



STERLING

— PROPERTY PORTFOLIO —

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IMPORTANT – The content of this document has not been approved by an authorised person within the meaning of the Financial Services and Markets Act 2000. Reliance on this promotion for the purposes of engaging in any investment activity may expose an individual to significant risk of losing all of the property or other assets involved

If you are in any doubt about the contents of this document, you are strongly recommended to consult a person authorised under the Financial Services and Markets Act 2000 ("FSMA") to give advice in relation to investment in equity and debt securities issued by unquoted single companies. Limited's Bonds is suitable for them in the light of their personal circumstances and read the brochure in conjunction with information memorandum in full as it will cover the risks for individual investments. An investment in Sterling Property Assets Limited will not be suitable for all recipients of this brochure and an application form to subscribe for Bonds will only be provided to persons whom the directors of the Company believe to be either (i) certified as a 'high net worth investor', (ii) certified as a 'sophisticated investor', (iii) self-certified as a 'sophisticated investor', in each case in accordance with the FCA's Conduct of Business Sourcebook (COBS), Chapter 4.7.

Overview

Sterling Property Portfolio was founded with a view to filling a gap in the market for investors seeking generous returns through buy-to-let property, without the inconvenience of being a hands-on landlord.

The strategy of our portfolio is simple and straightforward, investor funds are used to purchase a diverse range of income-producing properties throughout the UK. The collective rental income is then distributed amongst investors to give a fixed-return over a 5-year period.

We target existing rentable properties for immediate income and strong chance of long-term capital growth. Our team of experts understand the intricacies of the UK property market and are dedicated to your portfolio management. This gives you the opportunity to reap the rewards of property investing while we do the leg work.

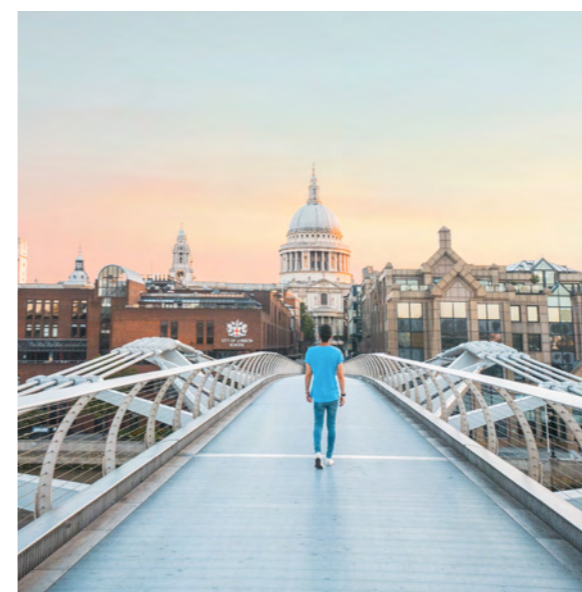
Our Portfolio specialises in purchasing high yielding property for below market value prices. No complicated construction is undertaken, nor is there any reliance upon risky planning decisions. We believe simplicity is the key to mitigate risk for both the business and its investors.



“We target existing rentable properties for immediate income and strong chance of long-term capital growth”.

Areas of high regeneration and potential capital growth are the primary focus for asset acquisition. It is in these areas that not only are properties often undervalued, but prices are such that attractive yields can still be achieved. The combination of affordable pricing and a solid rental market allow us to provide strong fixed returns to investors.

The UK property market is known globally for its long-term consistent growth, making Sterling Property Portfolio perfectly positioned and skilled, to provide a hands-off property investment solution. Our mission is to provide an investment structure that puts an original slant on the age-old “bricks and mortar” wealth building strategy.



The challenges for traditional buy-to-let investors

Sterling Property Portfolio was created to help two main groups of investors;

1. Those who do not have the time to dedicate to the management of a property portfolio whilst balancing a full-time job
2. Those who wish to retire but want to secure income generating assets without the leg-work

- Stamp duty
- Solicitors fees
- Management fees
- Maintenance fees
- Landlord insurance
- Mortgages
- Tenant Demands
- Extensive paperwork & administrative tasks

Despite the above, we whole heartedly believe when done correctly, property as an investment, gives the ultimate combination of security, income, and capital growth that every investor is looking for.

Having accumulated years of experience working with many landlords and part-time property investors, we understand how buying and managing your own portfolio can be a time-consuming and stressful task when taken on alone. Before purchasing a buy-to-let property here are some things that one needs to consider:



The Sterling Property Portfolio solution

Once investors place funds within the Sterling Property Portfolio, capital is used to purchase buy to let property via a Property Holding Company.

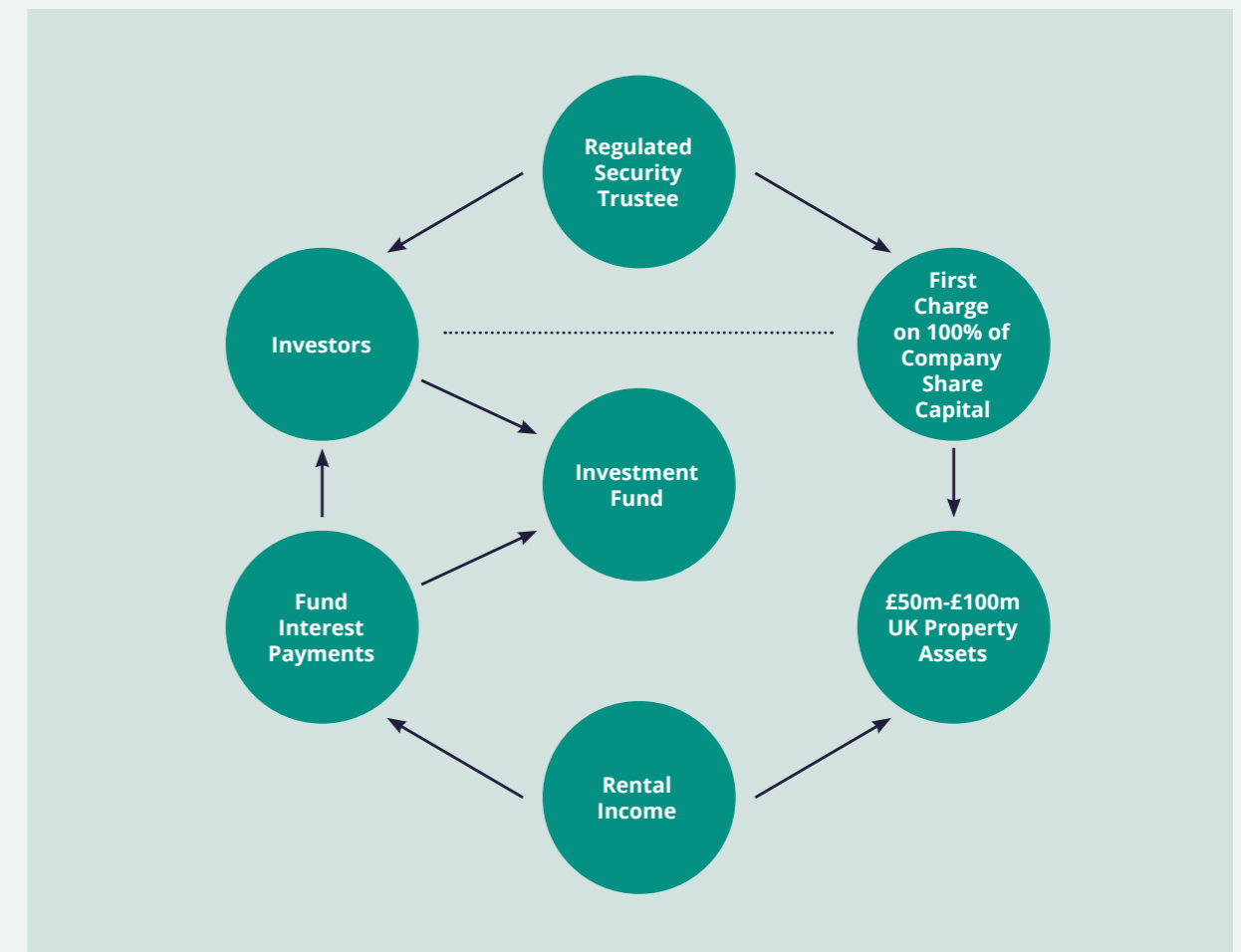
An independent third-party security trustee is assigned a first charge (also known as a debenture) over 100% of the Property Holding Company shares. The security trustee holds this charge as collateral on behalf of the investor. In practice, the investors own the company which owns the property until the charge is lifted. This can only happen when investors are re-paid in full.

The Property Holding Company purchases UK property, producing a rental income that is then

used to pay investors their interest. The target GDV of the assets we aim to have purchased by the end of the capital raise is between £80m-£100m.

Importantly, stated within the Information Memorandum, the Directors and Shareholders of the company cannot pay themselves any form of salary or dividend until investors are re-paid in full. That is our commitment to investors.

The end goal is of course to financially benefit from the property fund but not until the investors, the people who facilitated the purchase of the assets, are looked after exactly as promised.



The UK property market

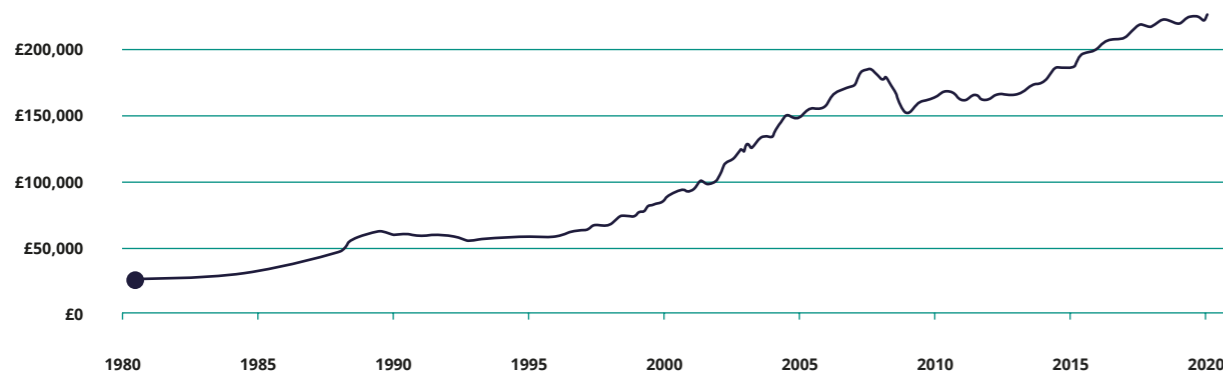
Sterling Property Portfolio allows investors to gain exposure to the strong and stable UK housing market without the inconvenient route to market traditionally used.

Over the last 100 years UK property prices have consistently appreciated ahead of the rate of inflation. According to the UK land registry, in June 1980 the average UK property price was £20,044. 40 years later, in June 2020 it stands at £237,834.

“Our business model leaves us perfectly positioned to capitalise on this future growth whilst allowing our investors to capitalise as well.”



Growth of average UK property prices

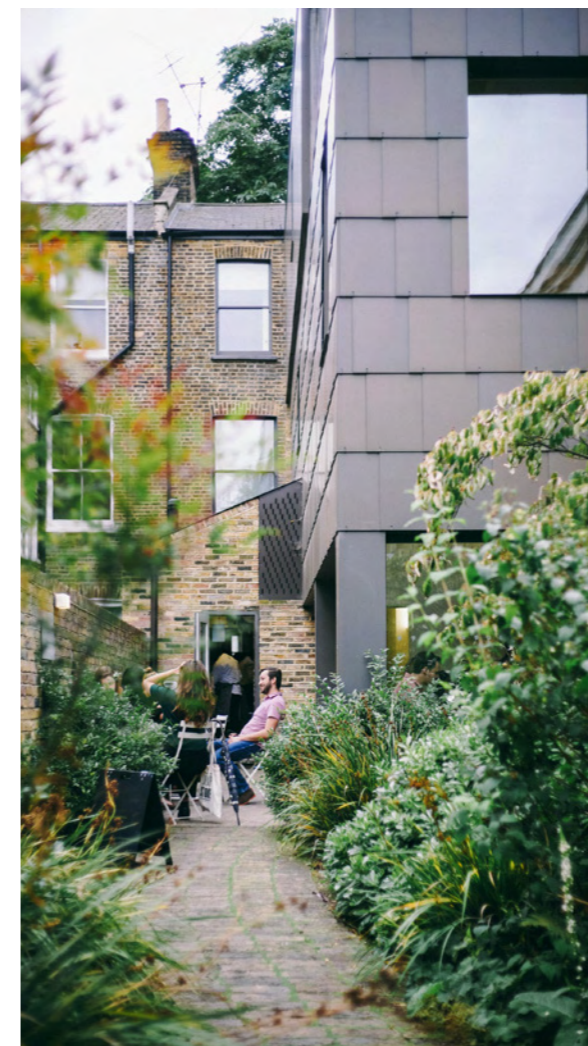


A staggering increase of 1086%

In addition to this substantial capital growth, had you owned a buy-to-let property over this period, you would have also received 40 years of rental income.

The UK Residential Forecast for 2020, published by Knight Frank, stated that the private rental sector accounted for 4.5 million households and had doubled in size since 2002. We believe this is an ever-growing market that will continue to expand. Our business model leaves us perfectly positioned to capitalise on this future growth.

Index of private renting costs England



The average monthly rent in the UK is £980 per month which is an increase of over 35% from 2005 when the average was £640 pcm. Renting is the preferred option for an increasing number of young and middle-aged adults, as now, more than ever, they struggle to get onto the property ladder. This is causing an increase in rental demand which in turn increase rent prices. The Frank Knight UK Residential Forecast for 2020 predicts there will be a 10% growth in rental prices between 2020 and 2024.

The population of the UK currently stands at 68 million people and is estimated to grow by a further 7 million in the next 10 - 15 years. Demand for property will continue to outstrip supply leading to further surges in the rental market.

The graphs show that historically population is directly proportional to both property and rental prices. Sterling Property Portfolio offer investors the ideal opportunity to benefit from this exponential growth.

“The average monthly rent in the UK is £980 per month which is an increase of over 35% from 2005 when the average was £640 pcm”

Example assets

SILVER STREET Hotel / Restaurant - Hull

- Purchase price - £1.05m
- Ground floor rented to a restaurant on a 10-year lease paying £45k per annum
- Hotel above on a 5-year lease paying £76k per annum
- Minimal management time and cost
 - City centre location
 - Yield = 11.52%



Why invest in Hull?

From an investment perspective property in Hull is still relatively cheap compared to the rest of the UK, with prices anticipated to rise significantly over the next 5-10 years. Double digit rental yields are still achievable, and prices have increased 19.38% in the last 5 years as recorded by Zoopla.

Hull was awarded The UK City of Culture title in 2017 and has gone from strength to strength since then. Currently more than 320,000 people live in Hull and its population is rising alongside its economic success as more professionals, families, students, artists, and entrepreneurs choose Hull as a place to live, work, create and invest. Inward investors like Siemens, Smith & Nephew and Reckitt Benckiser have chosen Hull as a base because of its skilled workforce and the thriving economy.

In 2018, Hull was named the third-most improved UK city as a place to live and work by the Demos-PwC Good Growth for Cities Index 2018, which ranks cities on a combination of economic performance and quality of life. Hull ranked 3rd, behind only Preston and Middlesbrough and ahead of cities such as Birmingham, Liverpool, and Manchester.

The Silver Street Hotel / Restaurant has the perfect central location to benefit from the city's future growth and development. The ground floor restaurant/bar is the one of the nicest places to eat in the city and benefits from the hotel customers above. Both tenants are on a long full repairing commercial lease offering very little management time and expenditure for the freeholder.

DELTIC HOUSE Apartment Block- Middlesbrough

- Purchase price £1.45m
- 40 x 1 bed apartments
- Central location 20m from main train station
- Apartment shortage in area
- 5 minute walk from university campus
- Rent @ 450 per unit PCM
- Yield = 14.89%



Why invest in Middlesbrough?

Middlesbrough has always been a place where innovation thrives, recently named one of the 'Top 10 Small Cities in Europe' by the Financial Times for its strategy to attract foreign direct investment, it is a place with forward-thinking people and a diverse cluster of innovative companies.

The Digital City development in the heart of Middlesbrough is a £250million project that aims to establish and expand the city reputation as the UK's leader for digital innovation, augmented reality (AR), gaming, and animation. The plans include building the three highest office and residential towers for 30 miles, as part of an initial £45m phase of the project that will transform Teesside's skyline. Construction is well underway and Digital City will create an extra 1,000 new jobs initially, rising to 2,000 jobs in future phases.

Over the next 2-3 years Middlesbrough's railway station will undergo a £35m transformation project to regenerate the station and its amenities, as well as improving a number of train services to the area including a direct route to London.

Deltic House is positioned 20m from the Railway Station and 400m from Digital City making it perfectly located to benefit from the inevitable capital appreciation and increased rental prices that will come along with these projects.

Middlesbrough boasts two postcodes which rank among the top 25 UK rental yields with TS1 showing over 9.45% and TS3 showing over 7.66%.

**WARSTONE LANE,
DIGBETH**
Serviced apartment - Birmingham

- Purchase price £215k
- 1-bedroom serviced apartment
- City centre location 10 minute walk from HS2 terminal
- High local demand for serviced apartments
- Growing market for short term lets
- Rental income averaging £2,200 per month
- Yield = 12.28%



Why invest in Digbeth, Birmingham?

Birmingham is not only the UK's largest city outside London, but also one of the country's main financial hubs. There is a wealth of opportunities for companies seeking to expand and invest in Birmingham. This, in part, has to do with Birmingham's exceptional connections to both national and international destinations.

The new HS2 rail line will bring the capital even closer with a journey time of 45 mins and will welcome an estimated £1.5bn and 22,000 jobs to the region. Alongside this Birmingham International Airport sits just 5 miles south-east of the city centre with a choice of over 400 direct or one-stop flights across the world.

A £600million makeover of New Street Station was unveiled in September 2015, complete with the launch of Grand Central shopping mall. Close by is also the Bullring, where high street favourites can be found, alongside the iconic department store Selfridges.

The city houses 5 universities with over 73,000 UK and overseas students choosing Birmingham as their place to study and build careers. The relocation of firms such as Deutsche Bank, HSBC and HMRC will increase the number of affluent professionals making Birmingham their home.

Plans have been announced for a £1bn transformation of the area around the iconic Custard Factory located in Birmingham's Digbeth. The scheme will include up to 2.2 million sq. ft of commercial space and 1,850 homes alongside shops, restaurants, cafes and additional leisure facilities. It is a major part of the city councils plan to regenerate Digbeth ready for the opening of the HS2 terminal.

Hs2: Fast access from london to the north



What is the HS2?

The HS2 is a new, high speed railway line linking London and the West-Midlands. When complete it will bring the capital even closer to Birmingham, with journeys to and from London taking only 45mins, almost halving current journey times.

The second phase of the project will see more high speed links created between Birmingham, Manchester and Leeds further boosting the Economy of the Northern Powerhouse.

The Department for Transport has said that the project will triple the capacity of trains across the entire route.

New HS2 stations being built across the region will create thousands of new jobs and City Mayors across the North of England are praising the project for the economic boost that the investment will bring to the area.

When will HS2 open?

The first phase of the scheme between London and Birmingham could see trains run on the route by 2028 according to the Transport Secretary with the second leg which encompasses Manchester and Leeds on course for a 2035 opening.

The future prospects of High Speed Rail across the UK is highly anticipated and property prices in the coming years are set to surge in response, with Sterling Property Portfolio cresting the wave for investors.



Birkenhead's £1bn regeneration



Birkenhead town centre is receiving a £1bn boost as the Wirral Waters regeneration plan reboots local economies across the river from Liverpool. The scheme is an extension of the Wirral masterplan to rejuvenate the area and will bring with it huge benefits for Liverpool, The Wirral and Birkenhead rental market and property investments.

The vision, which also proposes public realm improvements and leisure space, was first revealed last November.

Ambitious plans will direct attention and money to both the town centre and wider area in the form of 280,000 sq ft of new office spaces, 36,000 sq ft of retail space and relocation of the historic market. As well as Birkenhead, brand new developments in Bebington, Moreton, Bromborough and Seacombe are planned.

Such a grand regeneration project will bring thousands of new jobs to the area and new revenue streams to local authorities who ensure further reinvestment for the community.

Brand New Birkenhead Market

Redevelopment plans for Birkenhead market are pulling huge focus to the area. The history of Birkenhead as a market town dates back to 1835 with the market having endured the economic trials of 2 world wars and the most recent turbulence of Covid-19.

Those behind the Birkenhead regeneration understand the fresh demand for a local consumer experience where owners know your name, needs and tastes – and that's where plans for Birkenhead market come in. This Birkenhead regeneration plan aims to bring the famous market into the 21st century while retaining its local importance and prominence in the town centre.

As part of this latest phase of the Wirral masterplan, a brand-new market will be developed only a stone's throw from its current location. The new Market will be cast as a link between the town's past and future.

The new-look plans for the market aim to attract a mix of older, more traditional shoppers with younger generations.

Much speculation suggests that the new site will be modelled on Rotterdam's world-famous Markthal; an immense structure enrobed in colour, heaving with visitors and shoppers. Whatever the aesthetic outcome, the new Birkenhead Market will be one of the main proponents of the regeneration of Birkenhead town centre and bring a very exciting addition to the area.

All of this regeneration means that Birkenhead is full of potential and opportunity for capital appreciation in respect to property investing. With this in mind it will be a focus for Sterling Property Portfolio moving forward.



Rental income security

Investor interest payments are funded by rental income produced by our properties and we therefore take rental security very seriously. Sterling Property Portfolio see this as paramount to keeping our 100% track record in honouring our commitments to our investors. The business produces between 20-30% surplus rental income than needed to satisfy all investor interest payments and other financial commitments. In addition to this we take the stringent measures as outlined below to ensure rent is collected in full and on time every month.

Initially we work closely with local agents who pre-qualify any prospective tenants prior to conducting viewings. Once an offer is accepted each individual tenant is expected to pass reference checks through www.rentguard.co.uk, these checks comprise of:

- Identity check
- Proof of address check
- Full credit history report
- Bank account validation
- Employment & Income details
- Previous landlord reference

We consider government schemes such as housing support on a case by case basis as it is an important means-tested benefit for people on low incomes helping to pay their rent. The government set the criteria for the benefit and local councils pay rent directly to the landlord.

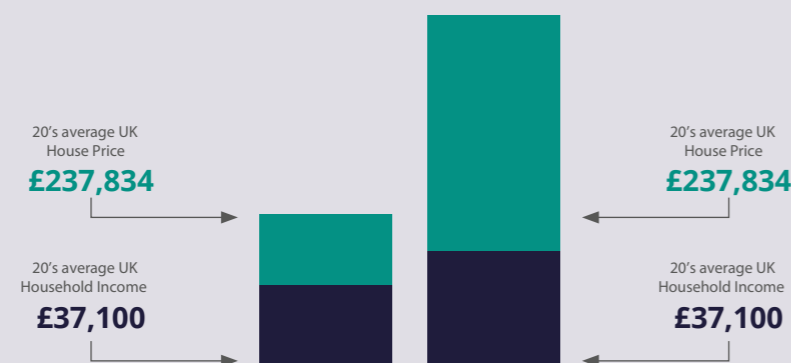
If there is any element of financial assistance for the tenancy, we will insist that a guarantor is also provided. A guarantor will be expected to complete all the above checks along with providing proof of income to support the rental amount for the tenancy. The guarantor will have to sign a legal 'guarantee' disclaimer stating that they will be liable for rental payments should the tenant default on their obligation.

Once all checks are completed and satisfactory references obtained, we will then apply rent and legal protection to the tenancy. Landlord insurance is taken on every single property and acts as an extra security should any problems arise during tenancy.

The diagram below shows why an ever-increasing amount of people currently rent opposed to owning property in the UK. People on an average salary used to be able to save for a house deposit in less than a year, however now, for most this is not financially viable and renting is their best option.

All of the Economic data suggests this trend will continue, further exacerbating the demand for rental properties in the UK. In addition to the our stringent on-boarding process we invest in high quality, well situated properties that tenants want to live in. This together with the high rental demand ensures we attract the right tenants who stay long-term.

Buying a house 1990 vs 2020



Protecting your rental income



What is rent guarantee insurance?

Landlord's Rent Guarantee insurance, often referred to as rent protection insurance is a form of cover that acts as a safeguard should tenants be unable to pay their rent. It helps to ensure that you will still receive your rental income should the unexpected occur.

Do I need rent guarantee insurance?

All investors in Sterling Property Portfolio will have the peace of mind that Rent Guarantee Insurance will come as standard with their investment. Whilst this level of cover is not a

legal requirement for property investing, we firmly believe that anything which mitigates risk is worth having. This ensures our commitment to you is upheld and your rental returns can remain our number 1 priority.

Do I need to pay for rent guarantee insurance?

No, you will not pay a penny for Landlord Rent Guarantee Insurance. At Sterling Property Portfolio, we have factored all management costs into our business strategy and this insurance is comfortably taken care of without requiring excess payment from investors.

The investment fact sheet

Name

Sterling Property Portfolio

Property Holding Company

Sterling Property Assets Limited

Registered Address

1 Mayfair Place, Level 1
Devonshire House, London,
W1J 8AJ, United Kingdom.

Bond Capital Amount

£20,000,000

Minimum Investment

£50,000

Interest Rate Per Annum

8%

Quarterly Dividend

2%

Interest Payment Dates

March 31st, June 30th,
September 30th & December 31st

Investment Term

5 years

Currency Accepted

GBP/USD/AED

Security Trustee

More Group Capital Services Limited

Investor Security

First charge over 100% of property
holding company shares

Income Protection

Landlord Rental Guarantee
Insurance on every property

Investor Promise

No company owner takes a salary
or dividend until your investment
is repaid

IM Produced by

Blue Water Capital, authorised and
regulated by the financial conduct
authority, reference number: 789335

Solicitor/Advisor

Markus Malik, CFO of
David Ebert Solicitors

Bond Activity

The purchase of UK
buy-to-let property

Investor Updates

Investors are regularly informed
of every property purchase via
email updates



FAQ's



When are investor returns paid?

All investors are paid on the same four days each year: March 31st, June 30th, September 30th and December 31st. If a client wishes to focus on capital growth and receive all interest at maturation along with their initial investment, that option is also available.

Are there any management fees?

There are no management fees nor are there any fees upon investment. You receive the entire 8% per annum as advertised.

How do I know the company owners will not mispend the company income?

We would also like to make investors aware that it is written into the legal binding Investment Memorandum that the owners of the company are not allowed to pay themselves a salary or any dividends until all investors are repaid in full. The company bank account will be regularly checked by the security trustee More Group Capital Services and investors can also ask to see our bank statement any time.

How do you make money?

Most of the rental income produced by the properties is paid out to investors as interest with a small amount being used to cover the business running costs. Anything above this is reinvested back into the business providing further security for investors. Sterling Property Portfolio benefit from the long-term capital growth of the assets purchased.

Can I withdraw my investment before 5 years?

We will consider early withdrawal requests and accommodate where possible. This however is not guaranteed, and investment should not be made if there is a high likelihood that funds will need to be accessed before the 5-year maturation.

Why are the interest rates higher than most buy-to-let investments?

This is because we target high-yielding areas often in the North of England. In addition to standard residential single let properties, we also invest in HMOs and commercial property which tend to produce a higher yield. Purchasing below market value also drives the yield higher due to spending less and getting the same rent in return.

Which regions of the UK do Sterling Property Portfolio invest?

We consider ourselves a nationwide portfolio and will consider investing in any part of the UK. As a general rule of thumb, we invest within a 1 mile radius of town or city centres. We do however believe that current market conditions point positively towards the North of England with most opportunities presenting themselves in secondary cities and the fringes of bigger cities.

What security is in place for investors?

The independent security trustee, More Group, hold a charge over all company shares on behalf of investors. This means the investors effectively own the whole company and all the assets within it until their funds are repaid.

Are the properties managed or do I need to be an active landlord?

Sterling Property Portfolio ensures the management of everything, your investment is completely hands-off.

Do you accept company applications and/or joint applications?

Yes, both company and joint applications are accepted subject to receipt of the necessary anti-money laundering (AML) documents for all company directors and any joint applicants respectively.



STERLING

== PROPERTY PORTFOLIO ==

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