



# INFORMATION BOOKLET

**20 JUNE 2017**

**The Dolphin Square Charitable Foundation**

**4.25% Bonds due 2026 (including retained bonds)**

**Issued by Retail Charity Bonds PLC**

**secured on a loan to The Dolphin Square Charitable Foundation**

**Lead Manager**  
**Peel Hunt LLP**

**Authorised Offerors**

AJ Bell Securities Limited

Barclays Bank PLC

Equiniti Financial Services Limited

Hargreaves Lansdown

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



**Dolphin Living**

**RETAIL  
CHARITY  
BONDS**

## Important Information

This information is a financial promotion and is not intended to be investment advice.

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 The Dolphin Square Charitable Foundation (“DSCF”). References to “Dolphin” or the “Group” in this document are references to the Charity and its subsidiaries.

This Information Booklet is a financial promotion made by the Issuer and approved by Peel Hunt LLP solely for the purposes of section 21(2)(b) of the FSMA. Peel Hunt LLP (“Peel Hunt” or the “Lead Manager”) (incorporated in England No. OC357088) whose registered office is Moor House, 120 London Wall, London, EC2Y 5ET, 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 The Dolphin Square Charitable Foundation 4.25% fixed rate Bonds due 2026 (referred to in this Information Booklet as the “Bonds”). A prospectus dated 20 June 2017 (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/dolphin](http://www.retailcharitybonds.co.uk/bonds/dolphin)), the website of The Dolphin Square Charitable Foundation ([www.dolphinliving.com](http://www.dolphinliving.com)) and the website of the London Stock Exchange plc ([www.londonstockexchange.com/newissues](http://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 80.**

# The Dolphin Square Charitable Foundation

## 4.25% Bonds due 2026

The Dolphin Square Charitable Foundation 4.25% fixed rate Bonds due 2026 pay interest of 4.25% per annum on the face value of £100 per Bond until the Expected Maturity Date (as defined below).

The Bonds will be issued by the Issuer and certain Bonds will be immediately purchased by the Issuer on the Issue Date (as described in the section headed “**Retained Bonds**” below). The proceeds of the Bonds (including the proceeds of any Retained Bonds (as defined below) sold to any third party from time to time) will be lent to DSCF (the “**Loan**”), via a loan agreement (the “**Loan Agreement**”) to be entered into between the Issuer and DSCF.

The Bonds are expected to be repaid on 6 July 2026 (the “**Expected Maturity Date**”), however the terms of the Bonds allow for a deferral of the repayment until 6 July 2028 (the “**Legal Maturity Date**”), as well as early repayment of the Bonds if DSCF elects to repay the Loan early pursuant to the terms of the Loan Agreement.

Interest will be paid in two equal instalments a year on 6 January and 6 July every year (with the first payment being made on 6 January 2018) 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. 6 July 2026),

or the Legal Maturity Date (i.e. 6 July 2028) (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. No payments of interest will be made in relation to any Retained Bonds and the Issuer will not repay any amounts in respect of the Retained Bonds on the Expected Maturity Date or Legal Maturity Date. **If the Issuer or 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 14 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 2 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), although a bond may also become repayable early in certain circumstances) when it also promises to repay the amount borrowed.

A bond is a tradable instrument; 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 12 of this document.

## What are Retained Bonds?

When the Bonds are issued, the Issuer will immediately purchase some of the Bonds (the "**Retained Bonds**"). The aggregate amount of these Retained Bonds will be specified in the Issue Size Announcement, published by the Issuer following the End of Offer Date (as defined below).

These will be held on behalf of the Issuer by a custodian until a later date, when, following agreement with the Charity, the Issuer may sell some or all of the Retained Bonds to a third party in the market or by private treaty on the basis that no Retained Bonds will be sold unless they receive the same tax treatment as the Bonds. Additional proceeds raised from the sale of the Retained Bonds will then be loaned to the Charity under the terms of the Loan Agreement.

Any Retained Bonds shall, following a sale to any third party from time to time, cease to be Retained Bonds to the extent of and upon such sale or disposal. Bonds which have ceased to be Retained Bonds shall carry the same rights

and be subject in all respects to the same Terms and Conditions as other Bonds. You are referred to the sections headed "**What are Retained Bonds?**" and "**How will the Issuer deal with the Retained Bonds?**" on page 54 of the Prospectus.

## 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 4.25% per annum until the Expected Maturity Date.

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 £10.625 twice a year until the Expected Maturity Date or the Legal Maturity Date (as the case may be) starting on 6 January 2018. No payments of interest will be made in relation to any Retained Bonds.

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 sections headed "**How will interest payments on the Bonds be funded?**" on page 58 of the Prospectus.

You are also 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.

## The Dolphin Square Charitable Foundation 4.25% Bonds Due 2026

### Payment on the face value of the Bonds

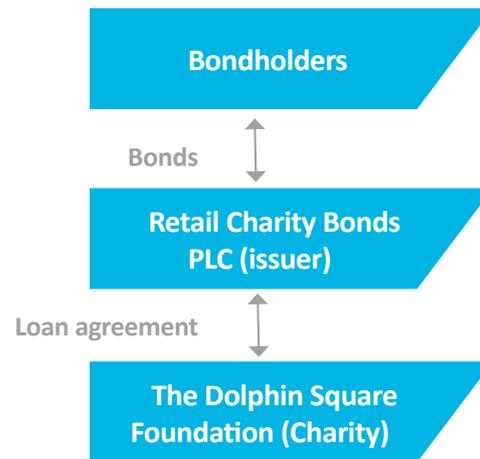
Provided that the Issuer or the Charity does not go out of business or become insolvent or other problems are not encountered in respect of payments due on the Bonds (see the section of the Prospectus headed “**Risk Factors**”), and provided that the Bonds have not been redeemed or purchased and cancelled early, the Bonds will be redeemed at 100% of their face value (i.e. £100 per Bond) on the Expected Maturity Date or Legal Maturity Date (as the case may be) (i.e. 6 July 2026 or 6 July 2028).

### 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

### CASHFLOWS



N.B. the proceeds of any Retained Bonds, once sold to any third party from time to time, will be advanced under the Loan Agreement at that time.

The Bonds will be issued by the Issuer and the proceeds of the Bonds will be lent to DSCF, via the Loan Agreement to be entered into between the Issuer and DSCF. DSCF 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 DSCF under the Loan Agreement.

## Key features of the Bonds

**Issuer:** Retail Charity Bonds PLC.

**Charity:** The Dolphin Square Charitable Foundation.

**Interest Rate:** 4.25% per annum up to but excluding the Expected Maturity Date.

**Adjusted Interest Rate:** 5.25% 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 6 January and 6 July in each year, starting on 6 January 2018 up to but excluding the Expected Maturity Date (6 July 2026), or up to but excluding the Legal Maturity Date (6 July 2028) 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 20 June 2017 until noon (London time) on 30 June 2017 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 14 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 89 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/or 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:** 6 July 2017.

**Term of the Bonds:** 9 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): 6 July 2026.

**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): 6 July 2028.

**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

## Key features of the Bonds



as security for the benefit of investors in so far as they relate to the Bonds.

**Financial Covenant:** The Loan Agreement contains certain covenants which the Charity has agreed to comply with from time to time such as, for example a requirement to ensure that, as at each relevant testing date, the sum of the Group's (i) unencumbered properties, (ii) fixed asset investments, (iii) land and buildings under development, (iv) cash and (v) cash equivalent investments are not less than 130% of the total unsecured debt of the Group, as determined by reference to the financial statements of the Group.

**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. 6 July 2026).

**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. 6 July 2028).

**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 12 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:** XS1634535253.

**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:** Peel Hunt LLP.

**You are referred to the sections headed "Important Legal Information" starting on page 87 and "Risk Factors" starting on page 254, 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 24 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.
- 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 Charity.
- 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 some 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.
- The majority of the Group’s income is rent received from tenants of the Group’s properties. Non-payment of a material amount of rent due from tenants, or delay in receipt of a material amount of rent from tenants, could affect the ability of the Charity to meet its obligations under the Loan Agreement.
- If a material number of the Group’s properties are vacant, this could result in a reduction in the Charity’s surplus, which may mean that the Charity is unable to repay its liabilities as they fall due, including those under the Loan Agreement.
- Material cost overruns on the Group’s property development projects may adversely impact the Charity’s financial position and its ability to meet its obligations under the Loan Agreement.
- The Group has outsourced day-to-day tenancy management to Touchstone CPS (“**Touchstone**”). The financial or operational failure of Touchstone may have an adverse effect on the cash flow and financial position of the Charity and its ability to meet its obligations under the Loan Agreement.
- 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.
- The Bonds are not protected by the UK Financial Services Compensation Scheme.
- 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 the Trustee for the benefit of the Bondholders and the other secured parties.
- The Bonds pay interest at a fixed rate and the Issuer will pay principal and interest on the Bonds in pounds sterling, which potentially exposes Bondholders to interest rate risk, inflation risk and exchange rate risk.
- Neither the Bonds nor the Loan Agreement contains a gross-up provision requiring the Issuer or the Charity to pay any additional amounts to Bondholders or (in the case of the Loan Agreement) the Issuer, to reimburse them for any tax, assessment or charge required to be withheld or deducted from payments in respect of the Bonds or the Loan Agreement.
- If a withholding or deduction for or on account of tax in respect of payments due on the Loan by the Charity results in a shortfall in the amounts available to the Issuer to pay interest due on the Bonds, such shortfall shall be deferred and shall become due and payable on the next interest payment date to the extent that the Issuer has sufficient funds (in accordance with its priority of payments) to pay such shortfall.
- Bondholders may not receive payment of the full amounts due in respect of the Bonds as a result of amounts being withheld by the Issuer or the Charity in order to comply with applicable law.
- Defined majorities may be permitted to bind all the Bondholders with respect to modification and waivers of the terms and conditions of the Bonds.
- If the Issuer does not satisfy the conditions to be taxed in accordance with the Securitisation Companies Regulations 2006 (S.I. 2006/3296) (as amended) (or subsequently ceases to satisfy those conditions), then the Issuer could suffer tax liabilities not contemplated in the cash flows for the transaction described herein and in the Prospectus.
- 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:
  - (i) 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
  - (ii) 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 Peel Hunt LLP will act as market maker (you are referred to the section headed “**Further Information – How to trade the Bonds**” on page 12 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.

# The Dolphin Square Charitable Foundation

## Incorporation and Regulatory

The Dolphin Square Charitable Foundation was first registered on 17 June 2005. It is an unincorporated trust and a registered charity in England and Wales (No. 1110090). The Charity is regulated by the Charity Commission. As a result of its charitable status, the Charity must comply with the Charities Act 2011. The Charity is operated on a not-for-profit basis so all funds available are invested back into its operations. Dolphin Square Charitable Trustee (the “**Dolphin Trustee**”) is the sole trustee of the Charity. The Dolphin Trustee is a private company limited by guarantee without share capital (Company No. 05442737). The registered address of the Charity and the Dolphin Trustee is 4th Floor, 11 Belgrave Road, London SW1V 1RB.

The Dolphin Trustee has four subsidiaries owned on behalf of the Charity:

- **DSF Developments Limited** was incorporated on 11 December 2012 (Company No. 08327131) and is the Charity’s development subsidiary.
- **Dolphin Living Limited** (“**DLL**”) was incorporated as an industrial and provident society on 25 July 2014 (Company No. 32446R) and is the Group’s registered provider for the provision of social and affordable rental housing. DLL is regulated by the Homes and Communities Agency (the “**HCA**”) which monitors its governance, financial viability and the quality of service provided and has extensive powers to intervene in its affairs.
- **Hoxton Regeneration Limited** (“**HRL**”) (Company No. 00597445) is the owner of the New Era Estate, Hoxton and was acquired by the Charity in December 2014.

- **Hoxton Holdco Limited** (Company No. 114787) is a dormant holding company registered in Jersey which owns the Charity’s shares in HRL.

The accounts of the Charity, DSF Developments Limited, DLL, Hoxton Holdco Limited and HRL are consolidated into the Group’s financial statements.

## Background and History

The Charity was founded in June 2005 and has been funded by a total of around £125 million that was gifted to it from the proceeds of the sale of leasehold interests in the Dolphin Square mansion block in Pimlico by Westminster City Council and Dolphin Square Trust.

The Charity is a housing charity that seeks to provide well designed, good quality housing for people on modest incomes who live or work in the City of Westminster and surrounding boroughs. The Charity works closely with Westminster City Council in both determining the needs of those living and working in Westminster and planning to help meet those needs.

The first five years of the Charity’s existence saw its public benefit works focused on grant making activity for a range of community-based projects with the aim of alleviating the affordable housing shortage.

From 2010 the Charity accelerated its plans for the building of its own portfolio in order to directly address the need for more affordable housing stock, resulting in a significant growth in completed homes from 2013. As at 31 March 2013 the Charity had 16 completed homes. As at 31 March 2017, the Group had 600 completed homes and 196 under development.

## Business Description and Principal Activities

Dolphin provides homes to rent at market and sub-market rents. Sub-market rent housing is provided at intermediate, affordable and social rents. Intermediate rents are capped at 80% of the market rent, affordable rents are also capped at 80% of market rent and take into account local housing needs, while social rents are based on a target rent using a formula set by Government. Dolphin also has a small number of homes (7) let under regulated tenancies where rents are set by a local rent officer. Eligibility for homes at sub-market rents vary by scheme but, generally, prospective tenants must have an annual household income of no more than £90,000 and be unable to access a suitable home on the open market. Dolphin operates in inner London and generally all its properties must be within 30 minutes' travel time of the City of Westminster.

Dolphin manages 600 homes, has a target for 1,000 homes under management by 2020, and employs 14 staff at its office in Westminster.

Dolphin has five main functional activities:

It is a landlord of homes for working Londoners. As at 31 March 2017, Dolphin managed 94 market rent homes, 460 intermediate rent homes and 46 regulated, affordable and social rent homes with an aggregate cost of £160 million. This function is controlled by Dolphin's internal team with day to day management outsourced to Touchstone CPS ("**Touchstone**"). Touchstone's responsibilities include first line contact with tenants, rent collection, maintenance management and compliance management.

It is the owner of a small number of commercial units for rent which are part of its housing schemes and which contributed around £61,000 to the Group's rental income in the year ended 31 March 2017.

It is a developer of new homes for rent. As at 31 March 2017, 196 homes were under development with an aggregate total development cost of £86 million.

It is a manager of its financial assets. As at 31 March 2017, the Charity's financial assets included £53.4 million of cash or near-cash financial assets. Portfolio management of near-cash financial assets is outsourced to Cazenove Capital Management with £20.8 million under management as at 31 March 2017. Cash and near-cash financial assets are held pending reinvestment in housing.

The Charity is a provider of grants to other housing organisations and participates in other methods of addressing the housing shortage facing London. During its financial year ending 31 March 2017, the Charity provided grants totalling £10,000. Dolphin also launched the Westminster Homeownership Accelerator, a scheme to assist people into homeownership by providing enhanced deposits.

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

**You are referred to the section headed "Description of the Charity" starting on page 38 in the Prospectus.**



## Retail Charity Bonds PLC

# RETAIL CHARITY BONDS

### Overview

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

### Principal activities of the Issuer

The Issuer is a special purpose entity which has been established by Allia Ltd, a UK charity and specialist in impact finance, 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 contracted with Allia Impact Finance Ltd (the “Servicer”) to provide certain services 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 76 in the Prospectus.**

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

- ✔ a nomination committee which will consider the appointment of directors of the Issuer and make recommendations to the board;
- ✔ 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 and make recommendations to the board.

The Issuer’s financial statements can be viewed electronically and free of charge on the Issuer’s website ([www.retailcharitybonds.co.uk/about/#Governance](http://www.retailcharitybonds.co.uk/about/#Governance))

**You are referred to the section headed “Description of Retail Charity Bonds PLC” starting on page 72 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").

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 Peel Hunt LLP. Market-making means that a person will maintain prices for buying and selling the Bonds. Peel Hunt LLP will be appointed as a registered market maker through the ORB ([www.londonstockexchange.com/exchange/prices-and-markets/retail-bonds/retail-bonds-search.html](http://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 Peel Hunt LLP 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.

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 68 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).

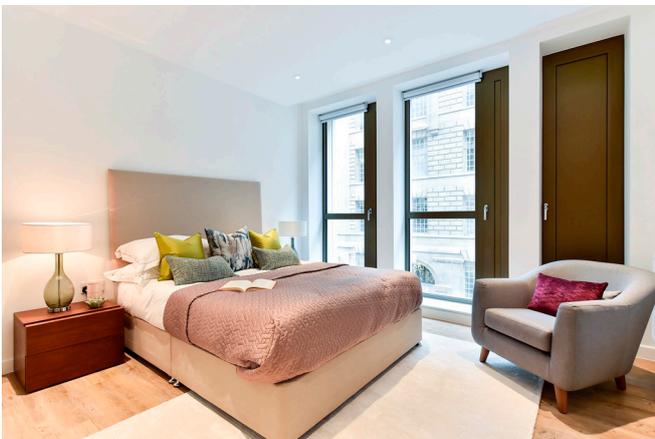
See also the **“Taxation of the Bonds”** section above.

You are referred to the sections headed **“Subscription and Sale”** on page 80 of the Prospectus, **“Taxation”** on page 68 of the Prospectus, **“Important Legal Information”** on page 87 of the Prospectus and **“Additional Information”** on page 83 of the Prospectus.



## Authorised Offerors

<b>AJ Bell Securities Limited</b>	4 Exchange Quay, Salford Quays, Manchester M5 3EE <a href="https://www.ajbellsecurities.co.uk">https://www.ajbellsecurities.co.uk</a>
<b>Barclays Bank PLC</b>	1 Churchill Place, London, E14 5HP, United Kingdom <a href="http://www.barclays.co.uk/PersonalBanking/P1242557947640">http://www.barclays.co.uk/PersonalBanking/P1242557947640</a>
<b>Equiniti Financial Services Limited</b>	Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA <a href="https://equiniti.com">https://equiniti.com</a>
<b>Hargreaves Lansdown</b>	One College Square South, Anchor Road, Bristol, BS1 5HL <a href="http://www.hl.co.uk">http://www.hl.co.uk</a>
<b>Redmayne-Bentley LLP</b>	9 Bond Court, Leeds LS1 2JZ <a href="http://www.redmayne.co.uk">http://www.redmayne.co.uk</a>





## 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.

Peel Hunt LLP 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 Peel Hunt LLP for advice or recommendations of any sort. Peel Hunt LLP 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, Peel Hunt LLP does not warrant or make any representation as to its completeness, reliability or accuracy.

Neither Peel Hunt LLP, Retail Charity Bonds PLC nor The Dolphin Square Charitable Foundation is responsible for any advice or service you may receive from a third party in relation to the Bonds.

Peel Hunt LLP 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.