

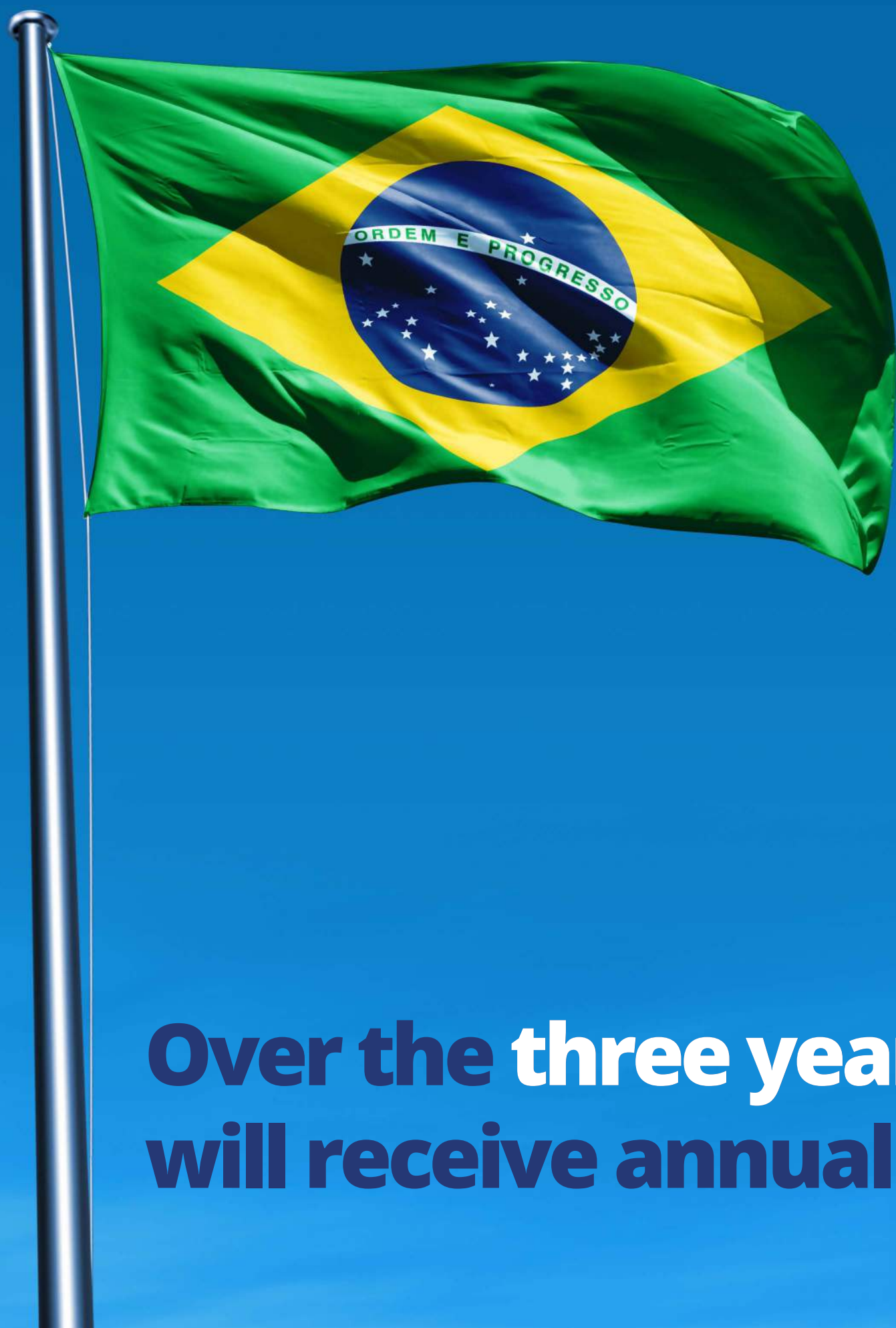
Secured Fixed-Rate Three Year Bond



Paraiba Projects



Executive summary	5
An overview of the Brazilian property market	6
The importance of tourism	9
The investment strategy	10
An overview of the development	13
Project summary	14
Why you should invest	17



Executive summary

The Paraíba Projects Secured Fixed-Rate bond was launched in September 2014 with the objective of accelerating building projects in the north east of Brazil, meeting the demand for middle-class and executive housing In the State of Paraíba.

Over the three year period, investors will receive annual interest returns of 11%.

The bond is based on existing construction projects in the region, where all planning permissions and environmental licences are in place and construction on the infrastructure has begun.

Brazil has boomed for the last eight years and the demand for quality housing has also soared. The rapidly expanding Brazilian middle-class is replacing wealthy international buyers who used to dominate the market in major cities like São Paulo and Rio de Janeiro (Savills Property Spotlight Brazil).

The Brazilian middle-income and wealthy classes together number more than 130 million people. The Advisor and Manager also note that in the last ten years the poor has diminished as a share of the population from 42.5% to 32.5%. In other words, 20 million people have entered the ranks of the middle-class (Brazilian Mutual Fund Industry 2013 Yearbook).

This has created a terrific investment opportunity.

The bond is secured by 125% of the bond value in independently verified land title.

In the event of non-payment and through independent security trustees (Black-star) bond holders would be able to enforce their security and realise the land value held in trust. Full details can be found in the Invitation Document.

Over the three year period, investors will receive annual interest returns of 11%

An overview of the Brazilian property market

The most up to date analysis of the housing market from Fitch Ratings states that supply has not kept up with the surging demand for property ownership, creating an imbalance that is unlikely to be solved in the short term. **Brazil suffers from a general lack of good quality homes, it adds.**

The big cities of Brazil have seen housing prices soar thanks to growing salaries and easily obtainable mortgages. What investors will want to know is how this will benefit residential housing projects and condominium developments in the north east?

Rio de Janeiro – Brazil's prime property hotspot – is undergoing a fantastic property boom seeing prices climb 250% in the last six years (according to the FIPE-ZAP Index). Aided by increased mortgage lending of 32% last year, totalling a whopping £29bn (according to the country's mortgage lender representatives), penthouses overlooking the famous Ipanema beach are now selling for around £1.8m and renting for £8,900 pcm – bought for only £1.2m two years ago.

The increase in housing prices has been pushed by the 2014 World Cup and even more so now that Rio has claimed it's spot as host city for the 2016 Olympic games, with people taking advantage of the opportunity to get a good return on their investment. Saying that,

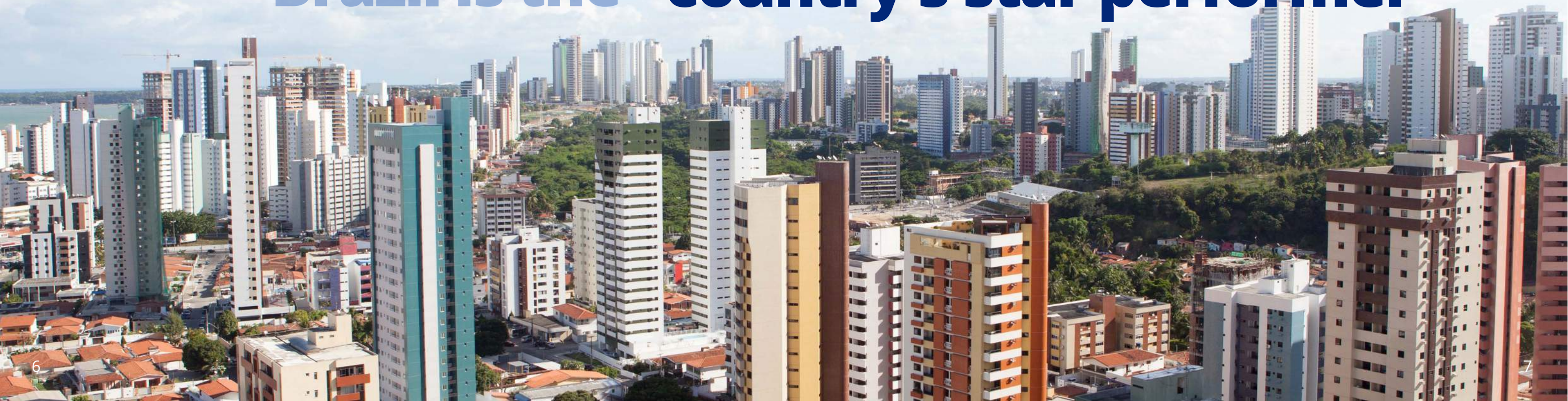
most economists agree that Brazilians are actually still buying homes to live in and not to make a quick profit, a fact backed by the percentage of mortgage lending as a proportion of the economy which is less than 10%.

Brazilians are spending more money than they have been in the past, partly fuelled by consumer credit, and that includes property. So how is this affecting property prices in the north east?

With property price surges in larger cities like Rio and São Paulo making it increasingly more difficult to obtain affordable housing, second-home buyers from the southern and central regions have now **turned their attention to the north east for its stunning coastline and appealing property prices.**

From 2000–2010, north east real GDP growth rose by an annual average of 4.2%, higher than the country's annual average of 3.6% making the region the country's star performer over the past decade. Not only has the north east become a popular holiday destination for the wealthy, cities such as João Pessoa are now benefitting from a residential property boom due to a demand for rental and second accommodations in these areas.

The property market in north east Brazil is the “country's star performer”



The importance of tourism

João Pessoa is the capital of the state of Paraíba. It is a beautiful city surrounded by miles of sandy beaches fringed by swaying palms and warm waters. Lush green forest also surrounds much of the city, providing a beautiful counterpoint to the golden, sandy shoreline. It was voted South America's greenest city, and is a growing tourist destination on the north east coast of Brazil.

In January and February of 2013, the hotels, guesthouses and hostels across the state recorded 304,496 visitors/tourists that year alone. This was an index 6.07% higher than 2012. Occupancy for the quarter was 75.89%, which represents an increase of 3.42% over the same quarter last year. More than 20% of these tourists were from São Paulo (PBTUR - Now Tourism Paraíba). This has continued to grow throughout 2014.

Local high-quality tourist and accommodation deficits within João Pessoa and the surrounding south coast will ensure a demand for this investment. The new international convention centre for nearly 2,500 people (which opened in 2012) is less than fifteen minutes from the resort. The Oscar Niemeyer Arts Centre is also less than twenty minutes away and with a 59% increase in tourism to the area last year alone, there will certainly be an increase in local demand for this investment.

João Pessoa is one of the safest cities in Latin America, and is ranked the second greenest city in the world next to Paris, giving it a constant appeal for the right type of tourist market, preserving the integrity of both the area, and your investment.

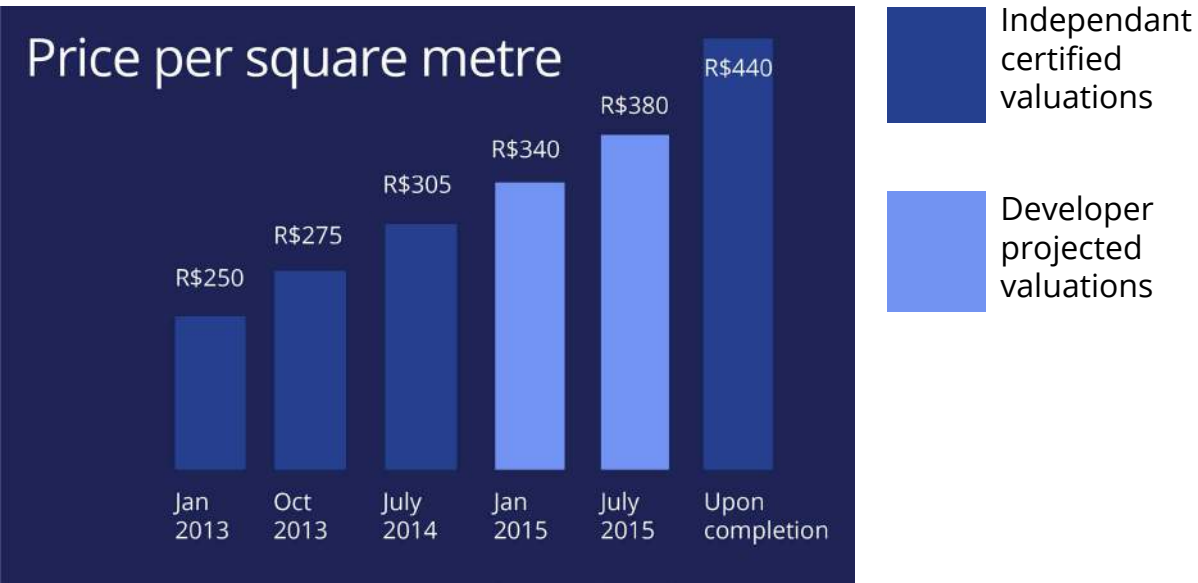
**João Pessoa is ranked the
second greenest city in the
world next to Paris**

Investment strategy

We focus on developments that have passed the high risk stage of planning permissions and environmental licences, where construction has already begun and the opportunity for land prices are proven.

This bond's main focus is a development by a UK constructor (James Laurence Developments) with over seven years experience in the north east of Brazil. The Development is known as Brisas De Coqueirinho and it is a condominium situated just outside the Capital of Paraíba state, João Pessoa.

Throughout the three year term of the bond, the infrastructure of the development will be completed. The faster the infrastructure is finished, the higher land prices will rise, which will increase the sales value of plots, thus generating the returns for investors in the bond.



The above illustration charts the value of the land on the development over the last two years and predicts the value going forward.

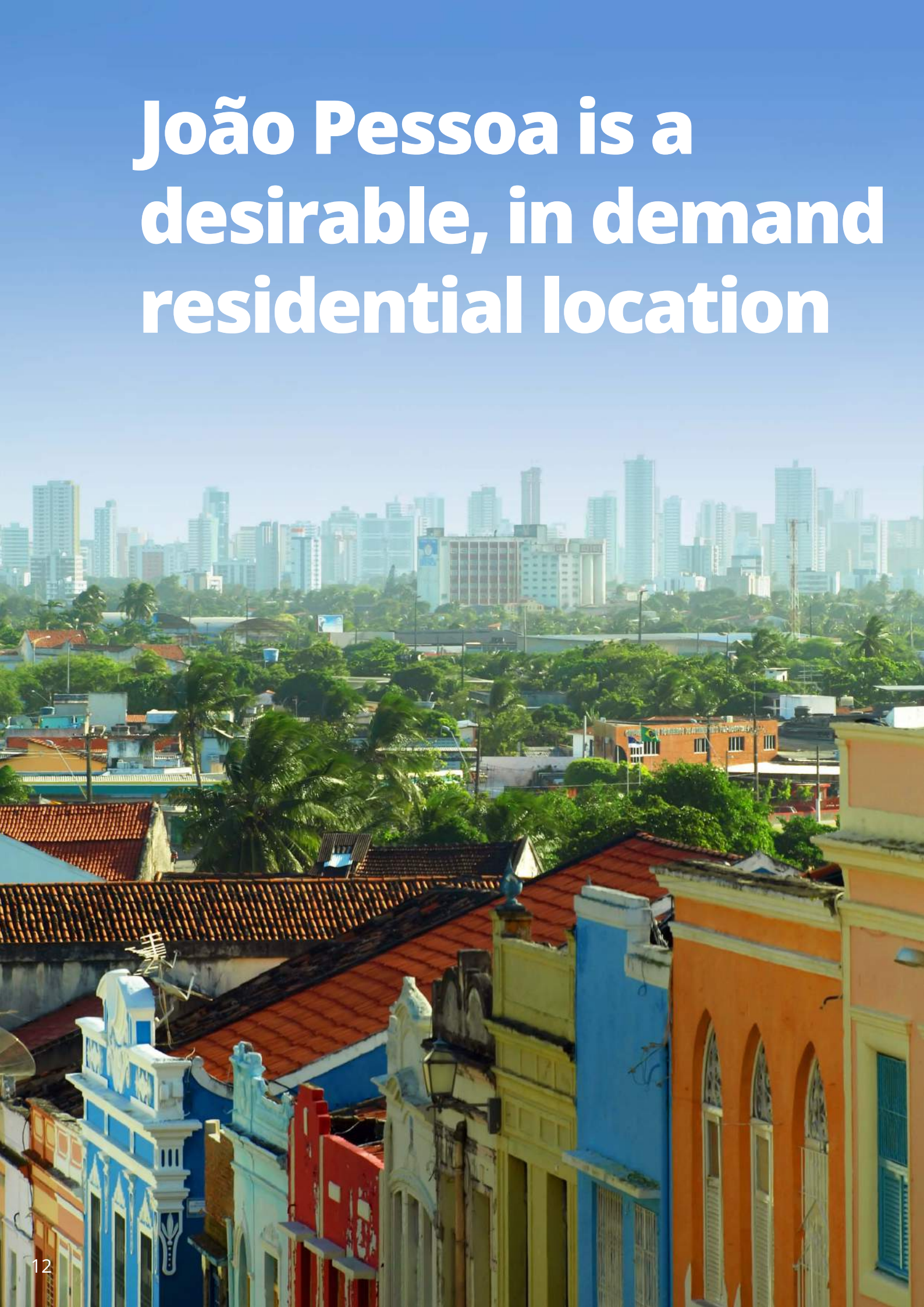
The development is in a highly desirable area, the main resale market is to Brazilian nationals and therefore the investment is not dependent on the European or US markets.

On infrastructure completion, outstanding balances on sales of plots made to Brazilians are repaid which will generate the capital returns for investors.

The faster the infrastructure is finished, the higher land prices will rise



João Pessoa is a desirable, in demand residential location



An overview of the development

João Pessoa – a short history

João Pessoa is one of the oldest cities in Brazil and was founded by the Portuguese in 1585 after wars against the local Indians and the invading French. It had a stormy history and came under Spanish influence when Spain and Portugal were briefly united in the Iberian Union (1580-1640). It was also held by the Dutch for around 20 years in the 17th century. Its name has changed several times and its current name, literally translated as “John Person”, dates from 1930. The city’s name was altered from Paraíba as a tribute to an assassinated local politician, João Pessoa.

In the 16th century, Portuguese settlers from Pernambuco founded Filipéia de Nossa Senhora das Neves (today João Pessoa) at the mouth of the Paraíba River. The area soon proved perfect for sugar production, with the French, the Dutch and the Portuguese all constantly fighting to control the Paraíba region as a place to grow the lucrative sugarcane.

The fortress of Santa Catarina, near João Pessoa, was built by the Portuguese to protect the city from the invading Dutch, who soon became the greatest threat to Portuguese supremacy in Portugal’s Colonial Brazil. The Portuguese Empire managed to protect the integrity of the territory of Brazil, which became independent from Portugal in 1822.

Besides beautiful beaches and white sand caressed by the warm, turquoise sea, the capital of Paraíba State is a city with very unique characteristics, including beautiful baroque structures, like the church São Francisco and the convent Santo Antonio, dating back to the 18th century.

João Pessoa is full of preserved natural forests, squares and gardens, which is why it is considered one of the cities with the highest index of green area per inhabitant in the world. Another beauty of the city is Ponta do Seixas, the easternmost point of South America, which can be seen from the majestic Farol do Cabo Branco (Cabo Branco Lighthouse).

Today, João Pessoa is a city that is dynamic, commercially strong and loved by Brazilian-born and international tourists. For many Brazilians living in the mega cities of São Paulo and Recife, João Pessoa is a dream second home vacation resort or indeed, as a retirement hotspot.

The site is an ideal residential prospect for local employees and professionals

Project summary

Brisas De Coqueirinho Country Club is a 1,427m² residential development just outside the city of João Pessoa, the state capital of Paraíba, Brazil, that is owned by James Laurence Developments Construcoes E Incorporacoes Ltd.

The plot development area is 727,222m² (180 hectares), with a mean land value of R\$302.4 per m². The total land value of the whole site (at today's prices - June 2014), equates to £61,086,648 (however this is dependent on a large number of variables). This value however, does not represent the security available in the Borrowing Company, as the Borrowing Company currently owns the title to £1.25m in plots. The Borrowing Company has the option to purchase a further £13.75m of plots on the project. The land plots are valued, as of July 2014, at 300 Reais per m². Once they have a house built on them, the value has been estimated at 4,000 Reais per m² per build area, according to the valuers at Shopping Imóveis, (reference valuation available). Once the infrastructure of the site is complete, plot values are independently projected to achieve R\$440 per m².

The site itself is incredibly attractive with protected forests, natural lakes and streams, as well as the finest possible leisure facilities.

Before each mini bond is issued to the UK borrowing company assets will be secured and monitored by an independent security trustee, these assets will be to an amount equal to 125% of the loan value. With the borrowed funds it is the intention of the Borrowing Company to purchase further plots and develop the infrastructure of the project. In doing so it will raise the value of the plots for sale to the Brazilian market. The Borrowing

Company may use some of the proceeds of these sales to fund the building of villas for sale, and for the promotion of the project.

The site is ideally situated just 25 minutes from the city centre yet within easy reach of some of Brazil's top beaches, such as Coqueirinho, Carapibus and Praia De Amour, making it a prime location for tourists. The project is also situated close to the new Fiat factory and one of the country's largest conference and exhibition venues. These and many other projects are making the site an ideal residential prospect for local employees and professionals.

Current state of development

As mentioned earlier, the strategy of the bond is to focus on projects that have completed the planning and permission stage and have a proven sales strategy.

Currently the site is cleared, plots designated and construction is well under way. The access road (2.4 km) is under construction and will be completed by the autumn of 2014.

The main security wall is under construction, the show home is complete and the gate-house (which will be used as a sales facility) will be completed by December 2014.



**Fixed return of 11%
per annum**

Why you should invest

- › To take advantage of the **exceptional returns** without the hassle of direct ownership
- › **Fixed contractual interest** every 12 months
- › **Short to medium term.** Returns and redemption payments are concluded after three years
- › Asset backed investment
- › Experienced UK based developers
- › All bondholders have their **investment protected** by land title lodged with security trustees
- › Land title security is equal to **125%** of the bonds in circulation
- › **Fixed return of 11% per annum**
- › Fully SIPP/SSAS compliant structure
- › Interest and capital repayments paid in the original currency in which the bonds acquired are made
- › Low entry levels of £5,000
- › Minimum investment - **fixed annual returns £10,000** at 11% per annum
- › **First returns received after 12 months**

Buying process

1. **Please carefully read the invitation document**
2. Complete and sign the Bond Application form
3. Enclose relevant Anti-Money Laundering documents, copies must be certified (two forms of ID, one showing your current address which must also be dated within the last three months and one which must be a picture ID, such as a current Passport or Driving Licence)
4. A funds request will be sent with the payment details once anti-money laundering checks are complete
5. Bond Certificate issued
6. First returns received 12 months from the end of the subscription date



Paraiba Projects

Paraiba Projects PLC

Grosvenor House
11 St Pauls Square
Birmingham
B3 1 RB

Tel: +44 (0) 1214 060 551
info@ppplc.com
www.ppplc.com

This document has been prepared by Paraiba Projects PLC (Company) and approved by Blackstar Wealth Management Limited for distribution only to persons authorised to receive the Company's Information Memorandum dated October 2014 (IM). This document has been prepared solely on the basis of summarising the investment opportunity set out in the IM and should be read in conjunction with the IM and, specifically, the risk warnings contained therein. Any decision to invest in the Company should be made solely on the basis of the information contained in the IM. Distribution of the IM will be in accordance with the relevant provisions of the Financial Services and Markets Act 2000. This document should not be reproduced or redistributed without the consent of the Company.

Blackstar Wealth Management Limited is authorised and regulated by the FCA and is entered on the FCA's Register with registration number 491609 and can be contacted at 17 Wrens Court,

Lower Queen Street, Sutton Coldfield, West Midlands B72 1RT.