

Information Booklet

31 March 2015



Hightown Praetorian & Churches Housing Association Limited

4.4% Bonds due 30 April 2025

(Issued by Retail Charity Bonds PLC)



Lead Manager

Canaccord Genuity Limited

Authorised Offerors

iDealing.com, Interactive Investor, Redmayne Bentley LLP

This is an advertisement and not a prospectus.

Any decision to purchase or sell the Bonds should be made solely on the basis of a careful review of the Prospectus. You should be aware that you could get back less than you invested or lose your entire initial investment.

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Important information

This Information Booklet is an advertisement for the purposes of Prospectus Rule 3.3 and Article 34 of Commission Regulation (EC) No 809/2004 (as amended) and is not a prospectus for the purposes of EU Directive 2003/71/EC (as amended) (the “Directive”) and/or Part VI of the Financial Services and Markets Act 2000 (the “FSMA”).

Retail Charity Bonds PLC (“the Issuer”) is the legal entity that will issue the Bonds (the meaning of that term is explained below).

The Proceeds of the Bonds are intended to be loaned to Hightown Praetorian & Churches Housing Association Limited (“Hightown”). References to “Hightown” or to the “Charity” in this document are references to Hightown Praetorian & Churches Housing Association Limited.

This Information Booklet is a financial promotion made by the Issuer and approved by Canaccord Genuity Limited solely for the purposes of section 21(2)(b) of the FSMA. Canaccord Genuity Limited (“Canaccord Genuity” or the “Lead Manager”) (incorporated in England No. 1774003) whose registered office is 88 Wood Street, London, EC2V 7QR, is authorised and regulated by the Financial Conduct Authority

This Information Booklet is not an offer for the subscription or sale of the Bonds (defined in the following paragraph).

This Information Booklet relates to the Hightown Praetorian & Churches Housing Association Limited 4.4% fixed rate Bonds due 30 April 2025 (referred to in this Information Booklet as the “Bonds”). A prospectus dated 31 March 2015 (the “Prospectus”) has been prepared and made available to the public in accordance with the Directive. Copies of the Prospectus are available from the website of the Issuer (www.retailcharitybonds.co.uk/bonds/hpcha), the website of Hightown Praetorian & Churches Housing Association Limited (www.hpcha.org.uk/bond) and the website of the London Stock Exchange plc (www.londonstockexchange.com/newissues). Your Authorised Offeror will provide you with a copy of the Prospectus.

This Information Booklet should not be relied on for making any investment decision in relation to the purchase of the Bonds. Any investment decision should be made solely on the basis of a careful review of the Prospectus. Please therefore read the Prospectus carefully before you invest. You should ensure that you

understand and accept the risks relating to an investment in the Bonds before making such an investment. You should seek your own professional investment, legal and tax advice as to whether an investment in the Bonds is suitable for you.

The Bonds may only be sold in Jersey in compliance with the provisions of the Control of Borrowing (Jersey) Order 1958. The Bonds may only be sold in Guernsey in compliance with the provisions of the Protection of Investors (Bailiwick of Guernsey) Law, 1987. The Bonds may only be sold in the Isle of Man in compliance with the provisions of the Isle of Man Financial Services Act 2008 and the Regulated Activities Order 2011.

This Information Booklet is not for distribution in the United States of America or to U.S. persons. The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) and the Bonds, which are in registered form, are subject to certain U.S. tax law requirements. The Bonds may not be offered, sold or delivered within the United States of America or to U.S. persons. **You are referred to the section headed “Subscription and Sale” in the Prospectus on page 81.**

Hightown Praetorian & Churches Housing Association Limited 4.4% Bonds Due 30 April 2025

The Hightown Praetorian & Churches Housing Association Limited 4.4% fixed rate Bonds due 30 April 2025 pay interest of £4.40 per annum on the face value of £100 per Bond.

The Bonds will be issued by the Issuer and the proceeds of the Bonds will be lent to Hightown (the “**Loan**”), via a loan agreement (the “**Loan Agreement**”) to be entered into between the Issuer and Hightown.

The Bonds are expected to be repaid on 30 April 2025 (the “**Expected Maturity Date**”), however the terms of the Bonds allow for a deferral of the repayment until 30 April 2027 (the “**Legal Maturity Date**”).

Interest will be paid in two equal instalments a year on 30 October and 30 April every year (with the first payment being made on 30 October 2015) up to and including the Expected Maturity Date, or the Legal Maturity Date if the Bonds are deferred, unless the Bonds have previously been redeemed, purchased or cancelled. On the Expected Maturity Date (i.e. 30 April 2025), or the Legal Maturity Date (i.e. 30 April 2027) (as the case may be) the Issuer is required to repay an amount equal to the face value of the Bonds (i.e. £100 for each Bond) unless the Bonds have previously been redeemed or purchased and cancelled. **If the Charity goes out of business or if the Issuer or the Charity becomes insolvent before the Expected Maturity Date or the Legal Maturity Date (as the case may be), you may lose some or all of your investment.**

The only way to purchase these Bonds is through a stockbroker or other financial intermediary, which has been granted consent by the Issuer and/or the Charity (as the case may be) to use the Prospectus, (an “**Authorised Offeror**”). Contact your stockbroker or other financial intermediary today, or any of those listed in the “**Authorised Offerors**” section of this document on page 15 if you wish to purchase these Bonds. The minimum initial amount of Bonds you may buy is £500. Purchases of greater than £500 must be in multiples of £100. After the initial purchase of Bonds, the Bonds can be bought and sold in multiples of £100. Your Authorised Offeror will provide you with a copy of the Prospectus. You are referred to the section headed “**Important Information**” on page 3 of this document.

What is a bond?

A fixed rate bond is a form of borrowing by a company seeking to raise funds from investors. The Bonds have a fixed life. The company promises to pay a fixed rate of interest to the investor until the date that the bond matures (i.e. in the case of the Bonds, the Expected Maturity Date or the Legal Maturity Date (as the case may be)) when it also promises to repay the amount borrowed.

A bond is a tradable instrument; meaning that you do not have to keep the Bonds until the date when they mature. The market price of a bond will vary between the start of a bond’s life and the date when it matures. You are referred to the sections headed “**Key Risks of Investing in the Bonds**” and “**Further Information - How to trade the Bonds**” on pages 8 and 14 of this document.

Interest on the Bonds

The level of interest payable on the Bonds is fixed when the Bonds are issued. The rate of interest on the Bonds is 4.4% per annum.

Therefore, for every £500 face value of Bonds held (i.e. the minimum initial amount of Bonds you may buy), the Issuer will pay interest of £11.00 twice a year until the Expected Maturity Date or the Legal Maturity Date (as the case may be) starting on 30 October 2015.

If the Charity elects to defer the repayment of the Bonds until the Legal Maturity Date, the Charity will be required to make additional interest payments under the Loan Agreement at the rate of 1.00 per cent. per annum. This means that the interest payments on the Bonds after the Expected Maturity Date will also increase by 1.00 per cent. per annum.

How will interest payments on the Bonds be funded?

Payments of interest by the Issuer in respect of the Bonds will be funded by the interest and principal which the Issuer receives from the Charity under the Loan Agreement.

You are referred to the section headed “**Key Risks of Investing in the Bonds**” on page 8 of this document for information on the risks relating to an investment in the Bonds.

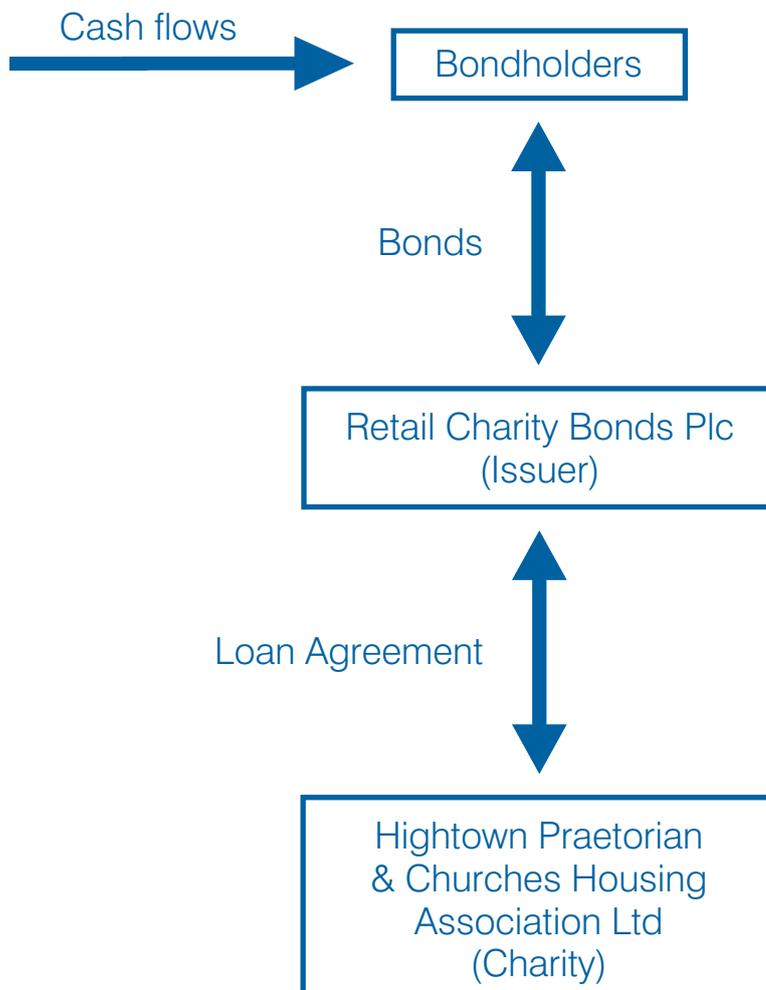
Payment on the face value of the Bonds

Provided that the Issuer or the Charity does not go out of business or become insolvent or other problems are not encountered in respect of payments due on the Bonds (see the section of the Prospectus headed “Risk Factors”), and provided that the Bonds have not been redeemed or purchased and cancelled early, the Bonds will be redeemed at 100% of their face value (i.e. £100) on the Expected Maturity Date or Legal Maturity Date (as the case may be) (i.e. 30 April 2025 or 30 April 2027).

Early redemption

The Bonds may be redeemed early if the Charity repays the Loan early and in full, at the Sterling Make-Whole Redemption Amount (as further defined on page 7 of this document).

Structure



The Bonds will be issued by the Issuer and the proceeds of the Bonds will be lent to Hightown (the “Loan”), via a loan agreement (the “Loan Agreement”) to be entered into between the Issuer and Hightown.

Hightown will agree to pay interest on the Loan to the Issuer and when due it will agree to repay the principal amount of the Loan to the Issuer. Payments of interest and principal made by the Issuer in respect of the Bonds will be solely funded by the interest and principal which the Issuer receives from Hightown under the Loan Agreement

Key Features of the Bonds

- **Issuer:** Retail Charity Bonds PLC
- **Charity:** Hightown Praetorian & Churches Housing Association Limited
- **Interest Rate:** 4.4% per annum up to but excluding the Expected Maturity Date
- **Adjusted Interest Rate:** 5.4% per annum from and including the Expected Maturity Date up to but excluding the Legal Maturity Date, an increase of 1.00 per cent. per annum.
- **Interest Payments:** Interest will be paid in two instalments on 30 October and 30 April in each year, starting on 30 October 2015 up to but excluding the Expected Maturity Date (30 April 2025), or up to but excluding the Legal Maturity Date (30 April 2027) if the Bonds are deferred until the Legal Maturity Date. Your actual return will depend on the price at which you purchase the Bonds and, if you do not hold the Bonds until maturity, the price at which you sell your Bonds.
- **Offer Period:** The Bonds are available for purchase through your stockbroker or other financial intermediary in the period from 30 March 2015 until noon (London time) on 27 April 2015 or such earlier time and date as agreed by the Issuer and the Lead Manager and announced via a Regulatory Information Service (which is expected to be the Regulatory News Service operated by the London Stock Exchange) (the “**End of Offer Date**”).
- **Authorised Offerors:** A number of authorised offerors (listed on page 15 of this Information Booklet) have been approved by the Issuer and the Lead Manager to provide this document and the Prospectus to potential investors in the Bonds until the End of Offer Date. The Issuer and/or the Charity (as the case may be) have also granted their consent for other financial intermediaries to use the Prospectus for the purposes of making offers of the Bonds to potential investors in the United Kingdom, Jersey, Guernsey and the Isle of Man. The conditions attached to this consent are set out in the section headed “**Important Legal Information – Public Offer Of The Bonds**” on page 90 of the Prospectus. **Any offer to sell the Bonds made or received from any other party, or by any party after the End of Offer Date, may not have been approved by the Issuer and the Charity (as the case may be) and you should check with such party whether or not such party is so approved.**
- **Date on which the Bonds are issued and on which interest begins to accrue:** 30 April 2015
- **Term of the Bonds:** 10 years, subject to an election to defer the maturity of the Bonds until the Legal Maturity Date.
- **Expected Maturity Date:** (i.e. when the Bonds are expected to mature and are repayable): 30 April 2025.
- **Legal Maturity Date:** (i.e. when the Bonds become repayable if the Charity elects to defer the repayment on or before the Expected Maturity Date): 30 April 2027.
- **Face value of each Bond:** £100. Although the face value of each Bond is £100, it is not possible to purchase less than £500 during the Offer Period. In the secondary market, it should be possible to purchase and sell the Bonds in multiples of £100.
- **Issue price:** 100 per cent. of the face value of each Bond (i.e. £100).
- **Loan:** The proceeds from the issue of the Bonds will be loaned by the Issuer to the Charity by way of a loan on the terms of the Loan Agreement.
- **Security:** Payments of interest and principal due on the Bonds will be funded by payments due under the Loan Agreement. The Issuer’s rights to receive payments under the Loan from the Charity and certain related rights under the issue documents for the Bonds will be charged as security for the benefit of investors in so far as they relate to the Bonds.
- **Financial Covenant:** Under the loan agreement the Charity shall ensure that as at each Testing Date its Uncharged Property Value shall not be less than 130% of the Total Unsecured Debt of the Group as determined by reference to its Financial Statements.
- **Redemption at Expected Maturity Date:** Assuming the Issuer or the Charity does not go out of business or become insolvent or other problems are not encountered in respect of payments due on the Bonds, the Charity has not elected to defer payment until the Legal Maturity Date and assuming the Bonds have not been redeemed, or purchased and cancelled early, the Bonds will be redeemed at 100 per cent. of their face value on the Expected Maturity Date (i.e. 30 April 2025.).
- **Redemption at Legal Maturity Date:** The Charity may elect to defer the repayment of the Loan until the Legal Maturity Date. If the Bonds are not redeemed on the Expected Maturity Date, they will be redeemed at 100 per cent. of their face value on the Legal Maturity Date (i.e. 30 April 2027).

- **Early redemption by Issuer:** The Loan may be prepaid early by the Charity. If the Loan is prepaid early the Issuer will redeem the Bonds early (in whole but not in part) at the “**Sterling Make-Whole Redemption Amount**”. The Sterling Make-Whole Redemption Amount is an amount which is calculated to ensure that the redemption price produces a sum that, if reinvested in a reference bond (in this case a UK gilt), would continue to give the Bondholders the same yield on the money that was originally invested as they would have received had the Bonds not been redeemed.
- **Trading:** Investors will, subject to market conditions, be able to buy Bonds or sell their Bonds during the term of the Bonds. You are referred to the section headed “**Key Risks of Investing in the Bonds**” and “**Further Information - How to trade the Bonds**” on pages 8 and 14 of this document for more details.
- **ISA and SIPP eligibility:** At the time of issue, and provided that the Bonds are listed on a “recognised stock exchange” (within the meaning of section 1005 of the Income Tax Act 2007), the Bonds should be eligible for investing in a Stocks & Shares ISA or SIPP.
- **Bond ISIN:** XS1200788369
- **Amount of Bonds to be issued:** The total amount of the Bonds to be issued will depend on the number of applications to purchase the Bonds received before the End of Offer Date.
- **Listing:** The Bonds are also expected to be eligible for the London Stock Exchange’s electronic Order book for Retail Bonds (“**ORB**”).
- **Lead Manager:** Canaccord Genuity Limited

You are referred to the sections headed “**Important Legal Information**” on page 88 and “**Risk Factors**” on page 23, of the Prospectus.

A copy of the prospectus should have been provided to you by your stockbroker or Financial Adviser.

Key Risks of Investing in the Bonds

A number of particularly important risks relating to an investment in the Bonds are set out below. The risks set out below are not intended to be a comprehensive list of all the risks that may apply to an investment in the Bonds. You should seek your own independent professional investment, legal and tax advice as to whether an investment in the Bonds is suitable for you. **You should be aware that you could get back less than you invest or lose your entire initial investment.**

Full risk factors relating to the Issuer, the Charity, and the Bonds are set out in the section headed “Risk Factors” starting on page 23 of the Prospectus. Please read them carefully.

- The Issuer is an entity which has been established for the purpose of issuing asset-backed securities. It has very limited assets. As investors in the Bonds, Bondholders will only have limited recourse to certain of those assets in the event that the Issuer fails to make payments in respect of the Bonds. Whilst the Issuer may issue other bonds and advance loans to other charities, the Issuer's rights in respect of those other loan agreements will be held as security for the holders of the corresponding bonds and will not be available to investors in the Bonds described in the Prospectus.
 - The Issuer's only material assets in respect of the Bonds will be its rights under the Loan Agreement and, accordingly, as investors in the Bonds, Bondholders will take credit risk on the Issuer & the Charity. If the Charity goes out of business or if the Issuer or the Charity becomes insolvent, you may lose some or, in the worst case scenario, all of your investment in the Bonds.
 - The Issuer is a party to contracts with a number of third parties that have agreed to perform certain services in relation to the Bonds. The nature of these services is highly specialised and disruptions in these arrangements could lead to Bondholders incurring losses on the Bonds.
 - The Issuer has not undertaken and will not undertake any investigations or due diligence to establish the creditworthiness of the Charity for the benefit of the Bondholders.
 - A large proportion of the rent received by the Charity is derived from housing benefit. Changes in the legislation relating to housing benefit could have an adverse impact on the payment of rent.
- The receipt of rental income by the Charity may be delayed by, for example, the failure of the tenant to pay rent which is due. This could affect the ability of the Charity to meet its obligations under the Loan Agreement.
- The Charity receives capital grant funding from a variety of sources, including the Homes and Communities Agency, the government housing and regeneration agency that provides funding for affordable housing in England. Due to the nature of capital grant funding, there is a risk that the amount of funding available and the terms of grants will vary.
 - The tenants of the Charity's properties are personally responsible for the rental payments on the relevant occupied properties. Failure by tenants to pay rent when due may affect the Charity adversely.
 - The Charity may be unable to continue to rely on existing sources of financing and its financing costs may be affected by changes to interest rates.
 - Unlike a bank deposit, the Bonds are not covered by the Financial Services Compensation Scheme (“FSCS”). As a result, the FSCS will not pay compensation to an investor in the Bonds in the event of the failure of the Issuer.
 - Payments in respect of the Bonds will be solely funded by the interest and principal payable on the Loan Agreement. The Bonds are limited recourse obligations of the Issuer and the rights of enforcement for investors are limited.
 - Bondholders do not have direct recourse to the Charity in respect of any failure of the Charity to fulfil its obligations under the Loan Agreement. However, the Issuer will assign by way of security its rights, title and interest in the Loan Agreement in favour of a trustee for the benefit of the Bondholders.
 - In certain circumstances, repayment of the Bonds may be deferred to a later date, and such deferral will not constitute a default under the terms of the Bonds, provided the Bonds are repaid on the Legal Maturity Date.
 - Neither the Bonds nor the Loan contain a gross-up provision requiring the Issuer or the Charity to pay any additional amounts to Bondholders or the Issuer (as applicable) to reimburse them for any tax, assessment or charge required to be withheld or deducted from payments in respect of the Bonds.
 - If you choose to sell your Bonds at any time prior to the Expected Maturity Date or Legal Maturity Date (as the case may be) the price you receive from a purchaser could be less than your original

investment. Factors that will influence the market price of the Bonds include, but are not limited to, market appetite, inflation, the time of redemption, interest rates and the financial position of the Charity. In particular, you should note that:

- if interest rates start to rise, then the income to be paid by the Bonds might become less attractive on a relative basis and the price you get if you sell could fall. However, the market price of the Bonds has no effect on the income you receive or what you get back on expiry of the Bonds if you hold on to the Bonds until they mature; and
- inflation will reduce the real value of the Bonds. This may affect what you could buy with the return on your investment in the future and may make the fixed interest rate on the Bonds less attractive in the future.

- If you invest at a price other than the face value of the Bonds, the overall return or 'yield' on the investment will be different from the headline yield on the Bonds. The headline indication of yield applies only to investments made at (rather than above or below) the face value of the Bonds.
- There is no guarantee of what the market price for selling or buying the Bonds will be at any time. If prevailing market conditions reduce market demand for the Bonds, the availability of a market price may be impaired. Although Canaccord Genuity Limited will act as market maker (you are referred to the section headed "**Further Information - How to trade the Bonds**" on page 14 of this document) for the Bonds, if trading activity levels are low, this may severely and adversely impact the price that you would receive if you wish to sell your Bonds.

Hightown Praetorian & Churches Housing Association Limited

Overview

Hightown Praetorian & Churches Housing Association Limited (the “Charity”), is an exempt charity registered in England with limited liability as a charitable community benefit society under the Co-operative and Community Benefit Societies Act 2014 (with registered number 18077R). It is registered as a Registered Provider of Social Housing with the Homes and Communities Agency (the “Regulator”) (with registered number L2179).

History

The Charity was incorporated in 1967, and, is the result of a number of mergers of small housing associations from west Hertfordshire which had been formed in the late 1960s and early 1970s to help address the homeless and affordable housing problems of that era – problems that had been highlighted by the ‘Cathy Come Home’ television drama/documentary. The principal mergers were between Hightown Housing Association from Hemel Hempstead and Praetorian Housing Association from St. Albans in 1995 and between Hightown Praetorian Housing Association and St. Albans and District Churches Housing Association in 2003.

The Charity has grown considerably since 2003, largely as a result of an active, new build development programme, but the Charity has always been a provider of care and support to vulnerable people as well as a social landlord.

Principal activities of the Charity

The Charity operates in Hertfordshire, Buckinghamshire and Bedfordshire with its head office located on the Maylands Business Park in Hemel Hempstead.

The Charity manages over 4,400 homes and employs about 600 full and part time staff. As at 31 March 2014, the Charity had an annual turnover of £45 million and assets of £398 million.

The Charity aims to be an excellent provider and manager of housing and support services and to develop high quality new homes to meet the urgent need for additional affordable housing.

The Charity has three main functional activities:

- It is a social landlord managing over 4,400 units of housing of which approximately 2,602 are affordable homes for rent, 667 are supported housing units, 598 are homes for shared ownership and 566 are leasehold homes,

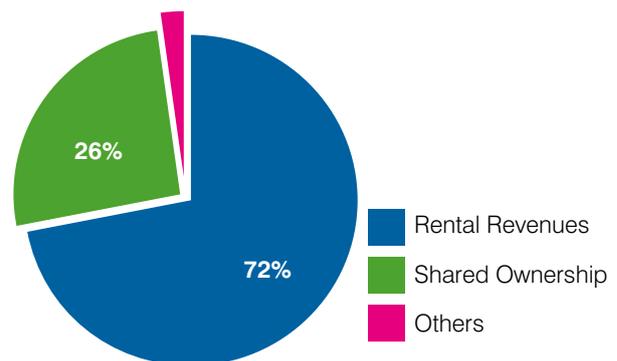
- It is a provider of housing and support to people with support needs including people with learning disabilities and mental health problems, young people and homeless people (approximately 860 clients and 10,000 hours of support a week), and
- It is a developer of new affordable housing at a rate of approximately 300 new homes a year.

Business Plan

The Charity’s revenue is mostly generated by the provision of social housing accommodation and specialist landlord services. These include:

- Rental revenues from General Needs, Supported Housing and Care & Nursing Homes, which account for approximately 71.6% of the revenue, and
- Shared Ownership Rental, Staircasing and Sales for approximately a further 25.8% of the revenue, while
- The remaining 2.6 % (‘Others’) includes Management Services and Charity Shop Revenues.

Revenue breakdown



Products and Services

The Charity provides accommodation and other housing related services through a number of different products and services

- a) General Needs,
- b) Supported & Sheltered Housing,
- c) Intermediate Rent, Key Worker & Rent to Homebuy,
- d) Shared Ownership,
- e) Registered Care & Nursing Home,
- f) Leasehold Management

Use of Proceeds

The Charity will use the proceeds of the issues of the Bonds for general corporate purposes, including, but not limited to, the development of new social housing stock.

Financial Summary

The Charity has consistently generated an improving

cash surplus after interest and has £53.0 million of retained reserves as at 31 March 2014.

The 30 year business model is reviewed by the housing regulator each year for reasonableness and robustness, with a view on the assumptions used.

Based on this the Charity believes it has a resilient and proven business model. A summary of the Charity's

historical income and expenditure account and balance sheet which has been extracted without material adjustment from the financial statements of the Charity is set out below.

Income & Expenditure Account	£'000				
Year Ended 31st March	2010	2011	2012	2013	2014
Turnover (ex sales)	26,447	26,723	29,378	32,645	36,014
Operating Costs	(17,997)	(17,571)	(18,462)	(18,903)	(19,295)
Depreciation	(1,141)	(2,155)	(2,699)	(2,696)	(3,278)
Shared Ownership Sales	4,231	5,107	3,961	11,026	9,282
Cost of Shared Ownership Sales	(4,394)	(5,054)	(3,958)	(10,501)	(8,356)
Operating Surplus	7,176	7,050	8,220	11,571	14,367
Surplus on sale of Fixed Assets	128	308	598	48	1,068
Interest Receivable	10	72	139	96	175
Interest Payable	(2,864)	(3,124)	(4,289)	(5,024)	(6,072)
Surplus on ordinary activities for the year after tax	4,450	4,306	4,668	6,691	9,538

Balance Sheet	£'000				
Year Ended 31st March	2010	2011	2012	2013	2014
Fixed Assets					
Housing Properties at depreciated cost	239,578	293,610	339,986	361,092	390,920
Social Housing Grant	(109,025)	(128,156)	(136,142)	(139,639)	(142,419)
	130,553	165,454	203,844	221,453	248,501
Other Tangible Fixed Assets & Investments	6,284	8,014	8,226	8,191	7,979
Total Fixed Assets	136,837	173,468	212,070	229,644	256,480
Current Assets					
Stock	1,600	2,848	2,717	3,749	1,886
Debtors	2,766	2,118	2,404	2,202	3,074
Cash at bank and in hand	4,309	28,015	9,103	7,186	16,449
Total Current Assets	8,675	32,981	14,224	13,137	21,409
Creditors: Amounts falling due within 1 year	(7,009)	(7,991)	(13,792)	(9,567)	(10,505)
Net Current Assets	1,666	24,990	432	3,570	10,904
Total Assets less Current Liabilities	138,503	198,458	212,502	233,214	267,384
Creditors: Amounts falling due after more than 1 year	109,038	166,461	175,476	189,393	214,191
Provisions for Liabilities and Charges	–	–	–	253	240
Capital and Reserves					
Reserves	29,465	31,997	37,026	43,568	52,953
Total Equity & Long Term Liabilities	138,503	198,458	212,502	233,214	267,384

Source: Hightown Praetorian & Churches Housing Association Limited's financial statements

Please note that past performance is not a reliable indicator of future results.

The financial statements, available in Appendix E of the Prospectus ("Charity Annual Report and Accounts for the Years Ended 31 March 2014, 31 March 2013 and 31 March 2012") comply with the Industrial and Provident Societies Acts 1965 to 2002, paragraph 16 of Schedule 1 to the Housing Act 1996 (as amended by the Housing Act 2004) and the Accounting Direction for Social Housing from April 2012.

Property Portfolio

The areas where the Charity operates are generally located in good quality residential areas just outside London. The property portfolio is concentrated across a relatively small number of local authorities, which the Charity believes give it cost efficiencies. The local authority waiting lists for social housing in Hertfordshire and Buckinghamshire remains high, which ensures high occupancy rates for the Charity's accommodation.

Hightown's Areas of Operation (As at 31 March 2014)	No. of Units	% of portfolio
Dacorum	1,356	30.63%
St Albans	1,130	25.53%
Hertsmere	377	8.52%
Aylesbury Vale	315	7.12%
Watford	291	6.57%
Central Beds	198	4.47%
North Herts	188	4.25%
Broxbourne	129	2.91%
Three Rivers	109	2.46%
Stevenage	90	2.03%
Wycombe	86	1.94%
Chiltern	72	1.63%
East Herts	42	0.95%
Welwyn Hatfield	32	0.72%
LB Hillingdon	12	0.27%
Total	4,427	100.0%

Source: Hightown Praetorian & Churches Housing Association Ltd

As at 31 March 2014, the Charity had a £410m property portfolio (at gross historic cost) which comprises mainly flats and houses, most of which have been acquired since 1974.

You are referred to the section headed "Description of the Charity" starting on page 42 in the Prospectus.

Retail Charity Bonds PLC

Overview

Retail Charity Bonds PLC is the Issuer of the Bonds and a public limited company. The Issuer was established as an issuing vehicle but is not itself a charity.

Principal activities of the Issuer

The Issuer is an entity which has been established for the purpose of issuing asset-backed securities. Its principal activities and corporate objects are limited to issuing debt securities and on-lending the proceeds to exempt charities or registered charities in the UK.

In order to perform such activities, the Issuer has entered into certain arrangements with third parties including, in particular, in relation to loan servicing, cash management and corporate administration services. **You are referred to the section headed “Description of the Servicer” starting on page 77 in the Prospectus.**

The directors of the Issuer will delegate certain of their powers, authorities and discretions to the following committees:

- a nomination committee which will consider the appointment of directors of the Issuer;
- a review committee which will consider, report on, and recommend to the board potential transactions that the Issuer may enter into; and
- an audit committee which will consider matters in relation to any audit of the Issuer and the appointment of external auditors.

Since the date of incorporation, the Issuer has commenced operations and has published its audited condensed financial statements for the period ended 31 August 2014. The financial statements can be viewed electronically and free of charge on the Issuer’s website (<http://www.retailcharitybonds.co.uk/about/#Governance>)

You are referred to the section headed “Description of Retail Charity Bonds PLC” starting on page 73 in the Prospectus.

Further Information

Holding the Bonds

The Bonds will be held in custody for you by your Authorised Offeror, or as may be arranged by your stockbroker or financial adviser.

How to trade the Bonds

The Bonds are expected to be listed on the Official List of the Financial Conduct Authority and admitted to trading on the regulated market of the London Stock Exchange plc.

The Bonds are also expected to be eligible for the London Stock Exchange's electronic Order Book for Retail Bonds.

The ORB was launched in response to private investor demand for easier access to trading bonds with the aim of providing a transparent and efficient mechanism for UK retail investors to access the bond markets. The Bonds are tradable instruments and prices will be quoted in the market during trading hours.

The Bonds are expected to be supported in a market-making capacity by Canaccord Genuity Limited. Market-making means that a person will maintain prices for buying and selling the Bonds. Canaccord Genuity Limited will be appointed as a registered market maker through the ORB (www.londonstockexchange.com/exchange/prices-and-markets/retail-bonds/retail-bonds-search.html) when the Bonds are issued.

Investors should, in most normal circumstances, be able to sell their Bonds at any time, subject to market conditions, by contacting their stockbroker. As with any investment, there is a risk that an investor could get back less than his/her initial investment or lose his/her initial investment in its entirety. **You are referred to the section headed "Key Risks of Investing in the Bonds" on page 8 of this document.**

Pricing information for sales and purchases of the Bonds in the market will be available during market hours (8.00am to 4.30pm London time) and in normal market conditions on the ORB.

As noted above, notwithstanding that Canaccord Genuity Limited will act as market maker (as explained above), if trading activity levels are low, this may severely and adversely impact the price that an investor would receive if he/she wishes to sell his/her Bonds.

Fees

The Issuer will pay certain fees and commissions in connection with the offer of the Bonds. The Lead Manager will receive a fee of 0.5% of the aggregate nominal amount of the Bonds of which 0.25% will be distribution fees available to Authorised Offerors as follows:

Authorised Offerors may charge expenses to you in respect of any Bonds purchased and/or held. These expenses are beyond the control of the Issuer and are not set by the Issuer. Neither the Issuer nor (unless acting as an Authorised Offeror) the Lead Manager is responsible for the level or payment of any of these expenses.

Taxation of the Bonds

The tax treatment of an investor will depend on his or her individual circumstances and taxation law and practice at the relevant time (and so may be subject to change in the future). Prospective investors should consult their own independent professional tax advisers to obtain advice about their particular tax treatment in relation to the Bonds.

Please also refer to the section at page 67 of the Prospectus entitled "Taxation" for information regarding certain aspects of United Kingdom taxation of payments of interest on the Bonds.

All amounts, yields and returns described herein are shown before any tax impact.

It is the responsibility of every investor to comply with the tax obligations operative in their country of residence.

ISA and SIPP eligibility of the Bonds

At the time of issue, and provided that the Bonds are listed on a "recognised stock exchange" (within the meaning of section 1005 of the Income Tax Act 2007), the Bonds should be eligible for investing in a stocks and shares ISA (Individual Savings Account or SIPP (a self-invested personal pension)). However, prospective investors should seek independent advice as to whether the specific terms of their arrangement permits investment of this type. The tax treatment of an investor will depend on his/her individual circumstances and taxation law and practice at the relevant time (and so may be subject to change in the future).

See also the "Taxation of the Bonds" section above.

You are referred to the sections headed "Subscription and Sale" on page 81 of the Prospectus, "Taxation" on page 67 of the Prospectus, "Important Legal Information" on page 80 of the Prospectus and "Additional Information" on page 84 of the Prospectus.

Authorised Offerors

iDealing.com
www.idealing.com

Interactive Investor

Redmayne Bentley LLP

Disclaimer

This document should not be relied on for making any investment decision in relation to the purchase of Bonds. **Any decision to purchase or sell the Bonds should be made by you solely on the basis of a careful review of the Prospectus. Please therefore read the Prospectus carefully before you invest.** Before buying or selling any Bonds you should ensure that you fully understand and accept the risks relating to an investment in the Bonds, otherwise you should seek professional independent advice.

Canaccord Genuity Limited is acting for itself and will not act and has not acted as your legal, tax, accounting or investment adviser and will not owe you or your clients any fiduciary duties in connection with a purchase or sale of the Bonds or any related transaction.

No reliance may be placed on Canaccord Genuity Limited for advice or recommendations of any sort. Canaccord Genuity Limited makes no representation or warranty to you with regard to the information contained in the Prospectus. This Information Booklet contains information derived from the Prospectus and is believed to be reliable but, in so far as it may do so under applicable law, Canaccord Genuity Limited does not warrant or make any representation as to its completeness, reliability or accuracy.

Neither Canaccord Genuity Limited, Retail Charity Bonds PLC nor Hightown Praetorian & Churches Housing Association Limited are responsible for any advice or service you may receive from a third party in relation to the Bonds.

Canaccord Genuity Limited and its affiliates, connected companies, employees and/or clients may have an interest in the Bonds and/or in related investments. Such interest may include dealing, trading, holding, acting as market makers in such instruments and may include providing banking, credit and other financial services to any company or issuer of securities referred to herein.

This document does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to purchase, any Bonds. Any purchase or sale of Bonds should only be made on the basis of the information contained in the Prospectus available as described above.