



MAGNA GLOBAL

GROWTH AND INCOME
LOAN NOTE
MIX G

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The background is a composite image of two cityscapes at night. On the left, there are modern skyscrapers with glowing windows, including the Burj Khalifa. On the right, there is a cityscape featuring a large suspension bridge (the Tower Bridge) over a river, with other buildings and lights visible in the distance. The overall color palette is dark with blue and purple tones, accented by the warm lights of the city.

AN INTRODUCTION TO MAGNA INVESTMENTS X GROWTH AND INCOME

Dear Investor, you may have learned about Magna Group or the Magna Investments X products over the recent years. For the full background on Magna please see our corporate brochure or website. For now, we would like to focus on Magna Investments X Growth, which is the latest loan note that the company has released. The investment company, similar to other Magna Investment X companies, is set up and named MIXG Ltd. Please see overleaf for the technical facts and information relating to this investment product.

I would like to explain about the Growth product, its features, and why we designed it for you – the Investor.

What is a Growth product? A Growth product is a medium-term loan note instrument which allows the Investor to share in the ongoing profits of the business as it grows through the life cycles of the investment assets, development assets, and companies it acquires.

Why did we create a Growth product? The investors in our businesses and loan notes help us grow our businesses and grow profit. We created a Growth product so that we, in turn, could start to repay the Investor at an earlier stage. This also gives the Investor a larger return if they are properly participating in a deal, similar to an equity investor who would always stay in longer than a short term note and receive a larger return.

How does a Growth product service its interest payments? A Growth product starts to pay interest after year one, every quarter thereafter. This is possible because Magna have adapted and diversified their acquisition and investment strategy to acquire income-producing assets in the commercial and hotel space. Several of the assets we target have a development angle in that we buy income and get a development play at the same time.

For the UK, we are focused on and have evolved our strategy as the market has changed, to seek more planning play and value-add opportunities. Many of these deals are short-term plays, typically 9-15 month cycles, which enable Magna to invest the capital of this Growth loan note a minimum of two times and, as each cycle concludes, we are able to pay out returns from this capital as well. This dual approach enables the Investor to get a better-than-average return and one that, after year one, pays quarterly.

If you are currently an Investor in Magna, I would like to take this opportunity to thank you for your investment into the company. If you are not yet an Investor, I would like to offer you the opportunity to invest in the Growth loan note. Either way, I would like to say thank you for the support of the Magna businesses and I look forward to meeting you in person soon.

Kind regards

CHRIS MADELIN
Chief Executive Officer



MAGNA GLOBAL

FACTS OF MAGNA INVESTMENTS X – MIX GROWTH AND INCOME “G” LOAN NOTE

FACTSHEET FOR MIXG LTD

Abbreviation:	MIXG
Company Number:	11602211
Registered Address:	C/O Magna Asset Management Ltd, Berkeley Square House, Berkeley Square, London, W1J 6BD
Loan note size (Cap):	£20,000,000
Note description:	The Notes shall be known as 36 Month Secured Loan Notes 2022 and shall be issued in integral multiples of £1,000 by the Company
Minimum investments size:	£20,000
Timeframe:	36 months
Year 1 – Interest rate PA:	10% Paid at the end of year 1
Year 2 – Interest rate PA:	10% Paid quarterly for year 2
Year 3 – Interest rate PA:	18% Paid quarterly for year 3
When is Interest paid out:	Interest is paid for year one at the end of year 1, then each quarter for the following two years
Withholding Tax:	Withholding Tax is not held and investors will be liable for their own tax position
Security trustee:	Equity For Growth Securities
Security trustee address:	Equity for Growth (Securities) Limited, International House, 24 Holborn Viaduct, City of London, London, EC1A 2BN

Security trustee Company Number:	05410446
Security provided:	Security provided: Debenture over MIXG Ltd, a mixture of first and second legal charges over any real estate, debenture over any company asset purchased, personal share charges of two directors worth over £6,000,000, debenture over any subsidiary company which purchases any assets with the funds raised from the loan note instrument.
Section 21 FCA compliant and approved:	Yes
Transferability:	Non transferable or exchangeable notes
Currency accepted:	GBP Sterling , US Dollars and Euros
Development projects identified:	Yes
Development projects secured:	Yes
Area of development:	UK and Outside the UK
Welcome pack:	Sent within 30 days of receiving funds and includes the signed loan note certificate
Update frequency from Magna:	Monthly email updates and quarterly printed newsletter

HIGHLIGHT OF A MAGNA UK DEAL

One of the projects featured below is about to progress into the planning phase. This is based in a commuter-heavy location with direct access to central London in 30 mins. This asset is a typical example of how Magna add value to an asset and then take it through to the next phase. This site has been strategically assembled to provide a scheme that can be sold onto or delivered in a partnership with an affordable housing provider. The scheme consists of three land plots that individually have their own merit as stand-alone assets with considerable value. However, the three plots combined make way for a much larger development. The total design now offers over 300 residential units, ground floor retail and an allocation for parking.



JUST PART OF OUR DELIVERY PIPELINE

MAGNA HOTELS

MAGNA HOTELS UAE

Our first hotel project is moving along well and as of Spring 2019 we are now in final negotiations with a Tier-One UAE-based contractor for the design and build contract. The design has progressed into detailed design stage and our funding package is also close to completion. The project itself has evolved; we now have a 446-room, 5-star hotel and have selected a major global hotel operator to run this asset for us on a 25-year management agreement.

The latest reports have been released by the RAK (Ras Al Khaimah) Tourist and Development Authority, and again show year-on-year growth for the region, outperforming its big brother, Dubai. We will start construction later this year with an opening scheduled for late Summer 2021.



MAGNA HOTELS GROWTH AND INVESTMENT

Since the announcement of our first hotel project, we have had a very healthy deal flow of further hotel development and investment projects. The press release in the Middle East has placed us in good stead, and our Executive Board connections bring forward opportunities.

Why hotels specifically, and why outside the UK?

As per our strategic decision in 2017 to focus the business more on income-producing assets with a value-add component, the hotel sector fits those requirements. The difference with hotels, rather than buy-to-sell residential conversion, is with an operator on board, whether a lease or a management contract, it eliminates asset sales risk and instead focuses the management team on asset revenue-generation performance.

On the investment side there are a number of opportunities to acquire existing assets, carry out a refurbishment and turnaround. This generates fast income and a great IRR. On the other side, the overseas development space for hotels is also a great place with a lot of land and regional-specific incentives to assist the developer, not seen as markedly in the UK and not at all in the residential sector. By developing these much larger assets outside of the UK, we are setting a corporate hedged position for the current political and economic issues the country is experiencing, as of its destined departure from the EU.

NATIONAL AND INTERNATIONAL BUSINESS EXPANSION

A STRONG FOCUS ON THE UK

With the UK economy slowing down Magna is still actively participating in the UK. Among the turmoil being created and the slowdown of the residential sector, Magna have adapted their strategy to focus more on a value-add and investment approach to the real estate market. We have been bolstering our relationships with housing associations and strategic partners, while also growing and fortifying our UK-based delivery team.

We are finding some distressed opportunities in the market and there are still fantastic deals for the value add element we have built our business upon. We forecast the latter part of 2019 – and moving into 2020 – as strong for new deals, especially those based on PRS (private rented sector), commercial investment opportunities, smaller modular housing projects and partnerships with affordable housing companies.

A GLOBAL APPROACH

As the UK government struggles to make decisions on how to proceed with the current political agenda, notwithstanding the opportunities mentioned previously, we felt that it made logical sense to look to develop and invest into an international space. Our first international hotel project in the UAE has put us firmly on the map and we have now built up a strong set of connections in both the deal flow space and brand operator space.

Our Executive team has been a key component, with many decades of experience in this industry. As the highlighted area on the map shows, we are now in talks directly with landowners as far west as the Caribbean to South East Asia, to strategically grow our development and investment portfolio and put Magna Hotels firmly on the global map.



DEAL PIPELINE

As far as our current secured pipeline goes, depending on the end result of the planning permissions and the maximum asset gain we can achieve, we have a secure pipeline of deals that are in one of the following phases: in contract, in planning, in development or in sale. The pipeline sits between £320m - £345m of assets. With opportunistic new projects, that pipeline always fluctuates until we have a deal in contract and a funding line obtained.

Our opportunistic pipeline sits close to £1 billion of new assets, which are predominantly hotel investment and development opportunities. As of Spring 2019 we have key projects we are working on that include two hotel investment and development projects in central Europe, a resort development in South East Asia, and two projects in the Caribbean. With our expanded network of agents and valuation partners, coupled with our internal analysis and investment management team, we feel we have a great opportunity to capitalise on these projects and continue to grow Magna into 2019 and beyond.



OLIVER MASON
Acquisitions Director

FREQUENTLY ASKED QUESTIONS

Questions are always welcome and we encourage them. Whether from Introducers, Agents or Investors, want to make sure you're comfortable with your investment with Magna and you have the opportunity to ask all the important questions that are key to help you make your decision to invest with Magna and benefit from the Growth opportunity.

Throughout this brochure we have asked and answered some of the questions you may have. Below, you will find a list of more commonly asked questions concerning loan notes. We look forward to meeting with you to discuss any questions you may have about your investment with Magna.

WHY LOAN NOTES?

A Loan Note is a professionally structured financial instrument; it is a legal contract that specifies the duration of the loan, when the loan is required to be re-paid and the interest payable.

WHY ARE THE INTEREST RATES SO HIGH?

The Interest rates are high because they reflect the high return basis of our model as Magna adds considerable value to the assets it purchases using the planning process and this is demonstrated in our track record of completed projects to date.

WHAT MAKES MAGNA DIFFERENT?

Magna is a real estate developer and asset manager who covers all aspects required in order to create a profitable real estate investment. Magna provides the complete life cycle, from acquisition, planning, design, construction and then sale/rental, enables profitable, secure and interesting investments.

IS THERE A DUE DILIGENCE PACK AVAILABLE?

A full suite of documents is available on request.

CAN A COMPANY INVEST AND ARE JOINT INDIVIDUAL APPLICATIONS ALLOWABLE?

Yes, a company can make an investment, subject to receipt of the necessary anti-money laundering (AML) documents. Joint applications are also acceptable subject to receipt of AML documents for each investor.

CAN I INCLUDE THIS INVESTMENT AS PART OF MY SIPP OR SSAS?

This project is SIPP and SSAS compliant, but due diligence will need to be done by your own personal trustee.

WHEN IS THE START DATE OF THE INVESTMENT CALCULATED FROM?

Interest starts to accrue the day after your funds are received by the Company.

WHEN ARE INTEREST PAYMENTS MADE?

As per fact sheet and information memorandum.



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