




A professionally managed
Property Bond portfolio
offering a fixed return of
24% over two years

Be **Smart**. Be **Alternative**.



HJ Collection is set to revolutionise the asset-backed loan note market by introducing a managed Property Bond portfolio comprising multiple developers, and therefore multiple projects, across the UK. This diversifies risk and enhances the potential for superior returns.

Foreword

from Reece Mennie

With the recent changes to the tax treatment of buy-to-let investments, we genuinely believe that, for a great many people, property-backed loan notes are the smarter alternative, offering investors high fixed returns with the security of 'bricks and mortar' asset-backing.

HJ Collection brings additional innovation to the buoyant Property Bond market and so, as I'm sure you can appreciate, we are genuinely excited about this new approach to what is already an attractive and convenient route to the healthy returns available from the UK property sector.

As a result, we anticipate the initial allocation for HJ Collection being fully subscribed very rapidly, and so we'd encourage all potential investors to get in touch as soon as possible. To find out more, please contact us and one of my specialist team of consultants will be delighted to answer any questions you might have. We look forward to hearing from you.

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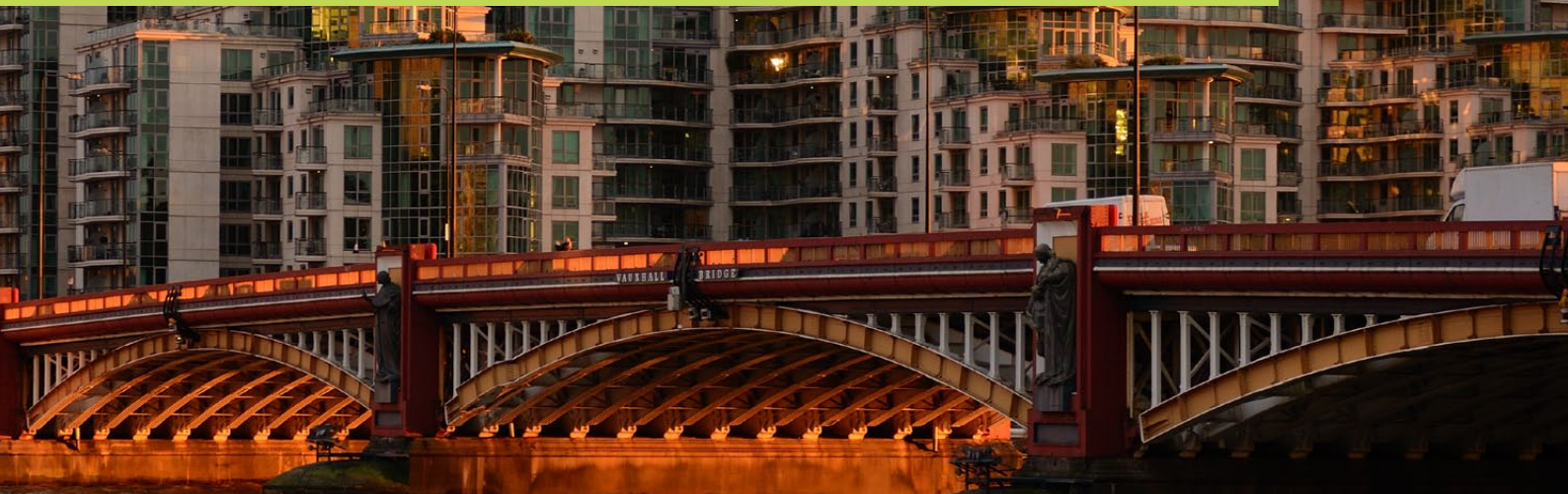
Reece Mennie

Founder & CEO



Brits love bricks!

Property remains one of the most popular forms of investing for consumers, given the returns available in the UK market – and Property Bonds are one of the most attractive options for gaining access, quickly and easily, to that sector without the many downsides of direct property ownership.





DIVERSIFICATION



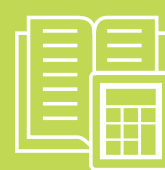
ASSET-BACKED



SECURITY TRUSTEE



HIGH YIELD



NO FEES

Property bonds are the smarter alternative to BTL

With UK interest rates close to their historic low, and the attractiveness of buy-to-let investment having diminished significantly as a result of recent tax, legislative and regulatory changes, Property Bonds represent a new and exciting way for investors to generate a healthy return on their money. They do so by allowing individuals to lend their capital (which is why they are often referred to as 'loan notes') to a property development company in return for a fixed rate of interest over a fixed period of time.

At the end of the fixed period, the investor's original capital is returned in full – the developer having typically obtained the proceeds for repayment by refinancing the borrowing or through the sale of some or all of the property units.

The appeal of **diversification**

They therefore offer the best of both worlds: attractive fixed returns with the security of 'bricks and mortar'. However, because Property Bonds are issued by individual developers, investors' returns have always been linked to the capabilities of, and the projects undertaken by, that specific developer. **Until now**, that is.



Key features of HJ Collection

- Growth option: 24% payable after 24 months
- Income option: 10% payable after 12 months;
5% after 18 months; 5% after 24 months
- Diversification – multiple developers and developments
- Asset-backed security via a legal first charge
- Independent, FCA-regulated Security Trustee
acting on behalf of investors
- No fees or charges
- No Stamp Duty
- Minimum investment: £10,000

Our Strategy

One of the key legacies of the financial crisis is that the generational divide in the UK housing market will continue to widen, as the demand for private rental accommodation grows and home ownership – particularly amongst those aged under 35 – falls further. HJ Collection Limited was incorporated as a Special Purpose Vehicle in order specifically to address this present and growing need.

The company will use the funds raised by the loan notes to acquire suitable commercial properties in the UK's major towns and cities, where the demand for housing is known to be at its most acute. The properties will be strategically redeveloped into residential accommodation and the assets efficiently managed – through our extensive network of private and public lettings agents – to achieve a significant rental yield, thereby delivering the stated capital and interest returns.

Where possible, the properties will be converted using 'Permitted Development Rights', given the significant planning advantages that are available by adopting this approach. Each proposed development will be subject to a comprehensive business plan, with the details being fed into a robust and well-tested spreadsheet in order to assess its viability. Formal tenders will be established, and specific developers appointed, in relation to each project in order to ensure that there is a full and appropriate alignment of skills and experience to the unique requirements of each undertaking.

Track Record

Here is a selection of development projects that Hunter Jones has funded over recent years, and which give a good indication of type, size, location, value and, most importantly, the investment return. The five developments described formed a single asset-backed loan note which was recently redeemed, delivering a 27.3% return to investors over a two-year term, equivalent to 13% pa gross.

Thornhill Street, Wakefield

Conversion to 16 self-contained apartments under full planning permission



Purchase price	£900,000
Development costs	£480,000 (16 x £30,000)
Total	£1,380,000
Residential income	£112,320 pa (16 x £135 x 52)
Commercial income	£50,000
Valuation (based on 8% yield)	£2,029,000
Uplift	47%

Newspaper House, Blackburn

Conversion to 66 self-contained apartments with car parking under full planning permission



Purchase price	£850,000
Development costs	£2,640,000 (66 x £40,000)
Total	£3,490,000
Residential income	£429,000 pa (66 x £125 x 52)
Valuation (based on 8% yield)	£5,362,500
Uplift	54%

63 Bradshawgate, Bolton

Conversion to 81 self-contained apartments under full planning permission; ground floor retained as a commercial unit



Purchase price	£850,000
Development costs	£2,592,000 (81 x £32,000)
Total	£3,442,000
Residential income	£589,680 pa (81 x £140 x 52)
Commercial income	£30,000
Valuation (based on 8% yield)	£7,746,000
Uplift	125%

King Charles House, Pontefract

Conversion to 62 self-contained apartments under Permitted Development rights



Purchase price	£600,000
Development costs	£2,108,000 (62 x £34,000)
Total	£2,708,000
Residential income	£483,600 pa (62 x £150 x 52)
Valuation (based on 8% yield)	£6,045,000
Uplift	123%

New Commerce House, Wakefield

Conversion to 29 self-contained apartments under Permitted Development rights



Purchase price	£370,000
Development costs	£928,000 (29 x £32,000)
Total	£1,298,000
Residential income	£188,500 pa (29 x £125 x 52)
Valuation (based on 8% yield)	£2,356,250
Uplift	82%



Why **HJ** Collection?



Our vision is to assist small to medium sized property developers in addressing the UK's burgeoning housing crisis, whilst delivering double-digit returns for our loyal and growing base of high net worth and sophisticated investors. Our vision is to develop desirable, affordable living spaces through an intelligent and innovative approach to urban regeneration.

Established in 2013, our experienced and proactive team of industry professionals is proud of its extensive industry experience in this area, having raised and deployed £50 million in private investment for a wide range of property development businesses.

We are developer agnostic, partnering with a number of businesses across a wide range of locations and property types. Moreover, we adopt a rigorous approach to assessment and due diligence prior to embarking on any investment – we do our homework – and we take pride in forging strong working relationships with our development partners.

Our goal is to utilise our expertise, experience and contacts to provide you with a well-diversified range of innovative investment opportunities, from a firm that you can trust. We professionally manage the whole process on behalf of investors, from originating the opportunity, through to post-deal management and eventual exit.

To find out more, please call us on
0207 117 2583.



**We look forward to
hearing from you.**



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Important

Property Bonds are not suitable for everyone. They are illiquid and capital is at risk, such that you could receive back less than you invest.

The information provided does not constitute advice or a personal recommendation. Investing is a complex subject and this information is intended to give only a broad overview. You should not make, or refrain from making, any decision based solely on this information. If you are unsure as to whether an investment is appropriate for you, you should seek professional advice. We have made every attempt to ensure the information is correct and accurate as at the date of publication, but cannot guarantee it.



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HJ Collection loan notes are marketed only to self-certified 'High Net Worth Individuals' and 'Sophisticated Investors'.

HJ Collection Limited is registered in England and Wales under company number 11834490. Its registered address is Oaks Court, 1 Warwick Road, Borehamwood, Hertfordshire WD6 1GS.

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