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Information booklet

23 November 2020

Greensleeves Homes Trust 5% Bonds due 2030

Issued by
Retail Charity Bonds PLC
Secured on a loan to
Greensleeves Homes Trust

Lead Manager
Allia C&C

Authorised Offerors
AJ Bell Securities Limited
Equiniti Financial Services Limited
Redmayne Bentley LLP

This is an advertisement and not a prospectus.

The Prospectus (as defined herein) is available on the website of Retail Charity Bonds PLC (https://rcb-bonds.com/bonds/greensleeves2020) and the website of Greensleeves Homes Trust (https://www.greensleeves.org.uk/greensleeves-charity-bond).

The Prospectus has been approved by the Financial Conduct Authority (the "FCA") as competent authority under Regulation (EU) 2017/1129 (as amended, the "Prospectus Regulation"). The FCA only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation.

Such approval should not be considered as an endorsement of Retail Charity Bonds PLC, Greensleeves Homes Trust or the quality of the Bonds that are the subject of the Prospectus.

Potential investors should read the Prospectus before making an investment decision in order to fully understand the potential risks and rewards associated with the decision to invest in the Bonds. Any decision to invest in 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.

Important information

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

This Information Booklet is an advertisement within the meaning of Article 2(k) of the Prospectus Regulation and is not a prospectus for the purposes of the Prospectus Regulation.

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 Greensleeves Homes Trust (the "Charity").

This Information Booklet is a financial promotion made by the Issuer and approved by City & Continental Ltd trading as Allia C&C (the "Lead Manager") solely for the purposes of section 21(2)(b) of the FSMA. "Allia C&C" is a trading name of City & Continental Ltd (incorporated in England No. 09997053), whose registered office is Cheyne House Crown Court, 62-63 Cheapside, London, EC2V 6AX, and which is authorised and regulated by the FCA.

Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Bonds are appropriate, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable.

Any person subsequently offering, selling or recommending the Bonds (a "distributor") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable.

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

This Information Booklet relates to the Greensleeves Homes Trust 5% fixed rate Bonds due 2030 (referred to in this Information Booklet as the "Bonds"). A prospectus dated 23 November 2020 (the "Prospectus") has been prepared and made available to the public in accordance with the Prospectus Regulation. Copies of the Prospectus are available from the website of the Issuer (https://rcb-bonds.com/bonds/greensleeves2020) and the website of the Charity (https://www.greensleeves.org.uk/greensleeves-charity-bond). Your Authorised Offeror will provide you with a copy of the Prospectus and the KID (as defined below).

A key information document ("**KID**") pursuant to Regulation (EU) No 1286/2014 (as amended) has been prepared by the Issuer in connection with the Bonds. If you have not received a copy of the KID you should request this from your Authorised Offeror prior to making any investment decision in relation to the Bonds. A copy of the KID is also available from the website of the Issuer.

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.

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, 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.

Subject to certain exceptions, the Bonds may only be offered in the United Kingdom, Guernsey, Jersey and/or the Isle and Man during the Offer Period referred to below. In those jurisdictions, offers of the Bonds must also comply with applicable rules and regulations. You are referred to the sections headed "Subscription and Sale" and "Important Legal Information" in the Prospectus on page 72 and page 80.

Greensleeves Homes Trust 5% Bonds due 2030

The Greensleeves Homes Trust 5% fixed rate Bonds due 2030 pay interest of 5% 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 may 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, if applicable, the proceeds of any Retained Bonds (as defined below) sold to any third party from time to time) will be lent to the Charity (the "**Loan**") via a loan agreement (the "**Loan Agreement**") to be entered into between the Issuer and the Charity.

The Bonds are expected to be repaid on 17 December 2030 (the "**Expected Maturity Date**"), however the terms of the Bonds allow for a deferral of the repayment until 17 December 2032 (the "**Legal Maturity Date**"), as well as early repayment of the Bonds if the Charity elects to repay the Loan early pursuant to the terms of the Loan Agreement.

Interest will be paid in two equal half-yearly instalments on 17 June and 17 December every year (with the first payment being made on 17 June 2021) 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. 17 December 2030), or the Legal Maturity Date (i.e. 17 December 2032) (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 any Retained Bonds are issued, no payments of interest will be made in relation to such Retained Bonds and the Issuer will not repay any amounts in respect of such 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 that has been granted consent by the Issuer (and, as applicable, the Charity) 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 and the KID. 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**" on pages 9 to 10, and "**Further Information – How to trade the Bonds**" on page 16 of this document.

What are Retained Bonds?

When the Bonds are issued, the Issuer may immediately purchase some of the Bonds (any such Bonds so purchased, the "**Retained Bonds**"). The aggregate amount (if any) of such Retained Bonds will be specified in the issue size announcement published by the Issuer following the End of Offer Date (as defined below).

Any Retained Bonds issued 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 such 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 any 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 any Retained Bonds?**" on page 46 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 5% 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 £12.50 twice a year until the Expected Maturity Date starting on 17 June 2021. No payments of interest will be made in relation to any Retained Bonds.

If the Charity elects to defer the repayment of the Loan 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. If the Charity defers repayment of the Loan until the Legal Maturity Date, the interest payments on the Bonds after the Expected Maturity Date will also increase by 1.00 per cent. per annum.

How will payments on the Bonds be funded?

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

You are referred to the sections headed "**How will payments on the Bonds be funded?**" on page 50 of the Prospectus.

You are also referred to the section headed "**Key Risks of Investing in the Bonds**" on pages 9 to 10 of this document for information on the risks relating to an investment in the Bonds.

Payment on the face value of the Bonds

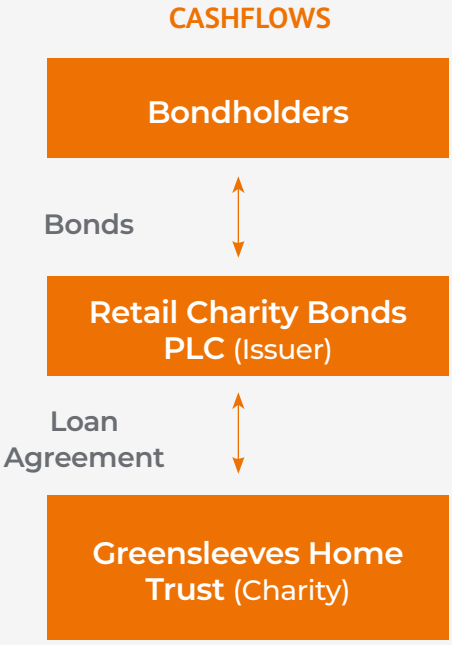
Provided that the Issuer or the Charity does not go out of business or become insolvent or other problems are not encountered in respect of payments due on the Bonds (see the section of the Prospectus headed "**Risk Factors**"), and provided that the Bonds have not been redeemed or purchased and cancelled early, the Bonds will be redeemed at 100% of their face value (i.e. £100 per Bond) on the Expected Maturity Date or Legal Maturity Date (as the case may be) (i.e. 17 December 2030 or 17 December 2032).

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 8 of this document).

Structure

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



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.

Key features of the bonds

- **Issuer:** Retail Charity Bonds PLC.
- **Charity:** Greensleeves Homes Trust.
- **Interest Rate:** 5% per annum up to but excluding the Expected Maturity Date.
- **Adjusted Interest Rate:** 6% 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 17 June and 17 December in each year, starting on 17 June 2021 up to (and including) the Expected Maturity Date (17 December 2030), or up to (and including) the Legal Maturity Date (17 December 2032) if repayment of the Bonds is 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 23 November 2020 until noon (London time) on 11 December 2020 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, the Prospectus and the KID to potential investors in the Bonds until the End of Offer Date. The Issuer and the Charity 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 82 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, as applicable, the Charity) 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:** 17 December 2020.
- **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) 17 December 2030.
- **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) 17 December 2032.
- **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 Agreement 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 Covenants:** The Loan Agreement contains certain covenants which the Charity must comply with such as, for example:

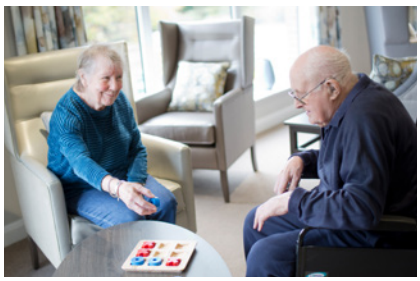
  (i) a requirement that, as at each relevant testing date, the sum of (A) the group's unencumbered properties (that is, those not subject to any security in favour of a third party), (B) tangible fixed assets, (C) cash and investments that are deemed equivalent to cash (such as UK government bonds) (subject to a cap of £5,000,000) and (D) cash held in a bank account specifically earmarked for repayments under the Loan Agreement is not less than 130 per cent. of the total unsecured debt of the group; and

  (ii) a requirement that, for so long as the Loan remains outstanding, the Charity will not (and will ensure that its subsidiaries do not) create any security to secure any financial indebtedness (a "Secured Borrowing") unless, immediately after incurring such Secured Borrowing, the ratio of the Charity's Secured Borrowings to the sum of (A) fixed assets (as adjusted for any impairments), (B) cash and investments that are deemed equivalent to cash (such as UK government bonds) (subject to a cap of £5,000,000) and (C) cash held in a bank account specifically earmarked for repayments under the Loan Agreement is not greater than 1:4.

- **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. 17 December 2030).
- **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. 17 December 2032).
- **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**" on pages 9 to 10, and "**Further Information – How to trade the Bonds**" on page 16 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:** XS2250730749.
- **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:** Allia C&C.

You are referred to the sections headed "Important Legal Information" starting on page 80 and "Risk Factors" starting on page 15 of the Prospectus.

A copy of the Prospectus and the KID 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 15 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.
- Income generated from fees paid by residents is a major source of the Charity's income. Any surplus following deduction of operation, funding and other costs is reinvested back into the operations of the Charity and used to service the Charity's debt. Therefore the level of fees charged is a key component in the operation of the Charity. A decrease in the level or amount of fees received from residents may impact the funds available to the Charity for reinvestment and servicing of debt.
- The Charity's revenue is driven by occupancy level. While a future increase in life expectancy of the population has been predicted, it does not necessarily follow that people will also be dependent (and therefore in need of services of the kind provided by the Charity) for longer. Instead, as life expectancy rises, the number of years without dependency could rise by the same amount, keeping the number of years with dependency constant. Falling overall demand can be matched by withdrawal of capacity, resulting in sustained occupancy levels, but this would have an impact on fee income.
- COVID-19 may have a short to medium term impact on the occupancy level and the operational performance of the Charity. Additionally, there may be an increase to costs following the need for significantly greater usage of higher priced personal protection equipment and increased staff costs reflecting the provision of enhanced care to the Charity's residents and to cover for staff absences during periods of self-isolating and shielding.
- As the Charity continues to grow its operations, it is required to carefully select new investment opportunities in both existing, operating and new-build care homes. Poor selection of new investments could have an adverse impact on the Charity's operations. Furthermore, new buildings and developments are subject to project risks such as cost overruns and delays, which can severely impact a new home's ability to generate revenue.
- Industry competition may reduce the Charity's ability to retain existing residents or attract new residents. While the Charity continually seeks to track its competitors' offerings and local demands, the Charity's future performance is not assured and its revenue may be impacted detrimentally by strong competition.

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Key risks of investing in the bonds continued

- An element of the Charity's income is derived from publicly funded sources and any changes to the current level of public sector funding could have an impact on the income generated by the Charity.
- 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.
- 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 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.
- 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.
- 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 one or more registered market makers will be appointed in respect of the Bonds (you are referred to the section headed "**Further Information – How to trade the Bonds**" on page 16 of this document), 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.

Greensleeves Homes Trust

Incorporation and regulatory

Greensleeves Homes Trust (the "**Charity**") was incorporated on 8 October 1996 as Charis (58) Limited. It is a registered charity in England and Wales (No. 1060478) and is registered with the England and Wales Companies House as a private limited company (Company No. 3260168). The registered address of the Charity is 54 Fenchurch Street, London EC3M 3JY, England.

The Charity is regulated by the Charity Commission and is also subject to regulation by the Care Quality Commission ("**CQC**"). As a result of its charitable status, the Charity must also 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.

Background and history

The Charity is a growing charitable organisation, which provides care for older people in its residential, dementia and nursing homes across England. The Charity commenced operations in 1997 when the Women's Royal Voluntary Service ("**WRVS**") decided to transfer the ownership and management of its care homes to an independent organisation. The newly formed Charity took its name from the green arm bands (or sleeves) worn by WRVS volunteers during World War II.

As an organisation, the Charity is constantly adapting to meet the needs of older people. The Charity has successfully introduced the Eden Alternative approach to care, to improve the quality of life for residents at all of its care homes. The Eden Alternative principles provide a framework to transform traditional approaches to care.

The Charity aims to set and maintain the highest standards of good practice within an environment that encourages residents to thrive as individuals and employees to fulfil their ambitions as caring professionals.

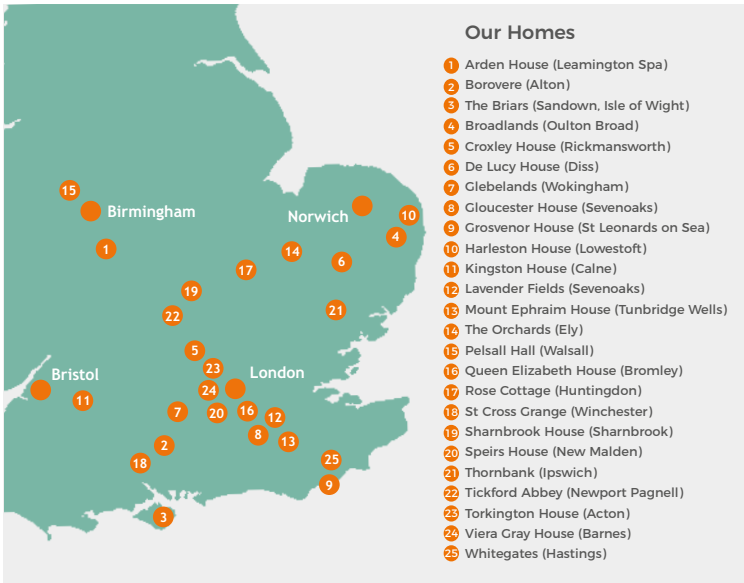
The quality of care provided to residents is of paramount importance to the Charity and this ultimately drives all operational issues within the Charity. This has been recognised through national and local awards for a number of homes and above industry average performance in ratings awarded by the regulatory body, the CQC.

As a charitable trust, the Charity operates on a not-for-profit basis, so all funds available are invested back into the operations of the Charity and are not required to be used to pay any dividends. In this way, the Charity is able to offer care and services to residents whilst charging comparatively modest fees compared to its competitors operating in similar areas and offering a similar, above average quality of care.

Business description and principal activities

Property portfolio

As at 31 March 2020, the Charity was able to care for up to 1,037 residents across 25 homes that provide a mix of residential, dementia and nursing care for older people. Twenty two of the Charity's homes are owned on a freehold basis and three homes are owned on a leasehold basis. The freehold properties owned by the Charity as of the date of the Prospectus were valued at £97m as of 24 October 2020.



Over the last 10 years, £53.4m has been invested in upgrading and extending the estate as follows:

- £25.7m spent on new homes;
- £20.4m spent extending existing homes; and
- £7.3m invested in upgrading facilities.

Funding sources

The Charity seeks to operate a sustainable business model and balances its resident funding accordingly. Historically, a mix of 75 per cent. privately funded and 25 per cent. publicly funded residents has been considered appropriate. The Charity is therefore less reliant on public sector funding than many other care home operators. For the year ended 31 March 2020, the Charity charged an average weekly fee of £1,019[1] versus an industry benchmark of £837[2]. The fees ranged from £794 to £1,533, depending on the service provided.

Quality of care

The CQC monitors, inspects and regulates care homes in the UK, providing an overall rating for each home and also individual ratings covering the categories of "safety", "effectiveness", "care", "responsiveness" and "well-led". As of the date of the Prospectus, the CQC has inspected 24 of the Charity's 25 homes and rated two as Outstanding and 19 as Good (i.e. 87.5 per cent. Good or above). This compares favourably with the sector average of approximately 82.8[3] per cent. of either Outstanding or Good. None of the Charity's homes are rated Inadequate and remedial plans are in place for the three homes rated Requires Improvement. One home, which was acquired by the Charity in July 2019, has not yet been inspected by the CQC.

Occupancy levels

The Charity currently maintains levels of occupancy higher than the industry standard[4] and the Charity achieved occupancy in its homes (calculated based on phased resident build up at new homes) of 92.6 per cent. for the year ended 31 March 2020.

1 The Charity's financial statements for the year ended 31 March 2020

2 Knight Frank 2019 Care Homes Trading Performance Review

3 CQC state of health and adult social care in England (overall ratings represent combined residential and nursing homes ratings)

4 Knight Frank 2019 Care Homes Trading Performance Review

Staff

The Charity recognises that staffing is a key factor in determining the quality of its product, to the extent that staff availability is a central consideration in evaluating new sites.

As at 31 March 2020, staff contracts totalled 1,517 staff across 25 homes and head office. 1,398 of these contracts are permanent contracts and 119 are part time contracts. Hourly paid staff are all paid above the National Living Wage.

Staff turnover averaged 18.5 per cent. during the year ended 31 March 2020 against an industry average of approximately 30.8 per cent.[5] This reflects the ongoing commitment of the Charity to rewarding staff appropriately and investing significantly in training to further develop the quality of care provided to its residents.

Business plan

The Charity has two key strategic aims: quality improvement and sustainable development. A commitment to quality improvement will ensure continuous enhancement in the quality of care provided to residents and service users. A platform of sustainable development will ensure the charitable impact of the Charity expands in an enduring and affordable manner.

The following keys to success for the Charity have been identified:

- maintain current average occupancy, which has been historically above the national average;
- ensure fees remain competitive in each local market and homes remain attractive;
- maintain tight control of cost base and, in the long-term, seek to increase income more than expenditure in order to re-invest in service development for the benefit of current and future beneficiaries;

5 Skills for Care Report 2020

- invest in current estate and establish a live pipeline of profitable, new homes to sit alongside the Charity's existing homes;
- actively manage the quality of services provided and promote achievements internally and externally; and
- continue to manage finances of the Charity in a prudent and sustainable manner.

Recent developments

As a result of the emergence of COVID-19, various aspects of the Charity's business have been affected, in common with other adult social care providers within the care homes sector in the UK. There have been COVID-19 Outbreaks[6] in a number of the Charity's homes, but corrective action has been taken. To the best of the Charity's knowledge, no COVID-19 Outbreaks were recorded between mid-May 2020 and 30 September 2020. Following 30 September 2020, and as of 20 November 2020, to the best of the Charity's knowledge, there have been only two further Outbreaks, which were recorded at Queen Elizabeth House in Bromley (the "Bromley Outbreak") and at Glebelands in Wokingham (the "Wokingham Outbreak"). The first case in the Bromley Outbreak was recorded on 21 October 2020 and the most recent case was recorded on 2 November 2020. The first case in the Wokingham Outbreak was recorded on 3 November 2020 and the most recent case was recorded on 16 November 2020. There can be no assurance that there will not be further Outbreaks in the Charity's homes.

The main impacts of the COVID-19 pandemic on the Charity are highlighted below:

- Occupancy levels fell by approximately 9 per cent. from the level at 31 March 2020 to 83 per cent. but steadily recovered during the June to September 2020 period, reaching 86 per cent. by 30 September 2020. As a result, there was a difference of £1.7m between the income that was likely to have been received by the Charity had occupancy levels remained at March 2020 levels and the actual income received by the Charity during the six month period to 30 September 2020. As a result, the Charity revised its budget and reduced planned expenditure to ensure underlying trading remains profitable.
- Operational and staff costs have also increased as a result of COVID-19, but have been largely offset by grants received under various government support schemes, as well as a reduction in non-essential expenditure by the Charity.
- Planned extension and development works are progressing but the COVID-19 pandemic has led to some delays.

The government has recently announcement that care home residents and staff will be priority recipients of any vaccine against COVID-19 approved for use in the United Kingdom and so care homes are expected to be the first sector of the economy to be shielded from the impact of the COVID-19 pandemic.

You are referred to the section headed "Description of the Charity" starting on page 29 in the Prospectus.

6 An "Outbreak" is defined as two or more staff and/or residents in any one of the Charity's homes having tested positive for COVID-19.

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 and is not itself a charity.

Principal activities of the Issuer

The Issuer is a special purpose 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 contracted with Allia Bond Services 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 68 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 (**https://rcb-bonds.com/documents**)

You are referred to the section headed "Description of the Issuer" starting on page 63 in the Prospectus.

Authorised offerors

AJ Bell Securities Limited
4 Exchange Quay, Salford Quays, Manchester M5 3EE
www.ajbellsecurities.co.uk

Equiniti Financial Services Limited
Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA
www.equiniti.com

Redmayne Bentley LLP
9 Bond Court, Leeds LS1 2JZ
www.redmayne.co.uk

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 FCA 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 ORB. They 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 one or more registered market makers. Market-making means that a person will maintain prices for buying and selling the Bonds.

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 pages 9 to 10 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 one or more registered market makers will be appointed (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 nominal amount of the Bonds (other than any Retained 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 59 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 72 of the Prospectus, "Taxation" on page 59 of the Prospectus, "Important Legal Information" on page 81 of the Prospectus and "Additional Information" on page 76 of the Prospectus.

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.

Allia C&C 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 Allia C&C for advice or recommendations of any sort. Allia C&C 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, Allia C&C does not warrant or make any representation as to its completeness, reliability or accuracy, or the completeness, reliability or accuracy of the KID.

Neither Allia C&C, Retail Charity Bonds PLC nor Greensleeves Homes Trust is responsible for any advice or service you may receive from a third party in relation to the Bonds.

Allia C&C 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 and holding, and may include providing 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.