion) Order 2001.

I understand that this means:

- (a) I can receive financial promotions that may not have been approved by a person authorised by the Financial Services Authority;
- (b) the content of such financial promotions may not conform to rules issued by the Financial Services Authority;
- (c) by signing this statement I may lose significant rights;**
- (d) I may have no right to complain to either of the following—
 - (i) the Financial Services Authority; or
 - (ii) the Financial Ombudsman Scheme;
- (e) I may have no right to seek compensation from the Financial Services Compensation Scheme.

I am a self-certified sophisticated investor because **at least one of the following applies—**

- (a) I am a member of a network or syndicate of business angels and have been so for at least the last six months prior to the date below;
- (b) I have made more than one investment in an unlisted company in the two years prior to the date below;
- (c) I am working, or have worked in the two years prior to the date below, in a professional capacity in the private equity sector, or in the provision of finance for small and medium enterprises;
- (d) I am currently, or have been in the two years prior to the date below, a director of a company with an annual turnover of at least £1 million.

I accept that I can lose my property and other assets from making investment decisions based on financial promotions.

I am aware that it is open to me to seek advice from someone who specialises in advising on investments.

Signature: _____

Name: _____

Date: ___/___/____