This document comprises a registration document relating to Castle Trust PCC (the "**Company**") and Castle Trust Growth HouSA PC (the "**Cell**", such term to include, where the context requires, the Company acting in respect of the Cell) prepared in accordance with the Prospectus Rules of the Financial Services Authority (the "**FSA**") made under s.73A Financial Services and Markets Act 2000, as amended ("**Prospectus Rules**" and "**FSMA**" respectively). This document has been filed with, and approved by, the FSA pursuant to s.85 FSMA and will be made available to the public in accordance with rule 3.2.1 of the Prospectus Rules. It should be read in conjunction with the Relevant Summary and Securities Note, which, with this Registration Document forms the prospectus for the purposes of s.85 FSMA.

This document includes particulars given in compliance with the Prospectus Rules for the purposes of giving information with regard to the Cell and the Company. The information contained in this Registration Document should be read in the context of, and together with, the information contained in the Relevant Securities Note and the Relevant Summary and distribution of this Registration Document is not authorised unless accompanied by, or supplied in conjunction with, copies of the Relevant Securities Note and the Relevant Summary.

Application will be made for the Shares to be listed on the Official List of the CISX.

This Registration Document includes particulars given in compliance with the Listing Rules of the CISX for the purpose of giving information with regard to the Cell.

The Company, the Directors of the Company and the Directors of the Cell, whose names appear on page 27 of this Registration Document, accept responsibility for the information contained in this Registration Document and declare that, to the best of the knowledge and belief of the Company, the Directors of the Company and the Directors of the Cell (who have taken all reasonable care to ensure that such is the case), the information contained in this Registration Document is in accordance with the facts and contains no omission likely to affect its import. Castle Trust and the Castle Trust Directors accept responsibility for the statements of belief attributed to them relating to Castle Trust, the information contained in this Registration Document relating to Castle Trust, the risks relating to Castle Trust and its business in Part I of this Registration Document and Parts II, VIII and X of this Registration Document and declare that, to the best of the knowledge and belief of Castle Trust and the Castle Trust Directors (who have taken all reasonable care to ensure that such is the case), the statements of belief attributed to them relating to Castle Trust, the information contained in this Registration Document relating to Castle Trust, the risks relating to Castle Trust and its business in Part I of this Registration Document and Parts II, VIII and X of this Registration Document is in accordance with the facts and contains no omission likely to affect its import.

Prospective investors should read the entire document and, in particular, the section headed "Risk Factors", when considering an investment in the Company and the Cell.

Castle Trust PCC

a protected cell company incorporated with limited liability in Jersey with registered number 108697 acting in respect of its closed-ended protected cell Castle Trust Growth HouSA PC

The Cell's shares that are being offered to the public in new share classes created each month by the Company rank *pari passu* in terms of voting rights with each other and any distribution that might be declared, made or paid on any of the Shares of the relevant Share Class.

Neither the Admission nor the approval of this document pursuant to the Listing Rules shall constitute a warranty or representation by the CISX as to the competence of the service providers or to any other party connected with the Cell or the Company, the adequacy and accuracy of the information contained in this document or the suitability of the Cell for investment or for any other purpose.

This unregulated exchange-traded fund is not regulated in Jersey. The JFSC has neither evaluated nor approved:

(a) the scheme or arrangement of the fund;

(b) the parties involved in the promotion, management or administration of the fund; or

(c) the Prospectus.

The JFSC has no ongoing responsibility to monitor the performance of the fund, to supervise the management of the fund or to protect the interests of investors in the fund.

The distribution of this document and the offering or purchase of Shares may be restricted by law in certain jurisdictions. This document does not constitute or form part of an offer to sell, or the solicitation of an offer to buy, Shares in any jurisdiction in which such offer or solicitation is unlawful or restricted by law. The Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, including outside the United States in offshore transactions in reliance on Regulation S under the Securities Act ("Regulation S"). For a description of these and certain further restrictions on offers, sales and transfers of the Shares and the distribution of this document, see the section of this document entitled "Information in Relation to this Document" and the section headed "Investor Restrictions" contained in Part V of this document.

This document is not for distribution in or into Australia, Canada or Japan. Subject to certain exceptions, the Shares may not, directly or indirectly, be offered or sold within Australia, Canada or Japan or to, or for the account or benefit of, any national, resident or citizen of Australia, Canada or Japan. No action has been taken by the Company, the Cell, Castle Trust or CTCM that would permit an offer of Shares or possession or distribution of this document (or other offer or publicity material or application form relating to the Shares) in any jurisdiction where action for that purpose is required, other than the United Kingdom. Accordingly, neither this document nor any advertisement or other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. This document does not constitute an offer of or invitation or solicitation to subscribe for or acquire any Shares in any jurisdiction where it is unlawful to do so. No persons receiving a copy of this document in any such jurisdiction may treat this document as constituting an offer, invitation or solicitation to them to subscribe for Shares in the relevant jurisdiction notwithstanding that such an offer, invitation or solicitation could lawfully be made to them without compliance with any registration or other legal requirement.

It is the responsibility of any persons in possession of this document and any persons wishing to apply for Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions. Prospective applicants for Shares should inform themselves as to the legal requirements of so applying and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile. Further information with regard to restrictions on offers and sales of the Shares and the distribution of this document is set out in Part V of this document.

Whilst this document has been approved as required by s.85 FSMA, neither the Shares nor the Offer have been approved, disapproved or recommended by any governmental or regulatory authority of any country or jurisdiction, nor has any such governmental or regulatory authority passed upon or endorsed the merits of the Company, the Cell or an investment in the Shares.

The Shares have not been approved or disapproved by the US Securities and Exchange Commission or any other US federal or state securities commission or regulatory authority nor have such authorities confirmed the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

Prospective investors must rely only on the information contained in this document and the Relevant Securities Note and the Relevant Summary. No broker or dealer or any other person has been authorised to issue any advertisements or to give any information or to make any representations in connection with the offer of shares in the Cell other than those contained in this document and, if issued, given or made, such advertisement, information or representation may not be relied upon as having been authorised by or on behalf of the Cell, the Company, Castle Trust or CTCM.

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PART I

RISK FACTORS

Before making an investment decision with respect to the Shares, prospective investors should consider carefully all of the information set out in this document and the Relevant Securities Note and the Relevant Summary. Prospective investors should have particular regard to, amongst other matters, the risk factors set out in this Part I. The risk factors set out in this document, alone or collectively, may inhibit the prospects of the Company and reduce the value of the Shares and could result in a loss of all, or a portion, of a Shareholder's investment in the Shares. The risk factors set out in this document are not exhaustive and do not necessarily comprise all the risks faced by the Company and its business. There may be other risks to the Company and its business that a prospective investor should consider which are not presently known to the Directors of the Company, or which the Directors currently deem immaterial, which may also have an adverse effect on the Company's business, financial condition and results of operations. The risk factors set out here are those risks the Directors of the Company consider material to the Company and its business.

Risks relating to the Company and the Cell's business

The Investment Return payable on the maturity of the Shares of the relevant Share Class is dependent upon market fluctuations and other risks inherent in investing in investments linked to the Index. The Index can fall as well as rise and investors may not realise the full amount of their investment in the Shares. The investment objective for the shares issued in respect of each Share Class will be to generate an Investment Return for the relevant Shares over their Investment Term and to return to Shareholders the Investment Return on the maturity of the relevant Shares. As the Investment Return is referenced to the Index, such Investment Return is necessarily dependant on the movement of the Index. In the opinion of the Directors, the investment objective for the Shares issued in respect of each Share Class should be achieved through the purchase of the investments as described under the section headed "Investment Policy and Objective" set out in this document or the section headed "Investment Policy and Objective" set out in the Relevant Securities Note. There may be particular investment risks attributable to the Shares issued in respect of a Share Class, the details of which will be set out in the Risk Factors section in the Relevant Securities Note.

Credit Risk

The Company and the Cell are newly established. Investors should be aware that the Company and the Cell have no material assets save for the Investment Provider's obligations under the Investment Product and therefore if the Investment Provider fails to meet those obligations, then the Cell will not be able to meet its obligations to Investors and will have no means to do so. Investors should review the "Risks relating to Castle Trust" for an understanding as to the risks associated with the Investment Provider.

Investors should be aware that the Cell's only investments in respect of each Share Class will be in the relevant Investment Product. It is expected that there will be the same counterparty in respect of each Investment Product and accordingly there will be no counterparty risk diversification. The obligations of the Investment Provider under the Investment Products will not be collateralised.

The obligations in respect of the redemption of Shares of each Share Class are solely obligations of the Cell and neither the Investment Provider nor any other person has any obligation to the Shareholders for payment of any amount due in respect of the relevant Shares save that when investors purchase Shares from Castle Trust, they will do so on terms and conditions that incorporate an obligation on the part of Castle Trust to repurchase such Shares on the Maturity Date for an amount equal to the Investment Return. When Shares are initially allotted to Castle Trust, legal title will be held by the Nominee with beneficial title held by Castle Trust. When investors purchase Shares, beneficial title will be transferred to the Shareholder. Shareholders may opt for legal title to be transferred as well. Such Shareholders can opt for Castle Trust not to buy back their Shares and for the Shares to be redeemed from them directly **in which case such Shareholders will no longer be eligible claimants under the FSCS (see below).**

Further details of the Investment Products to be entered into or acquired by the Cell to fund amounts scheduled to be paid by the Cell to Shareholders of a particular Share Class will be set out in the Relevant Summary and Securities Note prepared in relation to such Share Class.

If in respect of any Investment Product attributable to a Share Class (i) the Investment Provider defaults or does not make the payment that it is obliged to pay to the Cell under the relevant Investment Product for any reason; or (ii) an Investment Product is terminated for any reason, there will be a shortfall in the monies to pay the Investment Returns payable and, consequently, the relevant Shareholders may not receive the Investment Return, distributions or any other amounts due. Please also refer to the risk factor entitled "Cross-Share Class Liabilities" below.

*Financial Services Compensation Scheme ("**FSCS**")*

The FSCS is a compensation fund of last resort for customers of firms authorised by the Financial Services Authority. When investing, investors will purchase their Shares from Castle Trust, a purchase which will be governed by the Terms and Conditions. Under the Terms and Conditions, on the maturity of the Shares, Castle Trust will repurchase the Shares for an amount equal to the Investment Return. Castle Trust is authorised and regulated by the Financial Services Authority to carry out regulated activity and is a participant in the FSCS established under the Financial Services and Markets Act 2000. The FSCS can pay compensation to eligible investors if an investment firm (such as Castle Trust) is unable to meet its financial obligations.

The FSCS will be applicable to Shareholders who have purchased their Shares from Castle Trust (or who have inherited their Shares from someone who purchased their Shares from Castle Trust) and who have not opted out of Castle Trust's repurchase obligation in the event that Castle Trust fails to repurchase Shares on the Maturity Date, just prior to their redemption. The FSCS applies by virtue of the buy-back obligation in the Terms and Conditions and a failure by Castle Trust to comply with such obligation and therefore Shareholders who have bought their Shares on the secondary market (if one develops) or who have opted out of the buy-back obligation, will not have recourse to the FSCS. If a Shareholder has suffered a loss as a result of Castle Trust failing to meet its financial and contractual obligations (for example, if it failed to buy back the Shares because it had become insolvent) then the Shareholder would be able to make a claim under the FSCS. Most Shareholders, including most individuals and some small businesses, are covered by the FSCS. In respect of investments, an eligible investor is entitled to claim up to £50,000. For further information please see Part XIV.

There is a risk, however, that the FSCS may cease to operate or will not be sufficiently funded to meet the compensation claims of Shareholders or that applicable Shareholders cease to be eligible claimants under the FSCS and accordingly Shareholders may not be compensated for the full amount of the Investment Return.

Index Risk

Shares issued in respect of particular Share Classes will have a return which is linked to the Index.

No representation or warranty, express or implied, is given on any aspect of the Index by the Cell, the Company or any other person. Investors should seek independent financial advice on the suitability for their purposes of any part of an Investment Return which is derived from the Index.

Each of the following factors may affect the Investment Return in respect of a particular Share Class linked to the Index and none of the Cell, the Company, the Directors or any other person gives any assurance whatsoever nor is under any obligation regarding:

(a) the continuity of an Index;

(b) the continuity in the methodology used in calculating an Index;

(c) the continuity in the collection of data used in the calculation of the Index;

(d) the continuity in the calculation, publication and dissemination of an Index;

(e) the precision, integrity and lack of errors in the composition or calculation of an Index;

(f) the accuracy and use by the Cell of the Index.

Shareholders should note that CTCM may, as described on pages 40 and 41, be involved in calculating the value of the Index applicable to the relevant Shares in the event of:

(i) an Index Disruption Event; or

(ii) determining whether to use a Rebased Index

any determination made by CTCM in the context of any such event or circumstance will be binding on the Cell (in the absence of manifest error) and may affect the Investment Return applicable to the relevant Shares. Any such event or circumstance occurring on or prior to the Reference Date for the relevant Shares may delay the calculation of the Index values and, as a consequence, the payment of the Investment Return to the Shareholders of the relevant Shares may be delayed. Please note the risk of a conflict of interest noted in the risk factor below.

The Investment Return (if any) and/or dividends payable (if any), and the timing of any such payment, may depend on the performance of an Index on specified dates (as set out in the

Relevant Securities Note). Accordingly, prospective investors in the Shares should ensure that they fully understand how the performance of the Index may affect an investment in the Shares.

Any change in the level of the Index during the course of the Investment Term other than the difference between the Initial Index Level and the Final Index Level will not be reflected in the determination of the level of the Index for the purposes of calculating the relevant Investment Return.

The level of an Index may go down as well as up. Furthermore, the level of the Index may not reflect its performance in any prior period. Accordingly, before making an investment decision with respect to the Shares, prospective investors should carefully consider whether an investment linked to the Index and the manner of such linkage are suitable for them.

Conflicts of Interest

Castle Trust and CTCM will have a number of roles in relation to the Share Classes and the Shares and as a result may have a number of potential conflicts of interest.

In respect of each Share Class, CTCM will be appointed by the Cell to provide investment management services to the Cell in respect of that Share Class in accordance with the Management Agreement and marketing services to the Cell in respect of that Share Class in accordance with the Marketing Agreement. CTCM is a subsidiary of Castle Trust. Castle Trust will be the Investment Provider in respect of the Investment Products in respect of each Share Class.

Castle Trust and/or its Affiliates may contract with the Company (acting in respect of itself or any protected cell in the Company) and/or enter into transactions which relate to a Share Class, the Shares issued in respect of any Share Class and any Investment Products and as a result Castle Trust may face a conflict between its obligations as counterparty and its interests and/or its Affiliates' interests in other capacities.

Castle Trust and CTCM will have regard to their obligations to act in accordance with the rules of the FSA and any other regulatory regime to which they are subject and their obligations to other clients. Castle Trust and CTCM will use their reasonable endeavours to procure that any such conflicts of interest are resolved fairly to ensure that the interests of the Company, the Cell and the Shareholders (as applicable) are not unfairly prejudiced. However, where any such conflict is resolved in this way, such resolution may be adverse to the Cell, the relevant Share Class and the relevant Shareholders or to the interests of the Cell, the relevant Share Class and the relevant Shareholders.

Risks relating to Castle Trust – the Investment Provider

Castle Trust provides partnership mortgages ("**Partnership Mortgages**") to homebuyers and homeowners. A Partnership Mortgage is a mortgage for 20% of the value of a property, advanced alongside a 60% (or less) capital and interest mortgage from a traditional lender. The customer must provide a minimum 20% deposit (or retain 20% equity if using a Partnership Mortgage and not purchasing a property). Partnership Mortgages are only issued to good credit quality customers for the purchase or remortgage of their primary residence. There are no monthly payments on the Partnership Mortgage. At the end of the mortgage term or on sale of the property, Castle Trust receives its principal back:

- plus 40% of the increase in property value, if the property has increased in value; or
- less 20% of the decrease in property value, if the property has decreased in value in relation to Partnership Mortgages used to purchase a home; that is to say the homebuyer would repay less than the amount borrowed. For homeowners who take a Partnership Mortgage to remortgage an existing home,

or who sell their property within 12 months, the repayment would just be the original amount of the Partnership Mortgage.

Castle Trust is the only counterparty for the purposes of the Investment Products. This means that the risks Castle Trust faces as a result of its Partnership Mortgage lending operation and its cash investment operation may adversely impact its solvency and will directly affect its ability to meet payments due to the Company under the terms of the Investment Products. Various factors could adversely impact Castle Trust's solvency including the following:

Castle Trust's exposure to the creditworthiness of borrowers

Members of Castle Trust's management team and board have significant experience in managing the creditworthiness of borrowers. However, Castle Trust may be exposed to the risk of borrowers defaulting on their repayment obligations. In particular, if a borrower defaults on his primary mortgage, the borrower will be required to pay an interest charge as well as to repay the Partnership Mortgage early. If a borrower has defaulted then it is likely that he will also struggle to pay such interest charge and will also struggle to repay the Partnership Mortgage. Such a default by individual borrowers is an inherent risk of the business but would have little impact on Castle Trust's business. However, systemic default by many borrowers would, if it occurred, have a significant impact on Castle Trust's business.

Castle Trust's exposure to macroeconomic factors

Macroeconomic factors including, but not limited to developments in the on-going UK and global economic environment, could adversely impact the Castle Trust's business and operating results. Over the last few years, the global economy has been experiencing a period of significant turbulence and uncertainty. Castle Trust's performance depends to a certain extent on a number of macro-economic factors outside the control of Castle Trust which impact on UK house buying and mortgage lending, including political, financial and economic conditions. Factors which impact on house buying and mortgage lending include, among other things, gross domestic product growth, unemployment rates, consumer confidence, social and industrial unrest, the availability and cost of credit, interest rates, taxation, and regulatory changes.

The future and long-term impact that UK macroeconomic factors will have on Castle Trust is difficult to predict. The weak economic conditions in the UK have led to a deterioration in consumer confidence and lower volumes of residential property transactions which could reduce the level of demand for Castle Trust's Partnership Mortgages. There can be no assurance as to levels of future economic growth and further significant deterioration in the UK's economy could have an adverse impact on the future results of operations of Castle Trust. Moreover, any future economic growth may be modest. The impact and duration of the UK economic weakness has proven very difficult to predict and this will apply to any further deterioration or any recovery.

Macroeconomic factors, including the current economic weakness in the UK could result in an increased risk that borrowers may face personal financial difficulties which impact their ability to service the required repayments on their primary mortgages, which in turn could result in borrowers being unable to repay the Partnership Mortgage. Such a default by individual borrowers is an inherent risk of the business but would have little impact on Castle Trust's business. However, a systemic failure by a significant proportion of Partnership Mortgage borrowers at any given time may have an adverse effect on the Castle Trust's financial condition and future prospects.

Castle Trust's regulatory risk

Castle Trust's management team and board have significant experience in managing regulatory relationships. Castle Trust provides services which are subject to regulation by the FSA and the Office of Fair Trading and such regulation is likely to increase. Failure of Castle

Trust to implement and maintain appropriate processes and controls to ensure that it does not sell services or products which are not suitable for clients and to ensure that the conduct of Castle Trust's other activities comply with the relevant regulations, or failure of Castle Trust to review and update its regulatory permissions and the status of its authorised persons so as to ensure that its existing and new activities as they develop, are consistent with Castle Trust's regulatory permissions and authorisations, could lead to public reprimand, the imposition of significant fines, the revocations of permissions or authorisations and/or regulatory sanctions. Any of these could lead to adverse publicity and reputational damage as well as financial loss, all of which could have a material adverse effect on the business, results of operations, financial condition and prospects of Castle Trust.

Castle Trust's asset and liability matching risk

Castle Trust's Partnership Mortgages are not readily tradable, and if the time from origination to repayment is longer than usual in the UK mortgage market (since Q4 1999 the implied average duration has varied from 4.1 years to 9.5 years according to publicly available information sourced from the Bank of England and analysed by Castle Trust) Castle Trust may not have sufficient liquid resources to meet its obligations as the Investment Provider.

Castle Trust seeks to match the constituents of the Index meaning that its assets should match its Investment Product liabilities. However, there remains the risk that the Index will outperform Castle Trust's assets and therefore it may be unable to meet its liabilities under the Investment Product if Castle Trust holds insufficient cash or fixed or floating rate income securities. Changes to the methodology, rules or data used by the Index Sponsor in calculating the Index may reduce the ability of Castle Trust to match its assets and liabilities. The Castle Trust Directors believe that the probability of basis risk having such an extreme impact that Castle Trust will be unable to meet its liabilities is low. This is because in the event that Castle Trust sees general falls in the value of properties for which it has provided Partnership Mortgages then, providing that such properties are a reflective sample of properties that make up the Index, the Index will fall in a similar manner, reducing Castle Trust's liabilities under the Investment Product and the Company's liabilities to Shareholders. In circumstances where there is a greater than 25% fall in national property values, the likelihood is increased that borrowers will have moved into negative equity, thereby exposing Castle Trust to greater potential for a loss on foreclosure. The probability of this occurring is considered by Castle Trust to be low because historical trends indicate that it is very unlikely to happen but it may have a significant impact on Castle Trust's business if it were to occur.

Asset and liability matching is core to Castle Trust's business model and Castle Trust's management team and board have significant experience in managing the matching of assets and liabilities. Castle Trust will seek to match the expected duration of the HouSA investments to the expected average mortgage duration. To provide a liquidity buffer for fluctuations around the expected average duration, Castle Trust targets retaining a minimum of 20% of funds raised from HouSAs in liquid assets such as money market, cash and cash equivalents.

Castle Trust's risk of losing key employees

The ability to successfully operate and grow the Castle Trust business is largely dependent on the efforts, abilities and services of senior management and other key employees. Castle Trust's future success will also depend on, among other factors, its ability to attract and retain qualified personnel, either through internal training and promotion, direct hiring or the acquisition of other businesses employing such professionals. In particular, Castle Trust's management team have developed an important understanding of both the market for Partnership Mortgages and the Index. As Castle Trust develops the Partnership Mortgage market and builds on relationships with primary mortgage lenders it will need to retain additional skilled employees to maintain such relationships. An inability to attract and retain key employees could materially adversely impact on Castle Trust's business, operating results or financial condition.

Castle Trust's risk as a new business

Members of Castle Trust's management team and board have significant experience in establishing and running new businesses and developing and marketing shared equity products similar to Partnership Mortgages. Castle Trust is a newly formed entity with no operating history and no revenues. It will not commence operations prior to obtaining the advances to it under the Investment Product of the Proceeds of the Offer from the Company. As with any new business, there is a limited basis on which to evaluate the level of demand for, or Castle Trust's ability to sell, Partnership Mortgages. Castle Trust cannot be certain that its business strategy will be successful or that it will successfully address this risk over the long term.

Cross-Share Class Liabilities

The structure of the Cell allows for the creation of multiple Share Classes and the Articles provide that the assets of one Share Class are only available to holders of shares in that Share Class. In the event that the amount paid by Castle Trust under the Investment Product of a particular Share Class is insufficient such that the Investment Returns of the Share Class payable exceed the amounts received under the Investment Product, no Shareholder of that Share Class will be entitled to recover from the Investment Returns of other Share Classes, and accordingly they will suffer loss to the extent that they are not able to recover compensation from Castle Trust or under the FSCS (see further the risk factor entitled *"Financial Services Compensation Scheme"* above). However, the Directors intend to manage the affairs of the Cell such as to minimise any such risk and in particular it is not anticipated that any borrowing or other significant liabilities will be effected or incurred at Share Class level.

Risks relating to the Index

The Index is designed to track the performance of the UK housing market by reflecting the movements in prices of UK housing.

The Index's exposure to the UK housing market is purely notional. There are no assets to which any person is entitled or in which any person has any ownership interest or which serve as collateral for any Investment Product related to the Index. In particular, Shareholders will not have any rights in respect of the Index.

The Index Sponsor is under no obligation to continue the calculation, publication and dissemination of the Index. The Index may be terminated at any time by the Index Sponsor. Should the Index cease to exist, this may have a negative impact on the return on any investment in Shares. CTCM will have to find an alternative index or means of calculating the Investment Return which may depress the actual Investment Return realised. Castle Trust will have to do the same in respect of the Investment Product. Please refer to pages 40 and 41 for further details relating to the adjustment of an index.

The methodology and rules relating to the Index may be changed (such as being amended, modified or adjusted) from time to time by the Index Sponsor. The data utilised by the Index Sponsor will change from month to month due to market conditions, customer profile, the Index Sponsor's underwriting criteria and marketing intentions. Any such change may have an adverse effect on the level of the Index and will occur without the consent of or notice to Shareholders. Shareholders do not have a right to notice of or to veto such changes.

The Index is designed to track the UK housing market. As such, the Index can be volatile and affected by many economic factors outside the control of the Cell, the Company and the Index Sponsor. Shocks to the economy and financial system can have significant negative impacts on the UK housing market, and therefore, the Index. Before buying Shares, prospective investors should carefully consider the behaviour of the Index and have in mind that not only economic factors such as interest rate volatility, but also geographical and political factors may affect the Index.

The Final Index Level is the level of the Index as at the Reference Date as set out in the Relevant Securities Note. This level may not be the highest level of the Index over the period of the Investment Term.

The level of the Index may go down as well as up and past performance is not a guarantee of future performance.

No assurance can be given that the investment objectives will be successful or that the Index will outperform any alternative house price index that might be employed.

The risks listed above and in the Relevant Summary and Securities Note are those risks that the Directors of the Company and the Cell, as at the date of this Registration Document (or, in respect of those risks stated in the Relevant Securities Note, as at the date of that Relevant Summary and Securities Note), are aware of and consider to be material to the Company and its business and should not be considered to be an exhaustive list of the risks which potential investors should consider. Risks that the Directors consider, as at the date of this Registration Document, to be immaterial or of which it is not aware have not been included and potential investors should be aware that the Company and its business may be exposed to other risks not considered material by the Directors based on information currently available to it or which it is not currently able to anticipate. In the event that the Directors of the Company consider there to have been a significant new factor or risk that is not disclosed in this Registration Document or the Relevant Securities Note and Relevant Summary, the Company will publish a supplementary prospectus.

PART II

OVERVIEW OF CASTLE TRUST AND ITS BUSINESS

BACKGROUND TO CASTLE TRUST AND ITS MARKETS

1 Introduction

Castle Trust is a newly established UK mortgage and investment firm. The core of Castle Trust's business is the provision of Partnership Mortgages to UK customers and house-price linked investments to investors who, the Castle Trust Directors believe, are not being adequately served by the product range available from existing banks and investment firms. Partnership Mortgages will be funded by shareholder equity and by the issue of HouSA investments by the Company which will pay the net proceeds of such issues to Castle Trust to allow Castle Trust to offer its Partnership Mortgages. Further details regarding Partnership Mortgages and HouSAs can be found on pages 17, 18 and 19 respectively.

Castle Trust, which was incorporated in 2010, operates predominantly from its head office in Central London, and had 21 permanent employees as at 31 March 2012.

Castle Trust intends to establish a diversified lending portfolio of Partnership Mortgages. Potential borrowers will be primarily reached through carefully selected distribution partners providing mortgage advice to customers. Castle Trust has developed products and underwriting technology and processes to enable it to make lending decisions quickly, expected to often be on an automated basis.

The Castle Trust Directors believe that by virtue of its ability to gain exposure to the UK housing market via Partnership Mortgages and the absence of large fixed overheads in the form of a branch network, Castle Trust is able to offer competitively priced retail investments, being HouSAs. Castle Trust intends to have all of its lending entirely funded by HouSA investments or its own equity and, accordingly Castle Trust has no exposure to wholesale funding. To reduce liquidity risk, Castle Trust intends to actively manage the blend of HouSA investments (ranging from three to ten years) with the expected duration profile of the Partnership Mortgage portfolio (which is based on UK experience) using its systems and controls.

As at the date of this Registration Document, Castle Trust had over £50 million of shareholders equity and held over £50 million of liquid assets. In September 2012 Castle Trust received a £50.6m injection of share capital from its sole shareholder, Castle Trust Holdings (Jersey) Limited, to support the business in its operations and provide an adequate buffer above its regulatory capital requirements. This followed Castle Trust meeting all conditions required for business launch.

If the share capital injection had occurred at 31 March 2012, the date to which Castle Trust's latest unaudited half year financial report was prepared, and for illustrative purposes only, this would have increased shareholders' funds from £4.03 million at that date. The injection of share capital will not have an impact on the earnings of Castle Trust.

2 History

Castle Trust was incorporated in 2010. Since its incorporation, Castle Trust has been hiring the necessary people and establishing the necessary commercial relationships, authorisations, licenses, systems, controls, business processes and infrastructure to enable it to trade.

During the last 24 months Castle Trust has hired its management team including Sean Oldfield as Chief Executive Officer, Keith Abercromby as Chief Financial Officer, as well as all other members of the management team. Further details can be found on pages 22 to 24.

On 11 August 2011, Castle Trust was licensed by the OFT to provide consumer credit products and on 5 September 2012 was authorised by the FSA to undertake regulated investment business with retail customers. In 2012, Castle Trust executed contracts with distribution partners to enable the distribution of both Partnership Mortgages and HouSAs. Castle Trust has also signed administration agreements with IFDS and Target Group (together the "Third Party Administrators").

3 UK residential property mortgage market, retail deposit and investment markets

Residential Property

The value of UK residential property is over £4,000 billion as at June 2012, which is greater than UK shares, gilts and commercial property combined. However, despite its value, it has been difficult to invest in because the majority of properties are owner-occupied, which by definition means that they are not owned by external investors.

The value of the housing market is influenced by many different factors including credit conditions and the availability of mortgage finance, interest rates, employment levels, demographics, planning restrictions, new housing supply, and general market sentiment.

The housing market has the following attractive investment features:

Low volatility: The annualised volatility of the Index is significantly lower than that of UK equities or commercial property. In addition, the Index has historically been more resilient during a market crash. For example: the peak to trough declines for the Index from its peak in August 2007 to March 2009 was 22% whereas the FTSE All Share fell by 48% from October 2007 to March 2009.

Low correlation to other major asset classes: The correlation of the Index is relatively low to that of commercial property and equities.

Relatively high risk-adjusted returns: Including HouSAs within an investment portfolio can provide an increase in the expected return, for a given level of risk or alternatively reduce the level of risk for an expected level of return.

Further information in relation to the Index can be found in Part VIII of the Relevant Securities Note.

Commercial Overview of UK Mortgage Lending

Since late 2008 many UK banks have encountered significant difficulties as the UK (and wider global) economy has experienced weak economic conditions. Certain UK banks continue to face a number of key challenges which, in the opinion of the Castle Trust Directors, include:

• the management of significantly impaired legacy loan books;

• balance sheet restructurings, in particular addressing liquidity, funding and capital issues;

• sizeable and inefficient infrastructure including multiple IT systems; and

• in some cases the impact of being wholly or partly nationalised.

The Castle Trust Directors believe that the above challenges and distractions faced by the established UK banking sector provide Castle Trust with a significant opportunity, as a well-capitalised, long term funded investment firm to grow within its chosen markets.

Set out below is a brief overview of the core markets in which Castle Trust intends to operate.

UK mortgage market

In July 2012, the Bank of England reported that total mortgage loans outstanding were £1,250 billion as at May 2012.

Castle Trust targets certain specific segments of the UK mortgage market, being good credit quality customers with at least a 20% deposit (or existing equity) who would like to reduce the financial risk of owning their home or to withdraw equity from their home to invest sensibly, in exchange for sharing potential future profits or losses. Castle Trust has two mortgage products: Partnership Mortgages for home purchases and Partnership Mortgages for refinancing existing homes. Based on external customer research, the Castle Trust Directors expect Partnership Mortgages may appeal to half of its target customer base. When exclusions for credit and suitability are also included, of the 11.3 million households with a mortgage, the Castle Trust Directors estimate that the target market for Partnership Mortgages is approximately 1 million customers. The Castle Trust Directors estimate customer demand in the target market to be in the order of £30 billion.

UK retail deposit and investment markets

The UK retail deposit market was estimated by the Bank of England to be worth in excess of £1.2 trillion as at 31 December 2011. Castle Trust does not offer deposits. However, some HouSA customers may be switching their holding from deposit and current accounts into HouSAs.

The UK investment market was estimated by the Investment Management Association to be worth in excess of £575 billion as at 31 December 2011, held across, amongst other things, equities, fixed income, money market, mixed asset, property, and ISAs. The Castle Trust Directors expect that most HouSA customers will be switching to HouSAs from their existing investment holding classes in other assets.

The Castle Trust Directors estimate Castle Trust's target retail customer base in the UK for HouSAs to be in the order of £50 billion.

4 **Strategy for growth**

Castle Trust's objective is to build on its position as a new UK mortgage and investment firm through a focus on delivering to customer needs in carefully selected segments of the market, treating customers fairly and adopting a prudent approach to capital and liquidity. The Castle Trust Directors believe that they will achieve this objective through the following strategy:

• Growth in lending – Castle Trust anticipates expanding its approved group of distribution partners and expanding its panel of primary lenders, and is pursuing a number of potential near term opportunities.

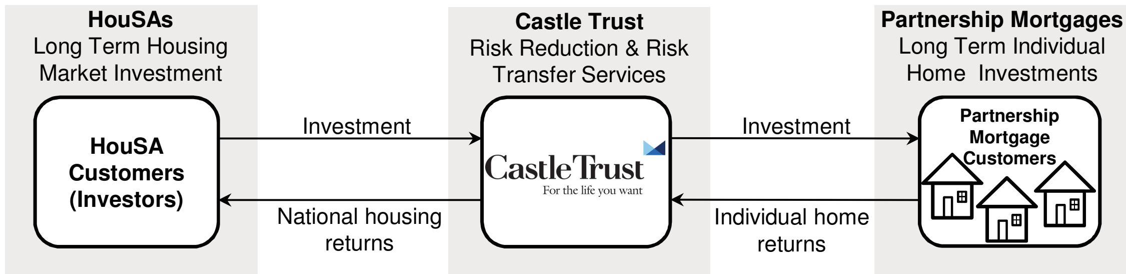
• Growth in retail investments – Castle Trust anticipates expanding its approved group of distribution partners and is pursuing a number of potential near term opportunities.

BUSINESS OVERVIEW OF CASTLE TRUST

1 **Overview of the Castle Trust business model**

The Castle Trust business model takes on homeowners' risk on a small part (20%) of each individual property (reducing the homeowner's risk) and pools it, thereby reducing the overall housing risk on an aggregate basis. This reduced overall housing risk is then, in effect, offered to investors who seek exposure to UK housing returns through the HouSA investments. By providing a means for homeowners and investors to share risk and return, the Castle Trust Directors believe Castle Trust is making the housing finance market in the UK more efficient, creating real value in the system by reducing systemic risk, and allowing all parties to benefit.

The business model is depicted by the following diagram:



Castle Trust manages the house price risk on its balance sheet by matching its HouSA liabilities (which are directly and predictably linked to the Index) with a portfolio of liquid assets and Partnership Mortgages (which are directly and predictably linked to the value of customers' individual houses). The product design, pricing and matching between Castle Trust's assets and liabilities means that Castle Trust's profitability from providing these products is expected to be positive irrespective of whether the Index grows or declines.

2 Partnership Mortgages

A Partnership Mortgage is a mortgage for 20% of the value of a property, advanced alongside a 60% (or less) capital and interest mortgage from a traditional lender. The homebuyer must provide a minimum 20% deposit (or retain 20% equity if using a Partnership Mortgage and not purchasing a property). Partnership Mortgages are only issued to good credit quality customers for the purchase or remortgage of their primary residence. There are no monthly payments on the Partnership Mortgage. At the end of the mortgage term or on the sale of the property, Castle Trust receives its principal back:

- plus 40% of the increase in property value, if the property has increased in value (the "**Profit Share")**; or

- less 20% of the decrease in property value, if the property has decreased in value in relation to Partnership Mortgages used to purchase a home; that is to say the homebuyer would repay less than the amount borrowed (the "**Loss Share**"). For homeowners who take a Partnership Mortgage to remortgage an existing home, or who sell their property within 12 months, the repayment would just be the original amount of the Partnership Mortgage.

Borrowers of a Partnership Mortgage may redeem their Partnership Mortgage before the end of its term. If such borrowers are redeeming their Partnership Mortgage by selling their property 12 months or more from the time they took out the Partnership Mortgage, they must repay Castle Trust in accordance with the terms of the Partnership Mortgage taking into account the Profit Share or the Loss Share if applicable. If the borrower chooses to repay the Partnership Mortgage in full before the end of the mortgage term without selling his home, this is classified as an optional repayment and the borrower will repay the original loan plus the Profit Share subject to a 4.5% per annum minimum repayment amount (4.5% of the original Partnership Mortgage loan amount, multiplied by the number of the days the borrower has held the Partnership Mortgage, divided by 365).

If the borrower sells his home at a loss within 12 months of purchase, Castle Trust will not share that loss and the customer will repay the full amount of the Partnership Mortgage borrowed.

If the borrower decides to make a partial repayment, the borrower will repay Castle Trust the amount he wants to repay plus the Profit Share applicable on the amount being repaid subject to a 4.5% per annum minimum repayment amount on the amount of the Partnership Mortgage that is being repaid.

A borrower is free to remortgage his primary mortgage at any time, provided the amount borrowed under the primary mortgage is not increased. The only exception to this is when the borrower uses the additional amount borrowed under the primary mortgage to (partially) repay Castle Trust.

A Partnership Mortgage cannot be transferred to a new property. In this instance, a Partnership Mortgage must be repaid but the borrower is free to reapply for a new Partnership Mortgage in relation to the new property purchase.

3 Target Market

There are five categories of target customer for Partnership Mortgages:

(a) existing homeowners who wish to move home and to reduce their monthly mortgage payments;

(b) first time buyers who wish to buy a home and reduce their monthly mortgage payments;

(c) existing homeowners who wish to remortgage their home and to reduce their monthly mortgage payments;

(d) existing homeowners who wish to withdraw equity to help their children onto the property ladder without increasing their own monthly mortgage payments; and

(e) existing homeowners who wish to withdraw equity in order to reduce their financial exposure to the value of their home and to release funds to invest in other assets.

Castle Trust intends to achieve a diverse mortgage portfolio across all UK geographic regions and property types over time.

4 Mortgage Underwriting Process

Partnership Mortgages are only available to owner occupiers, who have a minimum deposit or equity of 20% in their property, and are aged between 18 and 55 years old. Partnership Mortgages are not available for buy-to-let mortgages or on new build properties less than 2 years old.

Castle Trust's mortgage underwriting process is similar to that of many primary mortgage lenders. The Partnership Mortgage application form contains approximately 400 data points which are taken into account when each borrower's application is considered. Appropriate consumer credit checking is conducted using credit reference agencies and industry standard mortgage fraud detection processes have been incorporated into the underwriting process. A detailed affordability assessment is made in all cases, where the borrower's ability to repay is evaluated based upon repayment of the primary and Partnership Mortgage combined (even though monthly payments are not required under the Partnership Mortgage).

5 Primary Lenders

Castle Trust will offer Partnership Mortgages alongside a primary lender's capital and interest mortgage of up to 60% of the value of a property. However the Partnership Mortgage is a stand-alone product; there is no product bundling.

In relation to primary lenders, for customers who are purchasing their home with a Partnership Mortgage, Castle Trust intends to lend alongside a range of both building societies and banks in UK.

Where a customer has an existing primary mortgage and a Partnership Mortgage is subsequently taken out (e.g. for debt reduction or equity withdrawal purposes), the primary lender could be any existing first charge lender which allows second charge mortgages. A significant majority of first charge lenders accept second charge mortgages.

6 HouSAs

Income HouSAs and Growth HouSAs have the same essential features, being fixed term investments offering returns linked to the value of the UK housing market by reference to the performance of the Index. Growth HouSAs deliver a multiple of any increase of the Index (for example 150% for a 5 year investment) and a reduced factor of any decrease of the Index (for example 50% for a 5 year investment). Income HouSAs' capital returns match the Index and they pay a fixed quarterly coupon. HouSAs provide those saving to buy a home with the opportunity to reduce the risk of being priced out of the property market, by allowing them to invest in a product with returns linked to the UK housing market (the asset for which they are saving). They also offer investors the opportunity to diversify their portfolios to include exposure to the UK housing market without the risks and expenses associated with a buy-to-let investment. Both income and capital gains may be sheltered from tax if held within a SIPP or ISA.

7 Partnership Mortgages funded by the HouSAs

The funds received by the Company (which issues Growth HouSAs) and Castle Trust Income HouSA plc (which will issues Income HouSAs) will be paid under the Investment Product to Castle Trust. Castle Trust will use about 80% of such funds to offer Partnership Mortgages, keeping, around 20% of funds received in liquid assets with a maturity of less than two years. This is to ensure that Castle Trust has sufficient liquid resources to meet its expected redemptions over the coming 12 months. Over the longer term, these liquid assets provide a buffer against the peaks and troughs in the rate at which Partnership Mortgages are redeemed. The Investment Products are designed to mature at the same time as the HouSAs mature.

Castle Trust intends to invest all investments and assets excluding Partnership Mortgages and assets held for operational reasons (for example fixed assets) in accordance with its investment policy. Restrictions under this policy include:

- all investments must have a maturity of less than two years;
- no more than 10% of investments can be held with a single counterparty, or £5m if greater. For Castle Trust's principal banking relationship, HSBC, this limited is increased to £10m if greater to cover both operational and investment banking requirements and excludes client money accounts; and
- a minimum long term credit rating of A- is required for bank deposits and a minimum credit rating of AA is required for sterling liquidity funds.

Castle Trust will pay the amounts payable (which will be equal to the Investment Return due on those maturing Growth HouSA shares and the investment return due on the maturing Income HouSA loan notes, enabling the Castle Trust PCC and Castle Trust Income HouSA plc to redeem the shares and loan notes they have issued).

Further details in relation to this funds flow can be found in Part V.

8 Distribution

Castle Trust will distribute Partnership Mortgages exclusively via an approved group of mortgage adviser intermediaries in the UK. Each mortgage adviser group is subject to due diligence and on-going monitoring and review by Castle Trust with the aim of ensuring appropriate systems and controls over distribution of Partnership Mortgage products. Each individual mortgage adviser is required to complete a Chartered Insurance Institute accredited training programme prior to advising clients on Partnership Mortgages. To mitigate basis risk, the intention is to have an appropriate geographic spread of mortgage intermediaries across the UK advising on Partnership Mortgages.

Castle Trust intends to distribute HouSAs primarily via FSA authorised investment intermediaries of varying size, with a strong bias towards larger distributors. All larger investment intermediaries with whom Castle Trust deals are subject to due diligence and on-going review by Castle Trust, with the aim of controlling and monitoring the quality of distribution to ensure suitability of advice and the management of compliance risk. Castle Trust has developed adviser training materials for use by HouSA intermediaries which have been accredited by the Chartered Insurance Institute.

9 Key Service Providers

Castle Trust has appointed specialist third party service providers to support the business. Target Servicing Limited has been appointed to provide administration services in relation to the Partnership Mortgage products. International Financial Data Services Limited has been appointed to provide administration services in respect of the HouSA products.

10 Head office

Castle Trust operates mainly from its head office premises in Central London where Castle Trust employs staff fulfilling management, finance, risk, compliance, distributor management, credit, underwriting, IT, marketing, HR and administration roles. Castle Trust had 21 permanent employees as at 31 March 2012.

11 Competitors

Whilst Castle Trust key competitors vary across its product lines, in the opinion of the Castle Trust Directors, the general level of competition within Castle Trust's chosen lending and investment markets is indirect via different product sets. The Castle Trust Directors believe that in its two markets, the principal source of competition is likely to be:

• Partnership Mortgages: banks and building societies providing traditional mortgages; and

• HouSAs: asset managers, life companies and investment trusts competing with offerings in other asset classes including equity, fixed income and commercial property.

12 Strategy for growth

Castle Trust's strategy is to build an established UK retail presence through a focus on offering products which deliver to customer needs in carefully selected segments of the market through carefully selected distribution partners, treating customers fairly, prudent underwriting and a prudent approach to capital and liquidity. It intends to continue growing its business through professional and responsible lending across existing and new lending segments and the introduction of new distribution partners.

13 Castle Trust's Asset and Liability Management

Asset and liability matching is a core part of the Castle Trust business model. Castle Trust has developed financial risk systems and processes to monitor and manage the risks to which it is exposed. The three most important risks are: house price risk; basis risk and duration risk. These are discussed in turn below.

House price risk is the difference between the Index exposure of the HouSAs and the individual house price exposure of the Partnership Mortgages. For example, if Castle Trust has issued too many Partnership Mortgages compared to HouSAs then Castle Trust could make a loss if house prices fall. This risk will be managed by the lending of Partnership Mortgages and HouSA issuance. Castle Trust will not issue more Partnership Mortgages than it can fund via HouSAs, and if required will scale back HouSA issuance accordingly. A fall in house prices reduces the value of both Castle

Trust's assets (the Partnership Mortgages) and liabilities (the Growth HouSAs and the Income HouSAs). The net impact of this is to mitigate the impact of falling house prices on Castle Trust. Further information in relation to the management of house price risk can be found on page 106 in the paragraph titled "House price risk management".

Basis risk is the component of house price risk that the returns on a portfolio of individual houses do not follow the returns on the Index. Castle Trust has developed methodologies and systems to manage its basis risk across geography, borrower type, property type and property age. Where a variance is identified which requires management action, there are various measures which Castle Trust can adopt, such as adjusting its mortgage underwriting process, growing or decreasing its Partnership Mortgage distribution partners, or ultimately ceasing to lend in areas where the Partnership Mortgage portfolio is extremely overweight. Partnership Mortgage gross issuance is monitored and controlled according to geographic distribution, borrower type, property type and property age.

Duration risk is the risk that the portfolio of Partnership Mortgages will mature before or after the portfolio of HouSAs. Castle Trust intends to manage duration risk by: investing a proportion of the funds raised from HouSA issuance into liquid assets; controlling the distribution of HouSA issuance to balance the average term of the HouSAs with the term of the portfolio of Partnership Mortgages; and in certain circumstances, not accepting or offering early redemptions of the HouSAs. In general, duration risk will decrease as Castle Trust's balance sheet grows because the duration of a portfolio of Partnership Mortgages is much more stable and predictable than the duration of an individual mortgage. The risk management systems model the assets (Partnership Mortgages) and liabilities (HouSAs) over their lifetime and the net cashflows arising. This is the basis for monitoring and controlling duration risk. The duration of the liabilities is targeted to match the expected duration of the assets. The contractual liability of the primary assets (Partnership Mortgages) is typically much longer than their expected duration (due to people moving house and remortgaging). The capital management and liquidity policies are designed to address any experienced mismatch between the actual duration of such assets and the liabilities under the HouSAs as they occur. Further information in relation to the management of duration risk can be found on page 106 in the paragraph titled "Liquidity risk management".

Castle Trust's financial risk management is overseen by the board risk committee which reports to the Castle Trust Directors. The Castle Trust Board benefits from board members with extensive experience of asset and liability matching and financial risk control: Dr David Morgan A.O., former CEO of Westpac Banking Corporation; Timothy Hanford, chair of the Risk Committee of Pension Insurance Corporation and a former director of Schroders; and the chief financial officer, Keith Abercromby, former Group Finance Director of Liverpool Victoria Friendly Society and board member of a number of UK financial institutions.

Further information can be found in Part X of this document.

14 Regulatory Capital

Castle Trust is a limited license BIPRU investment firm subject to the regulatory capital rules of the FSA.

As at the date of this Registration Document, Castle Trust had in excess of £50m core Tier 1 regulatory capital prior to writing any business.

Castle Trust's regulatory capital position has been, and will continue to be, monitored as part of the Group ICAAP within which Castle Trust's capital resources and requirements are calculated separately. The ICAAP is updated annually with the capital requirements forming an integral part of Castle Trust's 5 year planning and budgeting process.

15 Current trading

Castle Trust's principal activities during the period ended 30 September 2011 and until the date of this Prospectus have been planning, preparation and building the regulatory, operational and commercial relationships and infrastructure required in order to launch the Castle Trust business – comprising the HouSA investment products and the Partnership Mortgage lending products.

16 Directors, Key Management Team and Employees

Directors of Castle Trust

Sir Callum McCarthy (Non-Executive Chairman)

Non-executive director of the Industrial and Commercial Bank of China and IntercontinentalExchange. Previously the Chairman of the FSA, J.C. Flowers & Co. Europe, Chairman and Chief Executive of Ofgem and its predecessors, CEO of Barclays Bank North America and Barclays Bank Japan. In his role as former Chairman of the FSA, Sir Callum's role included oversight of prudential and conduct regulation of all regulated financial institutions, including banks and building societies which have in the order of £1,000 billion of exposure to residential property via mortgages.

Dr David Morgan, AO (Non-Executive Director)

Chairman of Castle Trust's board remuneration committee, Managing Director of J.C. Flowers & Co. for Europe and Asia Pacific, non-executive director of OneSavings Bank (a regulated UK residential mortgage provider) and non-executive director of Pension Corporation. From 1999 to 2008, David was the CEO of Westpac Banking Corporation and helped it grow to be one of the largest banks in Australia. It is one of the top 20 banks worldwide by market capitalisation. While Dr Morgan was CEO, Westpac was described as one of the world's most socially responsible banks, and in 2002 released a Social Impact Report that outlined the bank's plan to meet the highest international standards in the area of corporate social responsibility. While Dr Morgan was CEO, Westpac was assessed as the global sustainability leader for the banking sector in the Dow Jones Sustainability Index from 2004–2007. In 2009, Dr Morgan was awarded an Order of Australia in the Australia Day Honours by the Federal Government for his service to the finance sector as a leader in the development of policies affecting the regulation of financial institutions, corporate social responsibility, and economic reform. Before Westpac, David was the second most senior member of the Australian Treasury.

Dame Deirdre Hutton CBE (Independent Non-Executive Director)

Chair of the Civil Aviation Authority, a non-executive director of HM Treasury, non-executive director of Thames Water, former deputy chair of the FSA, chair of the National Consumer Council, Scottish Consumer Council and the Personal Investment Authority Ombudsman Bureau. In her role as former deputy chair of the FSA, Dame Deirdre's role included oversight of prudential and conduct regulation of all regulated financial institutions, including banks and building societies which have in the order of £1,000 billion of exposure to residential property via mortgages.

The Rt Hon The Lord Deben (Independent Non-Executive Director)

A former Secretary of State for the Environment (including the Ministry of Housing and Local Government, where his responsibilities included housing market investment policy). A Minister under Margaret Thatcher and John Major and now a director of a number of businesses concerned with environmental, social and ethical issues, including Chairman of Veolia Water UK, Valpak and Sancroft.

Mr Tim Hanford (Non-Executive Director)

Managing director of JC Flowers & Co., a director of OneSavings Bank (a regulated UK residential mortgage provider), Pension Insurance Corporation (chair of Risk Committee), Shelbourne Syndicate Services Limited (Lloyds) and JSCB Investtradebank. Formerly co-head of FPK Capital, head of private equity at Dresdner and a director of Schroders.

Mr Patrick Gale (Independent Non-Executive Director)

Non-executive director of Aztec Group, and a member of the risk, remuneration and audit committees, a senior adviser to Boston Consulting Group and formerly CEO of Sesame (the UK's largest IFA network).

Mr Richard Ramsay (Independent Non-Executive Director)

Chairman of Wolsey Group Limited (which is a specialist UK residential property finance business), Redstone plc and Northcourt. Previously a director of the Shareholder Executive, Managing Director of Regulation and Financial Affairs at Ofgem and a director of Intelli Corporate Finance, Ivory & Sime and Aberdeen Football Club.

Mr Sean Oldfield (Chief Executive Officer)

Sean undertook the necessary work to establish the business of Castle Trust in the UK prior to its being funded by J.C. Flowers & Co. Roles before that include being a division director at Macquarie Bank in London, running the Public Market Strategies Group, establishing a business in Australia which provided a shared equity mortgage product and a mergers and acquisitions practitioner with Macquarie Bank in Sydney, Singapore, London and Madrid. Sean has degrees in Chemical Engineering (Hons) and Commerce (major in Finance) from the University of Sydney.

Mr Keith Abercromby (Chief Financial Officer)

Keith was most recently the Group Finance Director of Liverpool Victoria Friendly Society, a mutual focused on asset management, banking, life insurance and general insurance with assets of £8billion, 4000 employees and 4million customers. Principal roles before that were Finance Director for Norwich Union Life and its subsidiaries (NU Life, CU Life, GA Life plus others). From 2003 to 2005 roles included being Finance Director for HBOS Insurance & Investment Division, HBOS Financial Services, Clerical Medical, Halifax Life and others. From 2000 to 2003 Keith was the CEO for Halifax Financial Services and COO for HBOS Insurance & Investment Division. Before that Keith was responsible for product strategy and risk for the Halifax Retail Bank, as part of which his role included running asset and liability management. At the time, Halifax Retail Bank had assets of approximately £100 billion and was the UK's largest residential property mortgage provider. Keith has a mathematics degree and is a qualified actuary.

Key Management Team members

Martyn Guerin (Chief Operating Officer)

Martyn was with Barclays for 27 years where his last role was as General Manager for Barclaycard's Credit Card and Loans business in Germany, which had assets of £1.3 billion, 1 million customers and 500 employees. Before this role he was the Chief Operating Officer for Barclaycard International where he was accountable for the Operations and Technology functions across Western Europe and South Africa (3million customers and 2,500 employees) and for building capabilities to support the launch of new credit card businesses in India and UAE. During his time at Barclays, Martyn also performed a number of executive and senior leadership roles in operations, IT, strategy and change management in consumer and corporate businesses in the UK and abroad.

Tony Pauley (Chief Technology Officer)

Tony was a principal at Mercer, part of the Marsh & McLennan Companies Group, for 11 years (1999 to 2010). Most recently Tony was the technology leader responsible for the launch of Mercer Dynamic De-risking Solution (MDDS), in the UK and Ireland. Before that Tony was responsible for replacing Mercer's pension-valuation systems globally (a £30million project spanning six years). As Global

Business Architect for Mercer's Retirement business, Tony was responsible for making sure that the pension systems met local laws in the UK, US, Canada, and Germany, as well as maintaining SAS70 certification of Mercer's Retirement Technology Group. Before his experience at Mercer, Tony was with Towers Perrin from 1995 to 1999. Tony has a mathematics and statistics degree and is a qualified actuary.

Mikkel Bates (Head of Marketing)

Mikkel has over 30 years' financial services, marketing and sales support experience, including 11 years at Société Générale Asset Management UK (SGAM UK), where he was Head of Marketing, responsible for marketing and communications for both the retail and institutional channels, and contributed to SGAM group's international marketing strategy. He has also sat on committees at the Investment Management Association (IMA) and the Tax Incentivised Savings Association (TISA). After leaving SGAM UK, he provided marketing and technical advice relating to UCITS IV to asset-management companies. Mikkel has an honours degree in business administration from the University of Bath.

James Neave (Head of Lending)

James was previously Managing Director of CoreLogic Solutions Ltd, a leading provider of services to the UK residential-mortgage industry. CoreLogic's products include mortgage-fraud detection software for underwriting and credit decisions, and an automated property valuation model using a large database of UK property. Data Protection and IT security are critical elements for both products. His previous roles were Head of Valuation Services for Rightmove.co.uk, responsible for designing and building their AVM (2004 to 2007), Senior Design Engineer for Cambridge Consultants Ltd, focused on mathematical modelling and simulation of physical processes (1999 to 2003). James has an engineering degree from Oxford, is a chartered engineer, and has an MBA from Cambridge.

Mike Hughes (Commercial Director)

Mike has significant experience in a wide range of businesses within the financial-services sector. He was CEO of Burns Anderson PLC, the longest established IFA network in the UK, which he developed into a well-respected, profitable and growing business, serving over 400,000 customers. Before that Mike was a Director of Legal & General Bank Ltd, which won a number of awards for customer service and value. Mike has had various customer-based and strategic roles at Bristol & West Building Society, which had 164 branches and over a million customers. Mike has an MBA, with distinction, from The University of Warwick.

Mark Banham (General Counsel)

Mark has been General Counsel at Castle Trust since April 2011, having worked in financial services since 1998. Prior to Castle Trust, he was Head of Legal for the alternative asset management business of Phoenix Group (assets of £70bn) from 2008, supporting their fund of hedge fund, private equity and property businesses. Previous roles include Legal & Product Development Director at Skandia Investment Management Limited, as well as positions at Hogan Lovells, HSBC Alternative Investments and Aurum Funds. Mark is a Barrister (Inner Temple, 1996), with a Postgraduate Diploma in Law, and an Economics degree from Cambridge University.

Employees

Castle Trust had 21 permanent employees as at 31 March 2012, including two executive directors (but excluding non-executive directors). All of Castle Trust's employees are based in the UK.

17 Incentive Arrangements

The Castle Trust Directors believe that an important factor in Castle Trust's success is its ability to motivate and retain its key employees.

The remuneration committee has reviewed the structure of remuneration for executive directors and senior management with a view to developing and implementing remuneration policies which both provide an appropriate motivational framework and align the interests of the senior management with the performance of the business, customers and the interests of the shareholders.

As part of this exercise, the remuneration committee has decided that the introduction of the Long Term Incentive Plan (“Plan”) will support Castle Trust’s business strategy in the future.

The Plan, which was adopted in December 2010, will allocate incentive points and align participants’ longer term economic interests with those of shareholders. The Plan also reflects the remuneration committee’s policy of linking remuneration to the performance of Castle Trust.

In addition to the Plan, Castle Trust will operate a discretionary bonus scheme (the “Bonus Scheme”) in relation to certain employees. Any award of bonuses under the Bonus Scheme will be made at the discretion of the remuneration committee.

The Castle Trust Directors believe, on the basis that it is a Tier Four Firm for the purposes of the FSA Remuneration Code, that the terms of both the Plan, the Bonus Scheme and the other aspects of the remuneration arrangements of Castle Trust are compliant with the requirements of the FSA Remuneration Code in force as at the date of this Registration Document.

18 Dividends Policy for Castle Trust

Castle Trust intends to start trading on 1 October 2012 and does not anticipate paying a dividend in respect of the first year of trading. Thereafter, prior to approving a dividend, the board of Castle Trust will satisfy itself that after any such dividend had been paid, Castle Trust would retain surplus capital resources in excess of its regulatory capital requirements.

19 Use of proceeds

The proceeds raised from the HouSA offers will enable Castle Trust to lend to UK resident owner occupiers as referred in the paragraph headed ”UK residential property mortgage market, retail deposit and investment markets” of this Part II (with about 20% of proceeds retained for liquid asset investments); thereby generating the necessary returns from Partnership Mortgages which, together with the return on the liquid asset investments, are designed to provide the proceeds to fund returns to investors in HouSAs.

PART III

INFORMATION IN RELATION TO THIS DOCUMENT

Castle Trust, CTCM, JTC and the Listing Sponsor have given and not withdrawn their consent to the inclusion of their names in this document in the form and context in which they appear and solely in their respective capacities as Investment Provider, Investment Manager and Marketing Manager, Administrator and Registrar and Listing Sponsor but otherwise are not required to authorise, and have not authorised, the issue of this document and have not accepted responsibility (except as disclosed on page 98) for, or approved, any statements in this document. None of Castle Trust, CTCM and JTC makes any representation, express or implied, as to the investment returns or performance of any Investment Products or Shares and such statements in this document, as well as all other statements regarding the Company, the Cell or any Share Class (including without limitation and where applicable their respective constitution, objectives and investment policy) are the sole responsibility of the Company, the Cell and their respective Directors. Accordingly, none of Castle Trust, CTCM, JTC and the Listing Sponsor will be responsible to any person for any matter referred to in this document other than their respective obligations as Investment Provider, Investment Manager and Marketing Manager, Administrator and Registrar and Listing Sponsor or in relation to the information set out in those sections for which they are responsible.

The Listing Sponsor, as sponsor to the listing of the Shares on the CISX, is acting for the Cell and for no one else in such connection and will not be responsible to anyone other than the Cell for providing the protections afforded to customers of the Listing Sponsor or for affording advice in relation to the contents of this document or any other matters referred to in this document.

All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Memorandum and Articles of Association of the Cell, copies of which are available as mentioned in this document. A summary of the principal provisions of the Articles of Association is set out in paragraph 6 of Part IX of this document.

This document is required to comply with the Prospectus Directive and the prospectus rules of the FSA.

Defined terms used in this document shall have the meanings attributed to them in the Glossary of Terms and Definitions section, which commences on page 114 of this document.

No incorporation of website information

The content of any of the websites of the Company, the Cell, Castle Trust or CTCM does not form part of this document and prospective investors should not rely on it.

PART IV

DIRECTORS, REGISTERED OFFICE, SECRETARY AND ADVISERS

Directors of each of the Company and the Cell

Mark Creasey — Director

Philip Burgin — Director

Miranda Lansdowne — Director

Anthony Underwood-Whitney — Director

Company Secretary

JTC (Jersey) Limited

Registered and Head Office

Elizabeth House
9 Castle Street
St. Helier
Jersey JE4 2QP

English legal advisers to the Company and the Cell

Macfarlanes LLP
20 Cursitor Street
London
EC4A 1LT

Jersey legal advisers to the Company and the Cell

Carey Olsen
47 Esplanade
St Helier
Jersey
JE1 0BD

CISX Listing Sponsor

JTC Listing Services Limited
Elizabeth House
9 Castle Street
St. Helier
Jersey JE4 2QP

Auditors and Reporting Accountants

Ernst & Young LLP
Liberation House
Castle Street
St Helier
Jersey JE1 1EY

Investment Manager and Marketing Manager

Castle Trust Capital Management Limited
41 Lothbury
London

EC2R 7HG

Registrar and Administrator

JTC (Jersey) Limited
Elizabeth House
9 Castle Street
St. Helier
Jersey JE4 2QP

PART V

INFORMATION ABOUT THE COMPANY AND THE CELL

1 Company and Cell overview

The Company is a Jersey incorporated, closed-ended, protected cell company established on 27 July 2011. The Company currently has one cell established in accordance with the Law, namely the Cell. The structure of the Company allows new cells to be created from time to time although the Directors do not anticipate that the Company will create new cells at this time. The Cell may create new Share Classes each month at the discretion of the Directors. Each Share Class will correspond with a particular Investment Return and a particular Investment Term. In accordance with the Law, persons investing in, or dealing with, a cell of the Company only have recourse, and their interests are limited, to the assets attributable to that cell from time to time, and they have no recourse to the assets of any other cell or the Company itself.

The Company and the Cell each have an unlimited life but the Shares issued in respect of each Share Class will have a Maturity Date on which they will be compulsorily redeemed by the Cell and Shareholders will, following such compulsory redemption or, as the case may be, repurchase by Castle Trust, receive the Investment Return per Share applicable to that Share Class. Details of the Maturity Date for the Shares issued in respect of each Share Class will be set out in the Relevant Securities Note.

For the purposes of Jersey law, the Company is an unregulated exchange-traded fund and is not regulated in Jersey. The JFSC has neither evaluated nor approved the scheme or arrangement of the fund, the parties involved in the promotion, management or administration of the fund or this document. The JFSC has no ongoing responsibility to monitor the performance of the fund, to supervise the management of the fund or to protect the interests of its creditors.

The Cell's main object is the investment of its funds attributable to each Share Class with the aim of achieving the Investment Return applicable to Shares of that Share Class.

2 History of the Company and the Cell

The Company is a newly incorporated entity and as such has no track record. Its only activity to date has been the establishment of the Cell. The Cell has been set up to provide investment opportunities for investors that track the performance of the UK housing market. The funds raised by the Offers of Shares will ultimately be used to invest in Investment Products and the Investment Return will be calculated by reference to the Index, depending on the term and Share Class in which a Shareholder has invested.

Further information on the Company and the Cell can be found in Part IX.

3 Investment Policy and Objective

The investment objective of the Cell is to provide a return to Shareholders of each Share Class equal to the Investment Return of the relevant Share Class on the relevant Maturity Date.

The Cell will not pay a dividend in respect of any Share.

The only source of funding that will be available to the Cell to enter into the Investment

Products designed to generate the Investment Return in respect of any Shares will derive from the capital subscribed by the subscribers of such Shares.

The Cell and its Directors, in consultation with the Investment Manager, are responsible for the formulation of the investment policy of each Share Class and any subsequent change to that policy. The Investment Manager will arrange and provide the investment opportunities for the Company and the Cell, namely the Investment Products.

In order to generate the Investment Return, the Cell will enter into the Investment Product with the Investment Provider. Under the Investment Product, the monies received by the Cell for subscription for Shares will be advanced (net of fees) to the Investment Provider for a period equal to the Investment Term. On or about the Maturity Date of such Shares, the Investment Product will expire and trigger a payment from the Investment Provider to the Cell for an amount equal to the Investment Return for each Share maturing. The Shares will then be redeemed for an amount equal to the Investment Return.

In the absence of unforeseen circumstances, the investment objectives and policies of the Cell with respect to each Share Class will be adhered to for the Investment Term of that Share Class. Any change in the investment objectives and/or policies of the Cell will only be made in exceptional circumstances and then only with the prior approval of the Shareholders of the Shares issued in respect of that Share Class by way of Special Resolution.

It is the intention of the Directors that the investment objectives for each Share Class will be achieved by investing the Proceeds of the Offer of Shares issued in respect of such Share Class (net of fees) in the Investment Products as set out in the Relevant Securities Note. The Cell anticipates that the Investment Products will consist solely of financial contracts provided and/or issued by Castle Trust and/or any other person approved by the Cell, the Administrator and, if required by applicable law or regulation, the JFSC.

The returns on the Investment Products are designed to enable the Cell to meet its stated investment objective for the relevant Share Class. The Investment Products are structured by the Investment Provider to provide a Share Class, as at the relevant Maturity Date, with an amount expected to be equal to the aggregate Investment Return of the Shares issued in respect of that Share Class. However, there is no guarantee that the investment objective of a Share Class will be met or that the Investment Return in respect of any Share Class will be achieved.

Castle Trust is authorised and regulated by the Financial Services Authority to carry out regulated activities and is a participant in the Financial Services Compensation Scheme ("**FSCS**") established under the Financial Services and Markets Act 2000. The FSCS can pay compensation to eligible investors if an investment firm (such as Castle Trust) is unable to meet its financial obligations. If an investor has suffered a loss as a result of Castle Trust failing to meet its financial obligations (for example, if it failed to buy back the Shares as required under the buy back obligation of the Terms and Conditions because it had become insolvent) then the Shareholder would be able to make a claim under the FSCS. Most investors, including most individuals and some small businesses, are covered by the FSCS. In respect of investments, an eligible investor is entitled to claim up to £50,000. For further information about the FSCS, including the amounts covered and eligibility to claim, please see Part XIV, ask Castle Trust for more detail or refer to the FSCS website www.fscs.org.uk.

Those Shareholders who have bought their Shares on the secondary market will not qualify for the FSCS.

Each Relevant Securities Note will set out information relating to the Index. The referencing of the Investment Return of each Share Class to the Index achieves a diversification of risk for investors, as it links their investment to the aggregate performance of the underlying transactions on which the Index is based over the applicable period.

4 Investment Restrictions

The investment restrictions in relation to each Share Class (if there are any) will be as set out in the Relevant Securities Note.

The investment restrictions apply at the time of the purchase of investment. If any of the investment restrictions in respect of a Share Class are breached the Cell (acting in respect of the relevant Share Class) will take immediate corrective action unless the breach is due to appreciation, depreciation, changes in the exchange rates, receipt of rights, bonuses, benefits in the nature of capital or any other action affecting each holder of an investment, in which case the Cell (acting in respect of the relevant Share Class) will aim to remedy the situation, taking due account of the interest of the relevant Shareholders.

Subject to compliance with the restrictions described above and the specific terms and conditions pertaining to any given Share Class, as described in the Relevant Securities Note, the Cell (acting in respect of the relevant Share Class) may acquire any investment regardless of whether or not the investment is of investment grade, the issuer has a credit rating or the securities or other assets are listed or dealt on a recognised or other stock exchange.

5 Investment Product returns

The Investment Product acquired for and entered into in respect of each Share Class will be designed to impose an obligation on the Investment Provider to pay or repay to the Cell on or around the relevant Maturity Date an aggregate amount equal to the Investment Return for the Shares issued in respect of the relevant Share Class, as set out in the Relevant Securities Note.

The total amount payable or repayable by the Investment Provider (being Castle Trust) to the Cell under the relevant Investment Product for each Share Class will be paid on or around the Maturity Date for the Shares issued in respect of the relevant Share Class.

The payment obligation of the Investment Provider under the Investment Products on or around the Maturity Date is designed to enable the Cell, in turn, to pay to those holding Shares that are maturing the Investment Return in respect of such Shares.

The obligations of the Investment Provider under the Investment Product for each Share Class will not be collateralised or secured (unless otherwise specified in the Relevant Securities Note for the relevant Share Class).

In practice, most Shareholders are expected to have acquired their Shares in the first instance from Castle Trust under the Terms and Conditions. Castle Trust will pay up such Shares which will have been allotted nil-paid and the Cell will advance those subscription monies to the Investment Provider under the Investment Product. The Umbrella Agreement will offset those payments to prevent unnecessary funds flow. The Terms and Conditions contain an obligation for Castle Trust to repurchase those Shares on the Maturity Date for an amount equal to the Investment Return in respect of those Shares just prior to the redemption of such Shares. Such amount will be satisfied by Castle Trust because Castle Trust will receive that amount from the Cell on the redemption of those Shares it will be holding when the Cell redeems those Shares. As that redemption amount will equal the amount payable by Castle Trust to the Cell on the maturity of the Investment Product, these payments will simply be offset pursuant to the Umbrella Agreement.

Castle Trust is authorised and regulated by the Financial Services Authority to carry out regulated activity and is a participant in the FSCS. The FSCS can pay compensation to eligible investors if an investment firm (such as Castle Trust) is unable to meet its financial obligations to that investor. In the event that Castle Trust fails to meet its financial obligations under the buy-back arrangement in accordance with the Terms and Conditions, then the

Shareholder would be able to make a claim for an amount equal to the Investment Return under the FSCS.

Those Shareholders who choose to opt out of Castle Trust's buy-back obligation or who purchased their Shares on the secondary market (in which case Castle Trust has no such buy-back obligation) will have their Shares redeemed by the Cell and will in return receive the Investment Returns.

A holder of Shares will be entitled to look solely to the proceeds of the Investment Product of the relevant Share Class in respect of all amounts payable in respect of those Shares. If the proceeds of the Investment Product of the relevant Share Class are insufficient to pay any amounts payable in respect of such Shares, such a Shareholder will have no further right of payment in respect of such Shares nor any claim against or recourse to any of the proceeds of Investment Products of any other Share Class or any of the other assets of the Cell, the Company or any other cell of the Company.

If the proceeds of the Investment Product of a Share Class are greater than the amounts payable on the relevant Shares (which, given the way the Investment Product is designed, should never happen) and the Shareholders of that Share Class have been paid the amounts payable, the Shareholders shall have no entitlement to any such surplus.

The Shares are intended to appeal to investors who are seeking a return linked to the Index and/or any other index to which the performance of the particular Share Class is linked (if relevant).

The Shares have been designed to provide an investment opportunity for retail investors and institutional investors who are the profile of the typical investor for whom the Company and the Cell are designed.

6 Fees and Expenses

It is expected that the Cell will incur two general categories of fees and expenses: general expenses (fees and expenses relating to the establishment and ongoing general administration of the Company and the Cell, "General Expenses") and Share Class expenses (fees and expenses relating to the offer, issue and ongoing administration in respect of Shares, "Share Class Expenses").

6.1 General Expenses

The General Expenses comprise the following fees and expenses:

Initial General Expenses

The initial General Expenses are the fees and expenses of: (1) establishing the Company and the Cell; (2) the preparation of this Registration Document and its review by the CISX (including regulatory fees and the fees and expenses of legal advisers and auditors to the Company or the Cell); and (3) any initial set-up costs and any charges payable to the Directors and such other persons or entities as the Directors consider fit in their sole and unfettered discretion (including, but not limited to, service providers in respect of the Cell and its Share Classes).

Ongoing General Expenses

The ongoing General Expenses include the following fees and expenses to the extent that they do not relate to one or more specific Share Classes: (1) the preparation of an updated Registration Document at least annually for the purposes of further issues of Shares; (2) the costs of preparing, printing, publishing and distributing annual reports, financial statements and other notices and communications to Shareholders as a whole; (3) general administrative out-of-pocket expenses such as postage and telephone expenses; (4) the payment of annual fees for regulatory filings in Jersey in relation to the Company and the Cell; (5) the listing fees (including the listing sponsor fees); (6) service provider fees; and (7) preparation of any documents required to supplement, amend, restate or replace any material documents identified in this Registration Document or any Relevant Securities Note.

The Management Agreement and the Marketing Agreement include arrangements whereby all expenses reasonably and properly incurred will be paid by CTCM on behalf of the Cell.

6.2 Share Class Expenses

In addition to the General Expenses, the Cell will also incur fees and expenses relating to the Offer of Shares of particular Share Classes. CTCM shall pay on behalf of the Cell for fees and expenses pursuant to the Management Agreement and the Marketing Agreement including service provider fees, listing fees, and any other administrative expenses properly incurred.

Details of the Share Class Expenses for each Share Class will be set out in the Relevant Securities Note.

In allocating any fees and expenses referred to above which are not directly attributable to a particular Share Class, the Directors may allocate such fees or expenses pro rata based on the number of Shares issued by each Share Class. However, the Directors may allocate such fees or expenses on a different basis should the circumstances require. In doing so, the Directors will take into account the circumstances and their duties to Shareholders.

The Management Agreement and the Marketing Agreement include arrangements whereby all expenses reasonably and properly incurred will be paid by CTCM on behalf of the Cell.

7 Borrowing and lending powers

The Directors of the Company and the Cell have power under the Articles to borrow money, however they do not intend for the Cell to enter into any borrowing arrangements.

8 Dividend policy

The Cell will not distribute a dividend to Shareholders of any Share Class.

9 Market for Shares

The Directors do not anticipate that an active secondary market will develop in the Shares. In its absolute discretion, Castle Trust may purchase Shares from Shareholders before the Maturity Date of the Shares. There is no right for Shareholders to realise any value prior to the relevant Maturity Date by reference to the latest published level of the Index, and so any purchases by Castle Trust will be at such price as it may determine in its discretion (and it shall not in any event be under any obligation to purchase shares). Where Castle Trust acquires Shares in the market, specific provisions in the Investment Products and the Cell Articles will enable the Shares to be redeemed (with the agreement of the Cell) in return for a proportionate part of each relevant Investment Product exposure being cancelled. It is not expected that Castle Trust would hold any Shares so acquired for any material time and would not offer them to new investors.

Castle Trust may realise profits or sustain losses in the amount of any differences between the prices at which it buys Shares and the amounts it receives on redemption of such Shares. Any profit made by Castle Trust may be retained by it for its absolute use and it shall not be liable to account to the Cell in respect of such profits.

The return to any Shareholder who disposes of any Shares prior to their Maturity Date will depend on the price at which Castle Trust determines in its discretion to pay for the Shares at that time and may be less than the Investment Return or even the Investment Amount in respect of such Shares.

Any Shareholder who disposes of any Shares prior to their Maturity Date may receive back less than the amount he or she invested in the Shares.

10 Additional Share Classes

It is anticipated that the Cell will create additional Share Classes each month as the Directors deem appropriate. Details of each Share Class created in the future will be set out in the Relevant Securities Note for such Share Class. New Shares will be offered by the Cell at a price set out in the Relevant Securities Note and the Offer of Shares issued in respect of each new Share Class will be conditional on:

(i) the Cell receiving the approval of the CISX for the admission of the relevant Shares to the Official List of the CISX by the date specified in the Relevant Securities Note; and

(ii) the Relevant Securities Note being approved by the FSA.

The Cell reserves the right to limit the Offer in respect of Shares issued in respect of a new Share Class as set out in this document and in the Relevant Securities Note. In this event, the basis of Share allocation shall be at the Cell's sole discretion and the Cell reserves the right to reject any application in whole or in part. Castle Trust will then return any monies (without interest) or the balance thereof within 30 days of the rejection by cheque at the risk of the applicant.

In the event that either of the above conditions are not satisfied in respect of any Offer, the Offer will be terminated, all subscription monies will be returned by Castle Trust to applicants (without interest) within 30 days of the Offer being terminated by cheque at the risk of the applicant and the Cell will cancel the relevant Share Class.

The Directors may, in their absolute discretion, differentiate between the rights attaching to the different Share Classes including, without limitation, as regards the Investment Returns and fees and expenses payable in respect of each Share Class.

11 Additional Cells

The Company may (but does not anticipate doing so) from time to time create additional cells by special resolution in accordance with the Law. In such event the assets and liabilities of each cell would be "ring-fenced" (i.e. protected) from those of each other cell pursuant to the Law.

12 Management and Administration of the Company and the Cell

12.1 Introduction

The Directors of the Cell are responsible for the determination of the Cell's investment policy and have overall responsibility for the Cell’s activities. The Directors of the Company have overall responsibility for the Company’s activities.

There is no applicable regime of corporate governance to which the Directors must adhere over and above the general fiduciary duties and duties of care, diligence and skill imposed on such directors under Jersey law, save that following Admission the Cell must comply with its continuing obligations under the Listing Rules, including the Model Code for Securities Transactions by Directors of Listed Companies contained in Appendix VI of the Listing Rules.

12.2 **Directors**

The Directors of each of the Company and the Cell are listed below:

Mark Creasey;

Philip Burgin;

Miranda Lansdowne; and

Anthony Underwood-Whitney.

12.3 **Marketing Manager**

CTCM has been appointed by the Cell as Marketing Manager pursuant to the Marketing Agreement and is responsible for pro-actively promoting the Cell with the aim of marketing its Shares in the UK, in association with, and as authorised by, the Cell.

CTCM is authorised and regulated by the FSA in the United Kingdom. The Cell may appoint other persons to act as marketing manager in relation to Shares issued in respect of particular Share Classes.

12.4 **Investment Manager**

Subject to the overall policy, control and supervision of the Cell Board, the Directors have delegated the powers of determining the investment policy and carrying on the investment management of the Cell to CTCM pursuant to the Management Agreement.

The Investment Manager is regulated by the FSA in the United Kingdom.

The Investment Manager will arrange for each Share Class of the Cell to invest in the Investment Products which are intended to produce returns sufficient to enable the Cell to pay the Investment Returns on the Shares issued in respect of the relevant Share Class and will not seek to generate higher returns for Shareholders. Further details of the Investment Manager's role, and details of the Management Agreement, are set out in paragraph 11.1 of Part IX of this document. The Investment Manager, in its capacity as investment manager, will not be obliged to make good any deficit in the Investment Returns receivable by Shareholders in respect of any Share Class irrespective of the reason for such deficit.

12.5 **Registrar, Administrator and Secretary**

JTC has been appointed as Registrar, Company Secretary and Administrator pursuant to the Registrar and Administration Agreement, a summary of which is set out in paragraph 11.3 of Part IX of this document. JTC will also prepare the accounts for the Company and the Cell, including maintaining regular bookkeeping for the Company and the Cell.

JTC, registered in Jersey under registered number 37293, was incorporated on 23 March 1987 and has an indefinite life. JTC is established as a Jersey company limited by shares and is registered under the Financial Services Law to carry out the appropriate classes of financial services business services.

JTC will also perform secretarial services to the Company and the Cell including the provision of a registered office and maintaining the statutory books of the Company and the Cell (other than the register of the Cell).

12.6 **Investment Administration**

IFDS has been appointed to carry out as agent on behalf of the Cell investment administration services including the maintenance of the register of beneficial interests of

Shares.

12.7 No Custodian

The assets of the Cell do not require to be held by a custodian. Accordingly, no custodian has been appointed. JTC will be responsible for the safe keeping of the Cell's assets, books and records pursuant to the Registrar and Administration Agreement.

12.8 Listing Sponsor

The Listing Sponsor is a member of the same group of companies as JTC. Following Admission, the Listing Sponsor will assist the Cell in complying with its continuing obligations under the Listing Rules in accordance with the terms of the Listing Sponsorship Agreement.

13 Conflicts of Interest

The Directors and each of the persons or entities occupying the incumbency of Investment Manager, Marketing Manager, Administrator, Registrar, Listing Sponsor and any paying and receiving agents from time to time may, in the course of their business, have potential conflicts of interests with the Cell. Each of such entities and the Directors will have regard to their respective duties to the Cell and any Share Class and other persons when undertaking any transactions where conflicts or potential conflicts of interest may arise. In the event that such conflicts arise in respect of the Cell or any Share Class, each of such persons and entities shall be requested by the Cell (for itself and each of the relevant Share Classes) to undertake to use its reasonable endeavours to resolve any such conflicts of interest fairly (having regard to its respective obligations and duties) and to ensure that the interests of the Cell, the relevant Share Classes and of the Shareholders are not unfairly prejudiced. Where any such conflict cannot be resolved, the conflicted Director(s) will not participate in deliberations or vote on the relevant issue.

Where conflicts of interest or potential conflicts of interest arise, the Cell will seek to mitigate such conflicts or potential conflicts in an appropriate manner.

The Investment Provider to any Investment Product may be requested from time to time to provide valuations of each such Investment Product. The Directors acknowledge that the Investment Provider may have a potential conflict of interest by virtue of acting as Investment Provider and providing such valuations. However, the Directors expect that the Investment Provider will be a person suitable and competent to provide such valuations and who will do so at no further cost to the Cell which would be the case if the services of a third party were engaged to fulfil this role.

The Directors further acknowledge that the Investment Manager is an affiliate of the Investment Provider. The Directors have acknowledged and accepted that, in having regard to its obligations as Investment Manager in respect of the Investment Products on behalf of the Cell and as Marketing Manager of the Shares, an Investment Manager may resolve any conflicts of interest in respect of its obligations in its, or its Affiliates', own favour taking into account their, or their respective Affiliates', own interests as an Investment Provider or issuer of other investments, as the case may be.

14 Investor Restrictions

This document is not for distribution in the US, Australia, Canada or Japan. The Shares have not been and will not be registered under the Securities Act, and may not be offered or sold other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, including outside the United States in offshore transactions in reliance on Regulation S.

Subject to certain exceptions, the Shares may not, directly or indirectly, be offered or sold within Australia, Canada or Japan or to, or for the account or benefit of, any national, resident or citizen of Australia, Canada or Japan. No action has been taken by the Cell, the Company, Castle Trust or CTCM that would permit an offer of Shares or possession or distribution of this document (or other offer or publicity material or application form relating to the Shares) in any jurisdiction where action for that purpose is required, other than the United Kingdom and Jersey.

15 General Meetings and Share Class Meetings of the Cell

Share Class Meetings may be held where the sanction by Special Resolution of Shareholders of Shares in that Share Class is required in accordance with the Law or the Articles, including for the purpose of any variation or amendment to the rights attached to Shares in that Share Class or to approve a change to the investment objective and policy of that Share Class. At a Share Class Meeting, every Share Class Shareholder shall on a poll have one vote in respect of each Share of that Share Class held by him.

General meetings of the Cell will be held in accordance with the Articles and the Law. The Articles provide that only the Founder Shares carry the right to receive notice of, and to attend and vote at, general meetings of the Cell.

16 Reports to Shareholders

The financial statements of the Cell will be maintained in Sterling and prepared in accordance with International Financial Reporting Standards on a yearly and half-yearly basis in accordance with the requirements of the Listing Rules and the Law. The financial statements of the Cell will be prepared by the Administrator with advice and information from the Auditors, the Investment Manager and/or the Investment Provider. Each set of annual financial statements will be prepared up to 30 September in each year and copies will be available for the Shareholders in accordance with the Articles and the Listing Rules within a period of six months following the relevant accounting date. Each set of half-yearly reports will be prepared up to 31 March in each year and copies will be available for the shareholders within a period of four months following the relevant accounting date.

In accordance with the Listing Rules of the CISX, each set of annual financial statements will include a valuation of the indicative net assets attributable to each share of each Share Class in issue on the date on which the accounts are made up to, calculated in accordance with the relevant provisions of the Articles (see further the summary of the Articles in Part IX on pages 79 to 91). Each such valuation will be notified to the CISX as soon as practicable after calculation. The valuations are "indicative" as it is impossible to calculate a definitive net asset valuation of the net assets attributable to each Share Class prior to its Maturity Date, since the amount receivable in respect of its Investment Product will not be known until that date. In order to determine the indicative valuation of the net assets attributable to each Share Class, the Directors may consult the Investment Provider and may make such allowances as they consider appropriate to reflect the fair value of the relevant Investment Product. These allowances may include factors such as the time to maturity of the relevant Investment Product, forecasts derived from models as to the possible future performance of the Index to the relevant Maturity Date and/or such other considerations as the Directors may deem relevant. The Directors may have to make estimates and assumptions from time to time in assessing the fair value of each Investment Product, and changes in such estimates and assumptions could affect the reported indicative net assets attributable to each of the relevant Share Class. The Directors have powers under the Articles to suspend the calculation of the net assets attributable to any Share Class (see further the summary of the Articles in Part IX on pages 79 to 91). Should the Directors exercise these powers in respect of a Share Class, an announcement shall be made in respect of the suspension on the CISX and the listing of the relevant Shares on the Official List of the CISX will be suspended during the period that such powers are exercised.

Copies of the Company's and the Cell's annual report and accounts and half-yearly reports will be available for inspection at the registered office of the Company and the Cell at Elizabeth House, 9 Castle Street, St. Helier, Jersey JE4 2QP, Channel Islands. They will also be available for download from the CISX's website (www.cisx.com).

Ernst & Young LLP have been appointed as auditors of the Company and each cell. The auditors are members of the Institute of Chartered Accountants. The address of Ernst & Young LLP is Liberation House, Castle Street, St Helier, Jersey JE1 1EY.

PART VI

INFORMATION ON THE OPERATION OF THE SHARE CLASSES

1 Creation of Share Classes

Each month, the Directors intend to create three new Share Classes in respect of the Shares to be offered that month. Each Share Class will have different maturity dates as set out in the Relevant Securities Note of that month's issue. Other than the Investment Return payable on the maturity of such Shares, all Shares will have the same rights as set out in paragraph 6 of Part IX of this document. In addition to the Shares, the Founder Shares and the Ordinary Shares are held by the Trustee of The Housing Foundation Charitable Trust. Such Shares carry all voting rights with regards to the operations of the Cell and the Company respectively.

2 Issue, transfer and form of holding of shares

The Registrar has been appointed to maintain the Register in which all issues, transfers and redemptions of Shares issued in respect of each Share Class will be recorded.

In respect of each Share Class, beneficial title to all Shares will be issued nil-paid to Castle Trust although the Nominee will hold legal title to the Shares on behalf of Castle Trust. Once issued the Shares will be admitted to trading on the CISX on the first day of the Offer Period.

Any investor who wishes to acquire Shares will apply and send the Investment Amount in respect of such Shares to Castle Trust during the relevant Offer Period. This purchase will be governed by the Terms and Conditions. Castle Trust will use the Investment Amount to pay up the amounts due on the relevant number of Shares and will arrange for the beneficial interest in the relevant number of Shares to be transferred to the investor and legal title will remain with the Nominee (apart from where the investor wishes for the Shares to be registered in his name). The Cell will advance all subscription monies received from Castle Trust (less CTCM's investment management and marketing fees) to Castle Trust under the Investment Product. To prevent unnecessary movement of funds, these two payments will be offset under the Umbrella Agreement because the Company's liability to Castle Trust under the Investment Product can be offset against Castle Trust's obligation to pay up the Shares in issue.

Any Shares on which amounts remain unpaid on the fifth business day following the expiry of the Offer Period will be forfeited, in accordance with the provisions of the Articles, and thereafter the Nominee will only hold fully paid Shares on behalf of investors.

Shares will be issued in registered form but no share certificates will be issued. Legal title to the Shares will be held by the Nominee (unless an investor requests that the Shares be registered in his name) and so the Nominee will be named on the Register as the holder of the Shares. The Nominee will issue to each investor an account number for Shares which are held on his behalf by the Nominee.

Any change in address of a Shareholder should be notified to the Nominee.

Shares are transferable by instrument in writing signed by (or, in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferor being delivered to the Registrar.

In the case of the death of one of the joint Shareholders, the survivor or survivors will be the only person or persons recognised by the Cell or the Registrar as having any title to or interest in the Shares registered in the names of such joint Shareholders.

3 **Adjustments**

CTCM shall act as the calculation agent to the Cell acting in respect of the Shares in making any determinations, calculations or adjustments required in connection with the Investment Return payable on the Shares. For example, CTCM will, in certain circumstances as set out below, determine the level of an Index if such level is unavailable. Whenever CTCM is required to act or exercise its judgement in any way, it shall do so acting in good faith and in a commercially reasonable manner and having regard to such factors as it feels appropriate including, but not limited to:

(i) the circumstances giving rise to the requirement for CTCM to act or exercise its judgement;

(ii) then prevailing market practice; and

(iii) any factors specific to the method of calculating the Investment Return.

Any determinations, calculations or adjustments made by CTCM in accordance with the provisions of "Rebasing", "Error in Publication", "Index Disruption" or "Maturity Date Index Level Determination" below will constitute a variation or abrogation of rights, special rights and/or terms and conditions of the relevant Shares but only to the extent necessary to deal with the rebase, error, disruption or determination. Castle Trust will perform the same role as calculation agent in respect of the Investment Product and the provisions below should be interpreted in the same way in respect of such role of Castle Trust.

Rebasing

Where "Rebasing" applies to the Shares issued in respect of a Growth HouSA Share Class and CTCM determines that the Index has been revalued (as revalued the "**Rebased Index**") by the Index Sponsor by the application of a new historic value of the data pool used by the Index Sponsor as the benchmark for the Index, without amendment to the formula for or the method of calculating the Index, the Rebased Index will be used for the purposes of determining the Index from the date of revaluation, *provided, however,* that CTCM may make adjustments, in consultation with the Cell and Castle Trust, to any level of the Index published on a publication date, so that use of the Rebased Index reflects what would have been the performance of the Index had the rebasing not occurred.

Error in Publication

Where "Error in Publication " applies to the Shares issued in respect of a Growth HouSA Share Class, if the Index Sponsor (i) announces that an error has occurred with respect to any Index level as published on any publication date, (ii) corrects such level and then (iii) publishes the correction prior to any determination to be made in respect of the Investment Return, CTCM shall, to the extent that it has sufficient time and it is commercially reasonable to do so prior to the payment of any amounts to Shareholders, use the corrected index level in its calculation of any related amount to be paid.

Index Disruption

Where "Index Disruption" applies to the Shares issued in respect of a Growth HouSA Share Class, upon the occurrence of any one or more of the following events (an "**Index Disruption Event**"):

(i) an announcement by the Index Sponsor of an adjustment with respect to the formula or methodology it uses to calculate the Index, where the Index as calculated prior to such adjustment will no longer continue to be published; or

(ii) the Index Sponsor discontinues the calculation and publication of the Index,

CTCM will determine, within 30 days of notifying the Cell and Castle Trust of the occurrence of such event, a suitable replacement Index, the appropriate level for such Index and such adjustments that are commercially appropriate to place the Cell and Castle Trust, as far as reasonably possible, in the economic position they would have been in had the relevant event not occurred.

Maturity Date Index Level Determination

Where "Maturity Date Index Level Determination" applies to the Shares issued in respect of a Growth HouSA Share Class, in the event that a level of the Index is not published by the last day of the month (the "**Publication Cut-off Date**") prior to the month in which the relevant Maturity Date or an Early Payment Date falls, then the Final Effective Index Price shall be equal to the published level of the Index from the most recent publication date falling before the Publication Cut-off Date.

4 Payment of Dividends

No dividends shall be paid on any Shares.

5 Payment at Maturity

It is expected that most Shareholders will sell their Shares back to Castle Trust on the Maturity Date for a price equal to the Investment Return in accordance with the Terms and Conditions governing such Shareholders' purchase of the Shares (as set out in paragraph 6 below). Such Shares' beneficial title will be transferred to Castle Trust and then redeemed by the Cell. Castle Trust will fund the repurchase price of the Shares with the Investment Return it receives from the Cell on the redemption of such Shares. Shareholders whose Shares are bought back by Castle Trust in this way will be paid the repurchase price (equal to the Investment Return) by cheque or BACS within ten Business Days of the Maturity Date. This repurchase arrangement only applies to Shares purchased by the Shareholder from Castle Trust (or inherited from someone who purchased such Shares from Castle Trust) and does not apply if the Shareholder opts out of the buy-back arrangement or purchased their Shares on the secondary market.

For those Shareholders for whom the buy-back obligation does not apply, payment of the Investment Return in respect of their Shares which are redeemed directly from Shareholders on their Maturity Date shall be made by Castle Trust, as directed by the PCC, to Shareholders within 10 Business Days of the Maturity Date or, if the realisation of the Investment Products of the Share Classes to which the Shares relate is delayed, within 10 Business Days of such later date on which the realisation proceeds are actually received by the Cell in cleared monies.

The payment of redemption proceeds will be made by Castle Trust by cheque or BACS made payable to each relevant Shareholder (or all named holders in the case of joint holders) and sent by first class post to the name and address of the Shareholder (or to the name and address of the first named holder in the case of joint holders) as appearing in the Register; all at the risk of the Shareholder(s) concerned.

A Shareholder may make a request in writing (signed by all holders in the case of joint holders) in the form of a Payment Instruction Form to Castle Trust for the payment of redemption proceeds to be made by BACS or by cheque, whereupon the Castle Trust will be deemed authorised to deduct any bank charges to be incurred in effecting such alternative payment method from the Shareholders' entitlement before such payment is made. A Payment Instruction Form for this purpose is available from CTCM.

Any further details of the mechanics for redemption of Shares at the Maturity Date for the relevant Share Class will be notified to Shareholders at that time.

6 Redemption at Maturity

On or prior to the Maturity Date for the Shares issued in respect of a Share Class, the Investment Product held by the Cell in relation to that Share Class will be realised in order to generate the Investment Return per Share and such Shares will be redeemed in full on the applicable Maturity Date by the Cell.

The payment obligations of the Investment Provider under the Investment Products on or around the Maturity Date are designed to enable the Cell, in turn, to pay to Shareholders on or around the Settlement Date the Investment Return in respect of their Shares on the redemption of those Shares.

However, the Terms and Conditions set out in the application form contain a buy back arrangement in favour of Castle Trust over Shares held by Shareholders under which, as part of selling the Shares to a Shareholder, it will agree to purchase the Shares held by that Shareholder on the Maturity Date if they have not been redeemed by 14.00 on that day and the Nominee will be authorised to sell the Shareholder's Shares to Castle Trust on the Maturity Date for an amount equal to the Investment Return. Shareholders who have so contracted with Castle Trust, an FSA authorised firm, will qualify for the FSCS in the event that Castle Trust is unable to meet the repayment to that Shareholder of an amount equivalent to the Investment Return. The Cell will redeem all Shares that have matured on that Maturity Date at 17.00. Shareholders have the option to refuse the buy-back facility (by giving 30 days' notice to CTCM in writing) and to wait for the shares to be redeemed from them directly if they wish, in which case there will be a later settlement date. **Such Shareholders will no longer be eligible claimants under the FSCS**. The buy-back arrangement will only apply to Shareholders who initially acquired their Shares from Castle Trust (or who inherited their Shares from someone who purchased the Shares from Castle Trust) and so it will not apply to Shareholders who acquire Shares on the secondary market. Those Shareholders who have bought their Shares on the secondary market or have opted out of the buy-back will not qualify for the FSCS. Such Shareholders will have their Shares redeemed from them by the Cell for the Investment Return.

Immediately following Castle Trust's purchase of the Shares from the Shareholders, the Cell will redeem the Shares for an amount equal to the Investment Return. The share redemption by the Cell will be funded by the payment due from Castle Trust under the now mature Investment Product. As Castle Trust will be the holder of the Shares having bought them back from Shareholders, these payments will be offset under the Umbrella Agreement.

Please refer to the Risk Factors section for information on the circumstances in which the Cell's ability to pay to Shareholders the full amount scheduled to be paid in respect of the Shares may be adversely affected.

PART VII

FINANCIAL INFORMATION ON THE COMPANY

1 **Financial Information**

1.1 Since the date of incorporation, the Company has not commenced operations and no financial statements have been made up as of the date of this document.

PART VIII

FINANCIAL INFORMATION ON CASTLE TRUST

The financial information included in this Registration Document has been extracted from Castle Trust's 2011 annual accounts and has not been prepared in accordance with the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No. 1606/2002 but in accordance with UK GAAP. There may be material differences in the financial information had Article 3 of Regulation (EC) No. 1606/2002 been applied to the historical financial information.

1 **Auditors Report in respect of the annual accounts for Castle Trust for the period 29 November 2010 to 30 September 2011**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASTLE TRUST CAPITAL LTD

We have audited the financial statements of Castle Trust Capital Limited for the period ended 30 September which comprise the Group Consolidated and Company Profit and Loss Account, the Group Consolidated and Company Balance Sheets, the Group Consolidated and Company Statement of Cash Flows, the Group Consolidated and Company Reconciliation of Movements in Shareholders' Funds and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and The Financial Reporting Standard for Smaller Entities (effective April 2008).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the statement of directors' responsibilities in respect of the Group financial statements set out on page 4, the Castle Trust Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Castle Trust Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Company's affairs as at 30 September 2011 and of the Group's and of the Company's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Group financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Angus Grant (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
21 November 2011

2 **Castle Trust's group profit and loss account for the period from 29 November 2010 to 30 September 2011:**

	Notes	*2011* £
Administrative expenses		(7,189,957)
Operating loss	4	(7,189,957)
Other interest receivable and similar income	3	8,422
Loss on ordinary activities before taxation		(7,181,535)
Taxation	6	-
Loss on ordinary activities after taxation		(7,181,535)

Recognised gains and losses
A statement of total recognised gains and losses has not been included as there were no recognised gains or losses for the current financial period other than those already dealt with in the profit and loss account.

The results for the period ended 30 September 2011 are derived from continuing operations.

3 **Castle Trust's group balance sheet as at 30 September 2011:**

	Notes	*Audited Actual 2011* £
Fixed assets		
Tangible assets	7	48,050
		48,050
Current assets		
Prepayments	8(a)	66,700
Cash at bank and in hand		3,446,674
Interest receivable		1,559
Debtors: amounts falling due after more than one year	8(b)	757
		3,516,690
Creditors: amounts falling due within one year	9	(1,625,273)
Net current assets		1,890,417
Total assets less current liabilities		1,938,467
Capital and reserves		
Called up share capital	10	912,000
Share premium account		8,208,002
Profit and loss account		(7,181,535)
Equity shareholders' funds	11	1,938,467

4 **Castle Trust's group statement of cash flows from 29 November 2010 to 30 September 2011:**

	2011
	£
Operating Activities	
Adjustments to reconcile loss for the period to net cash flow from operating activities	(7,181,535)
Net interest income	(8,291)
Depreciation and impairment of property plant and equipment	11,683
Others: creditors & accruals	1,625,275
Cash generated from operations	(5,552,868)
Income taxes paid	-
Net cash flow from operating activities	(5,552,868)
Investing Activities	
Interest received	6,863
Purchase of property plant and equipment	(59,733)
Prepayments	(66,700)
Net cash flow from investing activities	(119,570)
Financing Activities	
Interest paid	(132)
Issue of share capital	9,120,002
Others	(757)
Net cash flow from financing activities	9,119,113
Net increase in cash at bank and in hand	*3,446,674*
Cash at bank and in hand at 30 November 2010	-
Cash at bank and in hand at 30 September 2011	3,446,674

5 Accounting policies and explanatory notes

1. Authorisation of financial statements and compliance with UK GAAP

The financial statements of Castle Trust Capital Limited and its subsidiaries (the "Group") for the period ended 30 September 2011 were authorised for issue by the board of directors on 16 November 2011 and the balance sheet was signed on the board's behalf by Sean Oldfield and Keith Abercromby. Castle Trust Capital Limited is a limited liability company incorporated and domiciled in England and Wales.

2. Accounting policies

Basis of preparation
The Group's financial statements have been prepared under the historical cost convention and The Small Companies and Groups (Accounts and Directors' Report) Regulations 2008 in accordance with UK GAAP and the Companies Act 2006. The accounting policies which follow set out those policies which apply in preparing the financial statements for the period ended 30 September 2011. The Group financial statements are presented in Pounds Sterling.

Judgements and key sources of estimation uncertainty
The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates.

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Taxation
Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate adjustments to tax income and expense already recorded in the future.

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. The carrying value of the deferred tax asset at 30 September 2011 is nil. The unrecognised tax losses at 30 September 2011 were £1,867,199. The unrecognised tax losses relate to pre-trading losses which will be available to be used to offset future taxable income. Due to the uncertainty regarding this future income, pending receipt of a licence from the Financial Services Authority to enable the Group to conduct a regulated business, deferred tax assets created as a result of these losses have not been recognised.

Basis of consolidation
The Group financial statements consolidate the financial statements of Castle Trust Capital Ltd and the entities it controls (its subsidiaries) drawn up to 30 September each year.
Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities and is achieved through direct or indirect ownership of voting rights;

currently exercisable or convertible potential voting rights; or by way of contractual agreement.

The financial statements of subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting period as the parent company and are based on consistent accounting policies. All intragroup balances and transactions, including unrealised profits arising from them, are eliminated.

Foreign currency translation
Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. All monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange ruling at the balance sheet date and differences on translation are taken to profit and loss.

Fixed assets
Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all fixed assets, other than land, on a straight-line basis over its expected useful life as follows:

- Office Equipment - 3 years
- Computer equipment - 3 years

Leases
Leases where the lessor retains a significant portion of the risks and benefits of ownership of the asset are classified as operating leases and rentals payable are charged in the income statement on a straight line basis over the lease term.

Cash at bank and in hand
Cash at bank and in hand in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

Other interest receivable and similar income
Other interest receivable and similar income is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

3. Revenue

Other interest receivable and similar income recognised in the income statement is analysed as follows.

Group	*2011*
	£
United Kingdom:	
Interest income on deposits with banks	8,422
	8,422

Company	*2011*
	£
United Kingdom:	
Interest income on deposits with banks	8,422
	8,422

4. Operating loss

Operating loss is stated after charging:

	Group	Company
	2011	*2011*
	£	£
Depreciation of tangible fixed assets	11,683	11,683
Auditors' remuneration:		
Audit services	30,000	30,000
Non audit services	103,200	103,200
Staff costs - (note 5)	1,669,630	1,669,630
Other operating lease expense:		
Land and buildings	271,814	74,564

5. Staff costs

a) Employment costs of all employees included above comprise:

	Group	Company
	2011	*2011*
	£	£
Wages and salaries	1,391,451	1,391,451
National insurance costs	235,130	235,130
Pension costs (defined contribution scheme)	43,049	43,049
	1,669,630	1,669,630

b) Directors remuneration:

	Group	Company
	2011	*2011*

	£	£
Aggregate remuneration in respect of services	477,109	477,109
Number of directors accruing benefits under defined contribution pension schemes in respect of qualifying services	1	1

6. Taxation

(a) Tax on profit on ordinary activities:

	Group *2011* £	Company *2011* £
Total tax charge for the period	-	-

(b) Reconciliation of tax on profit for the period:

	Group *2011* £	Company *2011* £
Loss on ordinary activities before tax	(7,181,535)	(6,780,862)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.8%	(1,924,651)	(1,817,271)
Effect of:		
Pre-trading expenditure not recognised	1.924,651	1,817,271
Current tax	-	-

7. Tangible fixed assets

Group	*Office equipment* £	*Total* £
Cost:		
Additions	59,733	59,733
At 30 September 2011	59,733	59,733
Depreciation:		
Charge for the period	11,683	11,683
At 30 September 2011	11,683	11,683
Net book value:		
At 30 September 2011	48,050	48,050

Company	*Office*

	equipment	*Total*
	£	£
Cost:		
Additions	59,733	59,733
At 30 September 2011	59,733	59,733
Depreciation:		
Charge for the period	11,683	11,683
At 30 September 2011	11,683	11,683
Net book value:		
At 30 September 2011	48,050	48,050

8. Debtors

	Group 2011 £	Company 2011 £
(a) Amounts falling due within one year:		
Prepayments	66,700	66,700
	66,700	66,700

(b) Amounts falling due after more than one year:

	Group 2011 £	Company 2011 £
Related party loan		
Debtor balance at 30 September	757	1,680,119
Impairment charges in period	-	1,679,362
Net Debtor balance at 30 September	757	757

9. Creditors: amounts falling due within one year

	Group 2011 £	Company 2011 £
Other Creditors	181,573	181,574
Accruals	1,443,700	1,042,169
	1,625,273	1,223,743

10. Allotted and called up share capital

	Group 2011	Company 2011
Authorised: Ordinary shares of £0.10 each	912,000	912,000

11. Reconciliation of movement in shareholders' funds

	Group 2011 £	Company 2011 £
Opening shareholders' funds	-	-
Share capital issued in the period	9,120,002	9,120,001
Loss for the period	(7,181,535)	(6,780,862)

Closing shareholders' funds	1,938,467	2,339,139

The shareholders' funds do not include any amounts attributable to non-equity interests.

In the period 9,120,000 shares of £0.10 were allotted with an aggregate nominal value of £912,000 and total consideration received of £9,120,000.

12. Commitments

At 30 September 2011 the Group had annual commitments under non-cancellable operating leases as set out below:

Group

	Land and buildings 2011 £
Within one year	482,250
Greater than one year	-
	482,250

Company

	Land and buildings 2011 £
Within one year	-
Greater than one year	-
	-

13. Related party transactions

During the period the Group entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and trading balances outstanding at 30 September with other related parties, are as follows:

- *Entities with significant influence over the Group*
  - *Castle Trust Holdings (Jersey) Limited* *£757*
- *During the year the Company made purchases on behalf of a wholly owned subsidiary at normal business terms*
  - *Castle Trust Capital Management Limited* *£1,679,362*

The nature of transactions entered into during the year was in relation to business establishment costs.

14. Ultimate parent company

The Company's immediate parent undertaking is Castle Trust Holdings (Jersey) Limited which is incorporated in the Channel Islands. The Company's ultimate parent company is Castle Trust Holdings (Cayman) Limited which is based in the Cayman Islands.

15. Investments

Details of the investments in which the group and the parent company hold 20% or more of the nominal value of any class of share capital are as follows:

Name of company	*Holding*	*Proportion of voting rights and shares held*	*Nature of business*
Castle Trust Capital Management(1)	Ordinary shares	100%	Investment company
Castle Trust Income HouSA plc(2)	Ordinary shares	100%	Investment company

(1) Castle Trust Capital Management Limited was incorporated 25 January 2011

(2) Castle Trust Income HouSA plc was incorporated 24 May 2011

16. Subsequent events

The Group is currently awaiting FSA authorisation as a limited licence investment firm under BIPRU.

By way of a written resolution dated 14 October 2011 Castle Trust Capital Limited resolved that its share capital be reduced by the balance of the share premium account with the reduction was effective from 20 October 2011 and registered at Companies House. Following the share capital reduction, Castle Trust Capital Limited will be converted to public limited company status.
Further capitalisation of the company is scheduled following all conditions precedent to launch being completed and the business commencing operations.

6 Interim results for Castle Trust for the period from 30 September 2011 to 31 March 2012

These interim results have been prepared by Castle Trust as interim results and have not been audited.

6.1 Directors' report

The directors present the half yearly financial report for Castle Trust Capital plc ("the Group" or "Castle Trust") for the period from 1 October 2011 to 31 March 2012.

Principal activity and business review

The Group is planning to be a provider of mortgages (Partnership Mortgages) and house price linked investments (HouSAs). Castle Trust is authorised by the Office of Fair Trading to issue Partnership Mortgages and subsequent to 31 March 2012 has received authorisation from the Financial Services Authority (FSA) for permission to carry out regulated investment activities.

The Group continues to ready itself for launch and has established a first class board and management team, implemented a robust legal, regulatory and operational framework for its business. Costs continue to be carefully monitored in the start-up phase and the Group is well placed to launch the business in late 2012.

In the six months to 31 March 2012, a number of significant developments have taken place:

- a further injection of £5.1m share capital to support the business through the development phase prior to launch;
- a transfer of £12.8m from share premium to distributable reserves; and
- the conversion of Castle Trust Capital Limited to Castle Trust Capital plc.

In September, following Castle Trust meeting all conditions required for business launch, the shareholders have further capitalised the business with a £50.6m injection of share capital from its sole shareholder, Castle Trust Holdings (Jersey) Limited, to support the business in its operations and provide an adequate buffer above its regulatory capital requirements.

The financial statements of Castle Trust Capital plc have been prepared on the going concern basis. In assessing whether the going concern assumption remains appropriate for the Group, the Directors have considered:

- business activities, future developments and the financial position of the Group.
- there are adequate provisions within the Investment and Shareholder Agreement to ensure that the Group is adequately capitalised to commence operations.
- risk management policies and how the Group is placed to manage business risks.
- the fact that there is no material uncertainty that the Group is not a going concern.

Results and dividends

The results of the Group for the period are set out in the profit and loss account on page 61. The Group has made a loss in the current period amounting to £2,967,504. The Group remains adequately capitalised to continue operations prior to launch.

Directors' Indemnity and Directors' & Officers' Liability Insurance

Castle Trust maintains a Directors' and Officers' Liability Insurance policy. In accordance with Castle Trust's articles of association, the Board may also indemnify a director from the assets of Castle Trust against any costs or liability incurred as a result of their office, to the extent permitted by law. Neither the insurance policy nor any indemnities that may be provided by Castle Trust provide cover for fraudulent or dishonest actions by the directors.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Each director has taken necessary steps to be made aware of any relevant audit information and to establish that Castle Trust's auditors are aware of that information.

By order of the Castle Trust Board

Mr Mark Banham
Company Secretary

5 September 2012

6.2 Independent review in relation to interim results

INDEPENDENT REVIEW REPORT TO CASTLE TRUST CAPITAL PLC

Introduction

We have been engaged by Castle Trust Capital plc to review the condensed set of financial statements in the half yearly financial report for the six months ended 31 March 2012 which comprises the Group Profit and Loss Account, the Group Balance Sheet, the Group Statement of Cash Flows, the Group Reconciliation of Movements in Shareholders' Funds and the related explanatory notes 1 to 14. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

The half yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half yearly financial report in accordance with the accounting policies set out in note 2.

As disclosed in note 2, the annual financial statements of the company are prepared in accordance with United Kingdom Generally Accepted Accounting Practice. The condensed set of financial statements included in this half yearly financial report has been prepared in accordance with those policies.

Our Responsibility

Our responsibility is to express to Castle Trust a conclusion on the condensed set of financial statements in the half yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half yearly financial report for the six months ended 31 March 2012 is not prepared, in all material respects, in accordance with the accounting policies set out in note 2, which comply with United Kingdom Generally Accepted Accounting Practice.

Angus Grant (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
6 September 2012

6.3 Castle Trust's group profit and loss account for the six month period ending 31 March 2012

	Notes	*March 2012* £	*March 2011* £	*Full Year September 2011* £
Administrative expenses		(2,986,368)	(1,727,470)	(7,189,957)
Operating loss	4	(2,986,368)	(1,727,470)	(7,189,957)
Other interest receivable and similar income	3	18,864	783	8,422
Loss on ordinary activities before taxation		(2,967,504)	(1,726,687)	(7,181,535)
Taxation	5	-	-	-
Loss on ordinary activities after taxation		(2,967,504)	(1,726,687)	(7,181,535)

Recognised gains and losses

A statement of total recognised gains and losses has not been included as there were no recognised gains or losses for the current financial period other than those already dealt with in the profit and loss account.

The results for the period ended 31 March 2012 are derived from continuing operations.

6.4 Castle Trust's Group reconciliation of shareholders' funds for the period ended 31 March 2012:

	Share Capital	*Share Premium*	*Distributable Reserve*	*Retained Earnings*	*Total Equity*
	£	£	£	£	£
Balance at 30 September 2011	912,000	8,208,001	-	(7,181,535)	1,938,466
Share issue	506,000	4,554,000	-	-	5,060,000
	1,418,000	12,762,001	-	(7,181,535)	6,998,466
Share Premium Cancellation	-	(12,762,001)	12,762,001	-	-
Loss for the period	-	-	-	(2,967,504)	(2,967,504)
Balance at 31 March 2012	1,418,000	-	12,762,001	(10,149,039)	4,030,963

6.5 **Castle Trust's consolidated balance sheet as at 31 March 2012:**

	Notes	*March 2012* £	*September 2011* £
Fixed assets			
Tangible assets	6	37,904	48,050
		37,904	48,050
Current assets			
Prepayments	7(a)	64,300	66,700
Cash at bank and in hand		4,959,407	3,446,674
Interest receivable		2,202	1,559
VAT recoverable		544,767	-
Debtors: amounts falling due after more than one year	7(b)	31,050	757
		5,601,726	3,515,690
Creditors: amounts falling due within one year	8	(1,608,667)	(1,625,273)
Net current assets		3,993,059	1,890,417
Total assets less current liabilities		4,030,963	1,938,467
Capital and reserves			
Called up share capital	9	1,418,000	912,000
Distributable reserve		12,762,002	-
Share premium account		-	8,208,002
Profit and loss account		(10,149,039)	(7,181,535)
Equity shareholders' funds	10	4,030,963	1,938,467

These accounts have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, authorised and approved for issue by the board of directors on 5 September 2012.

Sean Oldfield
Chief Executive Officer
5 September 2012

Keith Abercromby
Chief Financial Officer
5 September 2012

6.6 **Castle Trust's statement of cash flows for the six months ended 31 March 2012:**

	March 2012	*March 2011*	*Full Year September 2011*
	£	£	£
Operating Activities			
Adjustments to reconcile loss for the period to net cash flow from operating activities	(2,967,504)	(1,726,687)	(7,181,535)
Net interest income	(18,864)	(651)	(8,291)
Depreciation and impairment of fixed assets	10,146	2,014	11,683
Tax asset	(544,767)		
Others: creditors & accruals	(16,606)	1,808,013	1,625,273
Cash generated from operations	(3,537,595)	82,689	(5,552,870)
Income taxes paid	-	-	-
Net cash flow from operating activities	(3,537,595)	82,689	(5,552,870)
Investing Activities			
Interest received	18,221	-	6,863
Purchase of fixed assets	-	(33,673)	(59,733)
Deposit repayment	2,400	(22,813)	(66,700)
Net cash flow from investing activities	20,621	(56,486)	(119,570)
Financing Activities			
Interest paid	-	(132)	(131)
Issue of share capital	5,060,000	4,000,000	9,120,002
Others	(30,293)	54,908	(757)
Net cash flow from financing activities	5,029,707	4,054,776	9,119,114
Net increase in cash at bank and in hand	*1,512,733*	*4,080,979*	*3,446,674*
Cash at bank and beginning of period	3,446,674	-	-
Cash at bank and in hand at end of period	4,959,407	4,080,979	3,446,674

6.7 Notes to the interim financial statements

1 Reporting entity

Castle Trust Capital plc ('Castle Trust') is a company domiciled in the United Kingdom. The condensed consolidated interim financial statements of Castle Trust as at and for the six months ended 31 March 2012 comprises Castle Trust and its subsidiaries (together referred to as the 'Group'). The Group is planning to be a provider of mortgages (Partnership Mortgages) and house price linked investments (HouSAs).

2 Accounting policies

Basis of preparation

The financial information contained in these interim financial statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice. The interim results, which have not been audited but have been reviewed by the company's auditors, have been prepared on the basis of accounting policies adopted by the Group for the year ended 30 September 2011 as set out in the Group's financial statements. Copies of the statutory accounts for that year have been delivered to the Registrar of Companies.

The same accounting policies, presentation and methods of computation have been followed in these interim financial statements as were applied in the preparation of the Group's financial statements for the year ended 30 September 2011.

The Group does not intend to adopt IFRS until its business operations are active.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the six months ended 31 March 2012. The Group financial statements are presented in Pounds Sterling.

Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates.

Taxation

Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred Tax

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date."

Basis of consolidation

The Group financial statements consolidate the financial statements of Castle Trust Capital plc and the entities it controls (its subsidiaries) for the six months ended 31 March 2012.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities and is achieved through direct or indirect ownership of voting rights; currently exercisable or convertible potential voting rights; or by way of contractual agreement.

The financial statements of subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting period as the parent company and are based on consistent accounting policies. All intragroup balances and transactions, including unrealised profits arising from them, are eliminated.

Foreign currency translation

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. All monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange ruling at the balance sheet date and differences on translation are taken to profit and loss.

Fixed assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all fixed assets, other than land, on a straight-line basis over its expected useful life as follows:

- Office Equipment - 3 years
- Computer equipment - 3 years

Leases

Leases where the lessor retains a significant portion of the risks and benefits of ownership of the asset are classified as operating leases and rentals payable are charged in the income statement on a straight line basis over the lease term.

Cash at bank and in hand

Cash at bank and in hand in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the consolidated cash flow statement, cash at bank and in hand consist of cash at bank and in hand.

Other interest receivable and similar income

Other interest receivable and similar income is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

3 Other interest receivable and similar income

Other interest receivable and similar income recognised in the income statement is analysed as follows.

	March 2012 £	*March 2011* £
United Kingdom		
Interest income on deposits with banks	18,864	783
	18,864	783

4 Operating loss

Operating loss is stated after charging:

	March 2012 £	*March 2011* £
Depreciation of tangible fixed assets	10,146	2,014
Staff costs	1,964,019	481,591
Other operating lease expense:		
Land and buildings	207,608	39,443

5 Taxation

(a) Tax on profit on ordinary activities:	*March 2012* £	*March 2011* £
Total tax charge for the period	-	-

(b) Reconciliation of tax on profit for the period:

	March 2012 £	*September 2011* £
Loss on ordinary activities before tax	(3,616,002)	(1,726,687)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (September 2011: 26.8%)	(940,161)	(462,752)
Effect of:		
Pre-trading expenditure not recognised	940,161	462,752

Current tax	-	-

At the period end, Castle Trust has pre-trading expenses of £10,149,039 (September 2011: £7,181,535) on which no deferred tax is recognised. This is due to uncertainty surrounding the availability of taxable profits against which these could be offset. The total deferred tax asset unrecognised at the period end is £2,435,769 based on the corporate tax rate of 24% (September 2011: £1,867,199 based on the corporate tax rate of 26%).

Legislation already enacted at the balance sheet date means that with effect from 1st April 2012 the corporation tax rate reduced to 24% (from 26%). On the basis that it is anticipated that Castle Trust's deferred tax assets are expected to crystallise after 1st April 2012 the closing unrecognised deferred tax asset balance has been calculated at 24%.

In addition, the Government has announced its intention to further reduce the UK corporation tax rate to 23% from 1st April 2013 and 22% from 1st April 2014. The aggregate impact of the proposed reductions from 24% to 22% would reduce the unrecognised deferred tax asset by approximately £202,980. The 23% rate was enacted after the balance sheet date and the 22% rate is yet to be enacted."

6 Tangible fixed assets

31 March 2012	*Office equipment* £	*Total* £
Cost:		
At 30 September 2011	59,733	59,733
Additions	-	-
At 31 March 2012	59,733	59,733
Depreciation:		
At 30 September 2011	11,683	11,683
Charge for the period	10,146	21,829
At 31 March 2012	21,829	21,829
Net book value:		
At 30 September 2011	48,050	48,050
Depreciation charge for the period	(10,146)	(10,146)
At 31 March 2012	37,904	37,904

7 Debtors

	March 2012 £	*September 2011* £

(c) Amounts falling due within one year:

Prepayments	64,300	66,700
	64,300	66,700

(d) Amounts falling due after more than one year:

	March 2012	*September 2011*
	£	*£*
Related party loan (note 12)		
Debtor balance	31,050	757

8 **Creditors: amounts falling due within one year**

	March 2012	*September 2011*
	£	*£*
Other Creditors	27,725	181,573
Accruals	1,580,942	1,443,700
	1,608,667	1,625,273

9 **Allotted and called up share capital**

	March 2012	*September 2011*
Authorised: Ordinary shares of £0.10 each	1,418,000	912,000

10 **Reconciliation of movement in shareholders' funds**

	March 2012	*September 2011*
	£	*£*
Opening shareholders' funds	1,938,467	-
Share capital issued in the period	5,060,000	9,120,002
Loss for the period	(2,967,504)	(7,181,535)
Closing shareholders' funds	4,030,963	1,938,467

The shareholders' funds do not include any amounts attributable to non-equity interests.

In the period 5,060,000 shares of £0.10 were allotted with an aggregate nominal value of £506,000 and total consideration received of £5,060,000.

11 Commitments

At 31 March 2012 the Group had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings March 2012	*Land and buildings September 2011*
	£	£
Within one year	281,250	482,250
Greater than one year	-	-
	281,250	482,250

12 Related party transactions

During the period the Group entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and trading balances outstanding at 31 March with other related parties, are as follows:

- *Entities with significant influence over the Group*
  Castle Trust Holdings (Jersey) Limited *£31,050*

The nature of transactions entered into during the period was in relation to business establishment costs.

13 Ultimate parent company

Castle Trust's immediate parent undertaking is Castle Trust Holdings (Jersey) Limited which is incorporated in the Channel Islands. Castle Trust's ultimate parent company is Castle Trust Holdings (Cayman) Limited which is based in the Cayman Islands.

14 Subsequent events

Subsequent to year end both Castle Trust Capital plc and Castle Trust Capital Management Ltd were FSA authorised as limited licence investment firms under BIPRU.

The shareholders capitalised the business with a further £50.6m injection of share capital from its sole shareholder, Castle Trust Holdings (Jersey) Limited, to support the business in its operations and provide an adequate buffer above its regulatory capital requirements. This followed Castle Trust meeting all conditions required for business launch.

PART IX

ADDITIONAL INFORMATION ON THE COMPANY AND THE CELL

The Company, the Directors of the Company and the Directors of the Cell, whose names appear on page 27 of this Registration Document, accept responsibility for the information contained in this Registration Document and declare that, to the best of the knowledge and belief of the Company, the Directors of the Company and the Directors of the Cell (who have taken all reasonable care to ensure that such is the case), the information contained in this Registration Document is in accordance with the facts and contains no omission likely to affect its import.

1 **Incorporation and general**

1.1 The Company was incorporated in Jersey as a protected cell company under the Law on 27 July 2011 under the name of Castle Trust PCC with registered number 108697. The liability of the members is limited. The Cell is a closed-ended protected cell of the Company formed pursuant to a special resolution of the Company dated 4 September 2012.

1.2 The Company and the Cell each have their registered office and principal place of business is at Elizabeth House, 9 Castle Street, St. Helier, Jersey, JE4 2QP, Channel Islands (telephone number: +44 (0) 1534 700000). The statutory records of the Company and the Cell are kept at this address.

2 **Share capital of the Company**

2.1 The Company is authorised to issue an unlimited number of no par value shares.

2.2 The stated share capital of the Company on incorporation was £2.00 divided into 2 Ordinary Shares, each issued for £1.00 and which are fully paid. No further Ordinary Shares have been issued as at the date of this document, and the 2 Ordinary Shares in issue are held by the Trustee of the Housing Foundation Charitable Trust.

3 **Share capital of the Cell**

3.1 The Cell is authorised to issue two Founder Shares and an unlimited number of Shares.

3.2 The Cell's issued and fully paid share capital as at 2 October 2012 (being the latest practicable day prior to publication of this document) was as follows:

Issued and fully paid			
Number	**Class**	**Issue Price**	**Maturity Date**
2	Founder Shares	£1.00	N/A
None	Shares	N/A	N/A

3.3 The 2 Founder Shares in issue in the capital of the Cell were each issued for £1.00 on the establishment of the Cell, are fully paid and are held by the Trustee of The Housing Foundation Charitable Trust. The Founder Shares were created to comply with the Law, under which there must be a class of non-redeemable shares in order that the Shares may be redeemable preference shares in accordance with the Law.

3.4 Pursuant to a special resolution in writing passed by the Trustee on 20 September 2012, it was resolved to:

3.4.1 amend and restate the memorandum and articles of association of the Cell in substitution for and to the exclusion of the memorandum and articles of association adopted on incorporation of the Cell; and

3.4.2 convert and redesignate each of the two ordinary shares of no par value in issue in the capital of the Cell and registered in the name of the Trustee as a Founder Share of no par value having the rights and being subject to the restrictions set out in the Articles in relation to such shares.

3.5 An application has been made for up to 50 million Shares in each of the following Share Classes to be admitted to the Official List of the CISX and to be traded on the CISX by way of an offer for sale:

3 Year October 2012 Shares
5 Year October 2012 Shares
10 Year October 2012 Shares

3 Year November 2012 Shares
5 Year November 2012 Shares
10 Year November 2012 Shares

3 Year December 2012 Shares
5 Year December 2012 Shares
10 Year December 2012 Shares

3 Year January 2013 Shares
5 Year January 2013 Shares
10 Year January 2013 Shares

3 Year February 2013 Shares
5 Year February 2013 Shares
10 Year February 2013 Shares

3 Year March 2013 Shares
5 Year March 2013 Shares
10 Year March 2013 Shares

3 Year April 2013 Shares
5 Year April 2013 Shares
10 Year April 2013 Shares

3 Year May 2013 Shares
5 Year May 2013 Shares
10 Year May 2013 Shares

3 Year June 2013 Shares
5 Year June 2013 Shares
10 Year June 2013 Shares

3 Year July 2013 Shares
5 Year July 2013 Shares
10 Year July 2013 Shares

3 Year August 2013 Shares
5 Year August 2013 Shares

10 Year August 2013 Shares

3 Year September 2013 Shares
5 Year September 2013 Shares
10 Year September 2013 Shares

3.6 Save as set out in paragraph 3.2 of this Part IX, no share or loan capital of the Cell has within the two years immediately preceding the date of this document been issued, or is now proposed to be issued, fully or partly paid, for cash or otherwise. No commissions, discounts, brokerage or other special terms have, within the same two year period, been granted by the Cell or the Company in connection with the issue or sale of any part of the share or loan capital thereof. No share or loan capital of the Cell or the Company is under option or agreed conditionally or unconditionally to be put under option.

3.7 Immediately following Admission, the Trustee of the Housing Foundation Charitable Trust will control the exercise of 100 per cent of the rights to attend and vote at general meetings of each of the Company and the Cell.

3.8 As the sole holder of the Ordinary Shares and the Founder Shares, the Trustee of The Housing Foundation Charitable Trust directly exercises control over the Company and the Cell. Only holders of Ordinary Shares and Founder Shares are entitled to attend and vote at general meetings of the Company and the Cell respectively, and save as disclosed in this paragraph 3, as at the date of this Registration Document, neither the Company nor the Cell is aware of any person who directly or indirectly has an interest in the Company's or the Cell's capital or voting rights which is notifiable under Jersey law. Shareholders, by virtue of their holding Shares which are preference shares, do not have any voting rights at general meetings of the Cell.

4 Directors

The Board and the Cell Board each currently comprise four Directors. The Directors are as follows:

Name	**Position**	**Date appointed to the Board and the Cell Board**
Mark Creasey	Director	28 May 2012 and 5 September 2012
Philip Burgin	Director	27 July 2011 and 5 September 2012
Miranda Lansdowne	Director	27 July 2011 and 5 September 2012
Anthony Underwood-Whitney	Director	27 July 2011 and 5 September 2012

The business address of the Directors is currently Elizabeth House, 9 Castle Street, St Helier Jersey JE4 2QP

The management expertise and experience of each of the Directors is set out below.

Mark Creasey, Director

FCCA (Fellow Member of the Association of Chartered Certified Accountants), MCSI (Member of the Chartered Institute for Securities & Investment)

Mark oversees the open ended Collective Investment Funds managed by JTC and has considerable experience in both open ended and closed ended collective investment schemes ranging from 'Very Private' to 'Expert', up to quasi-retail fund structures. He is a Director of a number of Collective Investment Funds and has experience in both conventional and Sharia compliant structures investing in a wide range of assets.

Philip Burgin, Director

CMI (Chartered Institute of Management), FCIS (Fellow of Institute of Chartered Secretaries and Administrators) and STEP (Society of Trust and Estate Practitioners)

As a member of the Group Holding Board, Philip contributes to the strategic direction of the Group at the highest level. In Philip's capacity as Head of Group Client Services, he is also responsible for overseeing all aspects of our existing client relationships as well as the business development and marketing of the Group. He has a wealth of experience in corporate structuring, particularly when real estate is the asset class and has previously sat on the board of a number of quoted companies, some of which include high profile joint ventures as well as large scale real estate development projects in the UK.

Miranda Lansdowne, Director

STEP (Society of Trust and Estate Practitioners)

As Head of the Fund Services division, Miranda oversees the management of our fund administration teams which specialise in the formation of fund vehicles and the ongoing administration of both public and non-public collective investment structures. Involved in the development of our Fund & Employee Services division, she is also responsible for the continued development and implementation of our internal processes and procedures.

Anthony Underwood-Whitney, Director

FCIS (Fellow of Institute of Chartered Secretaries and Administrators) and STEP (Society of Trust and Estate Practitioners)

Tony is responsible for the ongoing management of the corporate services business area and client administration teams at JTC. Prior to this, he had been intrinsically involved in the development of the fund and employee services division and continues to oversee the initial structuring of fund and employee benefit arrangements.

Compensation

In respect of the Directors, CTCM pays on behalf of the Company and the Cell to JTC an annual fee of £2,000 for the provision of a board of Jersey resident directors.

The Directors shall also be entitled to be paid their reasonable travelling, hotel and incidental expenses of attending and returning from meetings of the Directors or committees of the Directors or general meetings and all expenses properly and reasonably incurred by them in the conduct of the Company's or the Cell's business or in the discharge of their duties as Directors. Such amounts are paid by CTCM on behalf of the Company and the Cell (as applicable).

In respect of the Directors, no amounts are set aside or acquired by the Company or the Cell to provide pension, retirement or similar benefits. No Director has a service contract with the Company or the Cell, nor are any such contracts proposed.

The Directors were each appointed as directors of the Company on 27 July 2011 save for Mark Creasey who was appointed on 28 May 2012 and their appointment is subject to the Articles of Association. The Directors were appointed as directors of the Cell on 5 September 2012 and their appointment is subject to the Cell Articles. In each case, the Directors' appointments can be terminated without notice and without compensation. Copies of the Directors' letters of appointment are available for inspection at the address specified in Part XVI of this document.

The Directors have the benefit of “outside directors’ liability” insurance cover, by way of an express extension to JTC group’s professional indemnity cover, which generally covers the professional services to clients. As at the date of this Registration Document and save as disclosed in this Registration Document or the Relevant Securities Note, none of the Directors nor any connected person has any interest, beneficial or non-beneficial, in the share capital of the Company or the Cell or any options in respect of such capital.

General

The Company and the Cell will, following Admission, comply with their continuing obligations under the Listing Rules, including the Model Code for Securities Transactions by Directors of Listed Companies contained in Appendix VI of the Listing Rules, and comply with their general duties under the Law. There is otherwise no applicable regime of corporate governance to which the Directors must adhere over and above the general fiduciary duties and duties of care, diligence and skill imposed on such directors under Jersey law.

The Board and the Cell Board

No individual or group of individuals dominates the Board’s decision making process or the Cell Board's decision making process. None of the Directors has any potential conflict of interest between their duties to the Company and the Cell and their private interests and/or duties owed to third parties.

The Board and the Cell Board has a procedure through which its Directors are able to take independent advice in the furtherance of their responsibilities.

The Board and the Cell Board intend to meet regularly throughout the year (normally monthly) and ensure that all necessary information is supplied to the Directors on a timely basis to enable them to discharge their duties effectively. In addition, special meetings of the Directors can take place or other arrangements can be made when decisions are required in advance of regular meetings of the Board or the Cell Board. The Cell Board is responsible for leading and controlling the Cell and, in particular, for formulating, reviewing and approving the Cell's corporate strategies.

5 **Taxation**

This summary is intended only as a general guide to certain aspects of UK and Jersey tax law and HM Revenue & Customs published practice applicable at the date of this document. Jersey tax law, UK tax law and HM Revenue & Customs practice are subject to change at any time, potentially with retroactive effect. Except where non-UK resident Shareholders are expressly referred to, this section only addresses the position of prospective Shareholders who are individuals resident or ordinarily resident solely in the United Kingdom who are absolute beneficial owners of their Shares and hold their Shares as an investment. It does not deal with certain types of prospective Shareholders such as companies or other persons subject to corporation tax, insurance companies, dealers in securities, clearing houses, trusts, collective investment schemes, persons who have (or are deemed to have) acquired their Shares by reason of employment or persons connected with the Company. The summary does not purport to be a complete analysis of all the potential tax consequences of acquiring, holding and disposing of the Shares. Shareholders who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the UK should consult an appropriate independent advisor.

United Kingdom taxation

Taxation of the Company

United Kingdom Corporation Tax and Income Tax

It is intended that the Company will be managed so that it is neither:

(i) resident in the United Kingdom for tax purposes; nor

(ii) carrying out a trade in the UK.

The Company should therefore only be liable to UK corporation tax or income tax on UK source income to the extent deducted at source, or in respect of certain types of specific income (neither of which are expected to arise on the basis of the analysis of the Company's activities set out elsewhere in this document). The Company should also fall outside the scope of corporation tax or UK capital gains tax in respect of capital gains wherever they arise.

Taxation of dividends

Shareholders

It is not intended that any dividends be paid on the Shares by the Company. However, subject to the below, Shareholders who own less than 10 per cent of the issued share capital of the Company or of any class of share and who receive dividends paid by the Company will be entitled to a non-payable tax credit. The amount of the tax credit is currently one ninth of the cash dividend or 10 per cent of the aggregate of the cash dividend and the associated tax credit (the "**gross dividend**").

If a Shareholder owns more than 10 per cent of the issued share capital of the Company, or more than 10 per cent of any class of share in the capital of the Company, the tax credit would normally only be available (subject to anti-avoidance measures in the relevant legislation) if the Company was resident in a territory which had a double taxation treaty with the United Kingdom containing a non-discrimination article and was therefore a "qualifying territory". Jersey is not a qualifying territory and so an individual Shareholder whose shareholding in the Company equals 10 per cent or more of the issued share capital of the Company, or of a class of shares in the Company, would not be entitled to the tax credit.

Shareholders whose income tax liability is less than the tax credit are not entitled to claim a repayment of all or part of the tax credit associated with dividends paid by the Company.

*Shareholders who acquire their investment in Shares through an Individual Savings Account ("**ISA**")*

The Shares are expected to be eligible investments for the stocks and shares element of an ISA.

UK tax resident Shareholders who acquire their investment in Shares through an ISA and who satisfy the tax exemption conditions set out in the ISA Regulations will not be subject to either UK income tax or UK capital gains tax on income and gains realised from Shares. Any losses on Shares held in an ISA will be disregarded for the purposes of UK capital gains tax.

Chargeable gains

Depending on the Shareholder's circumstances, and subject to any available exemptions or reliefs, a disposal of Shares may give rise to a chargeable gain or an allowable loss for the purposes of UK tax on chargeable gains if made by:

(i) a Shareholder who is resident or ordinarily resident for tax purposes in the UK; or

(ii) a Shareholder who carries on a trade, profession or vocation in the UK through a branch or agency and who has used, held or acquired the Shares for the purposes of such trade, profession or vocation or such branch or agency.

Special rules apply to individuals who are temporarily not resident, or not ordinarily resident, in the UK. If these rules may apply to you, you should consult your own tax advisor.

Offshore funds

Under the offshore funds rules in the Offshore Funds (Tax) Regulations 2009 and Part 8 of the Taxation (International and Other Provisions) Act 2010, capital gains made on the disposal of interests in entities which qualify as “offshore funds” are liable to income tax rather than capital gains tax, save where the offshore fund has been certified as a reporting fund by HMRC at all material times.

It is expected that each class of Shares of the Company will be analysed separately for the purposes of the offshore fund rules, and that each class of Shares will not be treated as an offshore fund. A disposal of Shares should not, therefore, give rise to an income tax liability under the offshore funds regime.

Transfer of assets abroad

The attention of Shareholders ordinarily resident in the United Kingdom is drawn to the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007. These are anti-avoidance provisions concerned with the transfer of assets to persons abroad in circumstances which may render individuals liable to taxation in respect of undistributed income received by the Company. Where certain conditions are met, such holders may be able to make a claim for exemption from income tax under this Chapter on their tax returns.

Transactions in securities

The “transactions in securities” legislation in Chapter 1 of Part 13 Income Tax Act 2007 is an anti-avoidance provision which HMRC may invoke in certain circumstances to counter transactions which enable profits, which could have been paid to an Investor as a dividend and taxed as income, to be returned to the Investor in a manner which results in a smaller tax liability on the part of the Shareholder (which includes securing capital gains tax treatment in lieu of income tax treatment in the hands of the Shareholder).

A tax charge will, however, only apply if the main purpose, or one of the main purposes, of the person in being a party to the transaction in securities, or any of the transactions in securities, is to obtain an income tax advantage and HMRC serve a counteraction notice.

Section 13 Taxation of Capital Gains Act 1992

The attention of United Kingdom resident Shareholders is drawn to the provisions of Section 13 of the Taxation of Chargeable Gains Act 1992 under which, in certain circumstances where the Company would, if UK resident, be a close company, a portion of capital gains made by the Company can be attributed to a Shareholder who, alone or together with associated persons, has more than a 10 per cent interest in the Company.

Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)

The following statements are intended as a general guide to the position under current UK tax law and HM Revenue and Customs practice. They do not apply to entities such as market makers, dealers, brokers, intermediaries and persons (or nominees for persons) who issue depositary receipts or operate clearance services, to which special rules apply.

Issue of Shares

The allotment and issue of Shares by the Company pursuant to the Offer will not give rise to a charge to stamp duty or SDRT.

Transfer of Shares

No stamp duty reserve tax will be payable on an agreement to transfer Shares provided that the register on which the Shares are registered is situated outside the UK and it is the intention of the Company that the register of Shares will be so situated.

No stamp duty will be payable on the transfer of Shares provided that no instrument of transfer is executed in the UK.

Jersey taxation

The following summary of the anticipated treatment of the Company, the Cell and Shareholders (other than residents of Jersey) is based on Jersey taxation law and practice as they are understood to apply at the date of this document and is subject to changes in such taxation law and practice. It does not constitute legal or tax advice and does not address all aspects of Jersey tax law and practice (including such tax law and practice as they apply to any land or building situate in Jersey). Prospective investors in the Shares should consult their professional advisers on the implications of acquiring, buying, selling or otherwise disposing of Shares under the laws of any jurisdiction in which they may be liable to taxation.

Taxation of the Company and the Cell

The Company and the Cell are regarded as a single fiscal entity resident for tax purposes in Jersey and on the basis that this entity is not a financial services company or utility company for the purposes of the Income Tax (Jersey) Law 1961, as amended, it will be subject to income tax in Jersey at a rate of zero per cent. Dividends on Shares may be paid without withholding or deduction for or on account of Jersey income tax by the Company or the Cell and holders of Shares (other than residents of Jersey) will not be subject to any tax in Jersey in respect of the holding, sale or other disposition of such Shares.

Jersey charges a tax on goods and services supplied in the Island ("GST"). On the basis that the Company and the Cell has obtained international services entity status, GST is not chargeable on supplies of goods and/or services made by the Company or a Cell. The Board and the Cell Board intend to conduct the business of the Company and the Cell such that no GST will be incurred by the Company or the Cell respectively.

Neither the Company nor the Cell is required to make any withholding or deduction in respect of Jersey income tax from any dividend paid on the Shares.

Stamp duty

In Jersey, no stamp duty is levied on the issue or transfer of the Shares except that stamp duty is payable on Jersey grants of probate and letters of administration, which will generally be required to transfer Shares on the death of a holder of such Shares. In the case of a grant of probate or letters of administration, stamp duty is levied according to the size of the estate (wherever situate in respect of a holder of Shares domiciled in Jersey, or situate in Jersey in respect of a holder of Shares domiciled outside Jersey) and is payable on a sliding scale at a rate of up to 0.75% of such estate.

Jersey does not otherwise levy taxes upon capital, inheritances, capital gains or gifts nor are there other estate duties.

If you are in any doubt as to your tax position you should consult your professional tax adviser.

6 Memorandum and Articles of Association

The Company Articles

The Ordinary Shares are held by the Trustee of The Housing Foundation Charitable Trust and are not for offer to investors. The Ordinary Shares are in issue in the capital of the Company (which is distinct from the capital of the Cell) and are constituted and governed by the Company Articles

Rights attaching to the Ordinary Shares

The rights attaching to the Ordinary Shares are as follows:

As regards dividends:

The Company may, with the approval of a majority of the holders of the Ordinary Shares, declare dividends provided that no dividend shall exceed the amount recommended by the Directors.

As regards winding-up and return of capital – on a winding up of the Company or other return of capital the Ordinary Shares shall have the rights set out in Article 39 of the Company Articles*.

As regards notice of meetings and voting – the Ordinary Shares shall have voting rights, and the holders of Ordinary Shares shall be entitled to receive notice of and to attend and speak, at general meetings of the Company.

As regards redemption – the Ordinary Shares are not redeemable.

*Article 39.3 of the Company Articles provide that where the Company is being wound-up under the Law, the Company shall not be taken to have no assets and no liabilities for so long as the Company continues to have one or more protected cells and accordingly in the course of such a winding-up, each protected cell of the Company must be dealt with or disposed of in such manner as may be permitted under the Law.

The Cell Articles of Association

The following contains a summary only of certain provisions of the Memorandum and Articles of the Cell and is subject to the express terms thereof which are binding on every shareholder of the Cell. Copies of each are available for inspection at the addresses specified in paragraph 1 of Part XVI.

The Articles of the Cell contain provisions to the following effect:

Memorandum of Association

The Cell has unrestricted capacity under the Law.

The share capital of the Cell shall comprise of:

(a) two Founder Shares; and

(b) an unlimited number of Shares of any class.

The liability of a shareholder arising from the holding of a share in the Cell is limited to the amount (if any) unpaid on it.

Rights attaching to Founder Shares

The rights attaching to Founder Shares are as follows:

As regards dividends:

(a) at any time that any Shares are in issue, no dividends shall be payable to the holders of the Founder Shares; and

(b) at any time that there are no Shares in issue, dividends may be declared and paid on the Founder Shares in accordance with the provisions of the Cell Articles.

As regards winding-up and return of capital – on a winding up of the Cell or other return of capital the Founder Shares shall have the rights set out in Article 42 of the Cell Articles, the provisions of which are summarised below under the heading "Winding Up".

As regards notice of meetings and voting – the Founder Shares shall have voting rights, and the holders of Founder Shares shall be entitled to receive notice of and to attend and speak, at general meetings of the Cell.

As regards redemption – the Founder Shares are not redeemable.

Founder Shares shall only be issued at £1.00 per Founder Share and shall only be issued to and held by the Trustee of The Housing Foundation Charitable Trust.

Rights attaching to Shares

The rights attaching to the Shares are as follows:

As regards dividends – no dividends shall be payable to Shareholders.

As regards winding-up and return of capital – on a winding up of the Cell or other return of capital the Shares shall have the rights set out in Article 42 of the Cell Articles, the provisions of which are summarised below under the heading "Winding Up".

As regards notice of meetings and voting – the holders of Shares:

(a) shall not be entitled to receive notice of, or to attend and speak at, general meetings of the Cell;

(b) shall have no voting rights whatsoever in respect of general meetings of the Cell; but

(c) shall have voting rights in respect of, and be entitled to receive notice of and to attend and speak at, separate meetings of the holders of the Shares of the relevant Share Class.

As regards redemption – Shares shall only be redeemed in the following circumstances, subject to the provisions of the Law:

(a) at any time during the Offer Period in respect of a Share Class, the Directors may cancel the relevant Offer and redeem all (but not some only) of the issued Shares of the Share Class for the amounts paid up thereon;

(b) any Shares which are sold back by investors to Castle Trust during the cooling off period may be redeemed by the Cell on such day or days prior to the end of each calendar month as the Directors may determine for the amounts paid up thereon;

(c) any Shares which are determined by the Directors to be Exiting Investor Shares may, with the agreement of the relevant Shareholder, be redeemed by the Cell on any day as the Directors may agree with the relevant Shareholder; and

(d) subject to the following proviso, all Shares in issue at 17.00 on the Maturity Date shall be automatically redeemed by the Cell for an amount equal to the Investment Return PROVIDED THAT, for the protection of the Shareholders of the Share Classes other than the Share Class which is the subject of such a redemption, no amounts shall be paid in excess of the net assets attributed to the separate account (see below) in respect of the redeeming Share Class and, where those net assets would otherwise be exceeded, the amounts to be paid to the Shareholders in respect of each Share of the redeeming Share Class shall be reduced rateably, PROVIDED ALWAYS, and for the avoidance of doubt, that Shareholders shall have no right to receive any distribution or payments determined by reference to the net assets attributed to the separate account of the relevant Share Class and the amounts to which they are entitled shall be determined only by reference to the Investment Return (such that, if those net assets exceed the Investment Return they shall ultimately accrue for the benefit of other Cell members).

Investment objective of each Share Class

Subject to the provisions of the Articles concerning the variation of Share rights (as summarised in the following paragraph), the investment objective of each class of Share shall be the generation of sufficient cash to enable the Cell to pay to every Shareholder of the relevant class an amount equal to the Investment Return for each such share that they hold in the class on the applicable Maturity Date.

Variation of Share rights

Subject to the Law, the special rights attached to any Share Class may be varied or abrogated with the consent in writing of the holders of two-thirds in number of the issued shares of that class or with the sanction of a Special Resolution of the Share Class.

Any special rights conferred upon any Shares (whether or not issued with preferred, deferred, or other special rights) will not be deemed to be varied by, among other things, (i) the creation, allotment or issue of further Shares ranking after or *pari passu* therewith; or (ii) the creation, allotment or issue of Founder Shares; or (iii) the creation, allotment, issue or redemption of Shares or the payment of any redemption amount or dividend on any Shares; (iv) the variation of the special rights attached to the Shares of any other Share Class provided that by such variation the rights of Shareholders of the class first above mentioned as to dividends, redemption or return of capital on a winding up are not thereby reduced or abrogated, or (v) the amendment of the definition of a US Person or Prohibited Person where the Cell has been advised that such amendment will not materially prejudice the Cell.

The special rights conferred upon the Shareholders of any class (whether or not issued with preferred, deferred or other special rights) shall (unless otherwise expressly provided by the conditions of issue of such shares) be deemed to be varied by any change in the investment objectives and/or policies of that class set out in the Relevant Summary and/or Relevant Securities Note.

Forfeiture and Surrender of Shares, Liens

If a Shareholder fails to pay monies unpaid on any of their Shares by the fifth Business Day following the expiry of the relevant Offer Period, all Shares of that Share Class in respect of which monies are unpaid shall be forfeited automatically (and without need for a resolution of the Directors or service of any notice on the Shareholder concerned to that effect).

The Directors may, at any time before such automatic forfeiture of any Shares, accept from the Shareholder concerned the surrender of such Shares as are the subject of a notice from the Shareholder. Any such Shares shall be surrendered immediately and irrevocably upon the Shareholder delivering to the Cell the share certificate for the Shares.

The Cell does not have a lien on any Share.

Separate Accounts

The Directors shall have the power to establish and maintain, with respect to Shares of any class, a separate account, to record for internal ringfencing purposes the allocation, on a differentiated basis, of the assets and liabilities and income and expenditure of the Cell to the Shareholders of Shares of that class in a manner consistent with any methodology set forth in the Relevant Summary and/or Relevant Securities Note and the rights otherwise attaching to the Shares or as they may in their discretion deem appropriate from time to time.

The proceeds from the issue of Shares of any class shall be applied in the books of the Cell to the separate account established for Shares of that class. All assets held for the account of a class of Share prior to the allotment of any Shares of a further class shall be held subject to the separate account of the former class, and all liabilities attributable to that class shall be treated accordingly. The assets and liabilities and income and expenditure attributable to a separate account shall be applied to such separate account and, subject to the provisions of the Cell Articles, to no other separate account.

Where any asset is derived from another asset (whether cash or otherwise), such derivative asset shall be applied in the books of the Cell to the same separate account as the asset from which it was derived, and on each revaluation of an asset the increase or diminution in value shall be applied to the same separate account and, subject to the provisions of the Cell Articles, to no other separate account.

In the case of any asset or liability of the Cell which the Directors do not consider is attributable to a particular separate account, the Directors shall have absolute discretion to determine the basis upon which any such asset or liability shall be allocated between or among separate accounts or accrue for the benefit only of the holders of the Founder Shares.

The Directors shall, in the books of the Cell, transfer or allocate assets and liabilities between or to separate accounts if, as a result of a creditor proceeding against certain of the assets of the Cell or otherwise, a liability would be borne in a different manner from that in which it would have been borne if applied under the provisions summarised above.

The Directors may from time to time transfer, allocate or exchange an asset or liability between or to separate accounts provided that at the time of such transfer, allocation or exchange the Directors form the opinion (in good faith) that the value in money or money's worth of each such asset or liability transferred, allocated or exchanged is not significantly less or more than the value in money or money's worth allocated to the separate account to which such asset or liability was applied immediately prior to such transfer, allocation or exchange.

Changes in share capital

The Cell may by Special Resolution alter its Cell Memorandum so as (a) to increase or reduce the number of shares of any class which it is authorised to issue, or (b) to consolidate or divide all or any part of its shares (whether issued or not) into fewer or more shares, and may generally make such other alteration to its share capital as is from time to time permitted by the Law.

Any new shares created on an increase or other alteration of share capital shall be issued upon such terms and conditions as the Cell may by Ordinary Resolution determine.

Restrictions on Shareholders: disclosure of interests in Shares and sanctions

Shares may not be held by or on behalf of any US Person or Prohibited Person.

Following the service of a notice from the Directors, a Shareholder must disclose to the Cell the identity of any person who has an interest in their Shares. If such Shareholder does not provide this information the Directors may serve notice of certain sanctions (to take effect 14 days following service of such notice).

Where the interest in the Shares represents less than 0.25% of the Shares of the relevant Share Class in issue, the notice may provide for the elimination of the Shareholder's right to attend or vote at any meeting of the Shareholders of the Share Class. Where the interest represents at least 0.25% of the Shares in issue of the relevant Share Class, the notice may provide for the elimination of the Shareholder's right to attend or vote at any meeting of the Shareholders of the Share Class; the right to receive any dividend; and/or place restrictions on the transfer of such Shares (except in a transfer to a bona fide unconnected third party).

Unless ended earlier at the discretion of the Directors, such sanctions shall cease to apply on the earlier of: (i) receipt by the Cell of notice that the Shares have been transferred to a bona fide unconnected third party; or (ii) provision of the information originally requested by the Directors.

A further sanctions process operates where the Directors believe or suspect that: (i) the Shares have been acquired or held directly or indirectly by any US Person or Prohibited Person; (ii) such holding of Shares has breached any applicable laws and the holding (a) prejudices the tax or regulatory status of the Cell or any other Shareholder; or (b) requires the Cell or any other Shareholder to comply with filing or registration requirements in any jurisdiction which it would not otherwise be required to comply; or (iii) the Shares are held by a Shareholder who is or may be in breach of any provision of the Cell Articles or in default of any obligation to the Cell.

Such sanctions may include any or all of: (i) imposing any restrictions and/or requiring the Shareholder to take any action; (ii) requiring the Shareholder to indemnify the Cell and/or any other person; (iii) imposing a penalty on the Shareholder; (iv) eliminating the Shareholder's right to any or all of the rights or privileges attaching to the Shares; (v) requiring the Shareholder to repay the amount of any distributions paid with respect to the Shares; (vi) requiring the Shareholder to transfer the Shares; and/or (vii) causing the compulsory transfer or forfeiture of the Shares.

Provisions relating to shares

<u>Allotment and issue of Shares</u>

The Directors may only allot and issue Shares of a Share Class to the Nominee before the expiry of the relevant Offer Period. The Directors may refuse any application for allotment of Shares in their absolution discretion and whether with or without cause. The Cell shall not be required to enter the names of more than four joint holders in the Cell's register of members.

<u>Minimum holdings and transfers</u>

The Directors may require that any application to subscribe for, redeem or transfer Shares shall be subject to a minimum value of Shares to be subscribed for or redeemed as determined by the Directors and/or shall be subject to a requirement that any Shareholder acquire or maintain a holding of a minimum value of Shares as determined by the Directors (provided that any change to any such minimum holding shall not adversely affect any Shareholder registered prior to the change becoming effective, for as long as that Shareholder does not alter the level of its holding). In this regard, the Directors may specify different requirements in respect of differing circumstances (including by differentiating between subscriptions from persons who are and who are not already Shareholders) and may waive any such requirement on such terms as they think fit.

Transfers and transmission of Shares

Transfers of Shares

The Directors may in their absolute discretion and without assigning any reason therefor refuse to register the transfer of a Share including without limitation a transfer to a person of whom they do not approve. The Directors may waive any such requirements to the extent that they deem appropriate in connection with the admission to trading of the Shares on a regulated market or stock exchange. The Directors shall not register any transfer of any Share to any person who is, in the opinion of the Directors, a US Person or a Prohibited Person.

If the Directors refuse to register a transfer of a Share they shall within two months after the date on which the instrument of transfer was lodged with the Cell send to the proposed transferor and transferee notice of the refusal.

The registration of transfers of Shares may be suspended at such times and for such periods as the Directors may determine. Without limitation to the foregoing, suspensions of transfers may be effected pending the holding of a shareholder meeting, and there are no other circumstances currently envisaged in which the suspension of transfers will be effected. Unless otherwise decided by the Directors in their sole discretion no fee shall be charged in respect of the registration of any instrument of transfer or other document relating to or affecting the title to any Share.

Any proposed transferee shall provide to the Directors such information and documents as may be required by the Directors.

Transmission of Shares

On the death of a Shareholder, only the survivor or survivors where the deceased was a joint Shareholder and the executors or administrators of the deceased where he was a sole or only surviving Shareholder shall be the only persons entitled to be recognised by the Cell as having any title to that Shareholder’s interest in the Shares. Under no circumstances shall the estate of a deceased joint Shareholder be released from any liability in respect of any Shares which had been jointly held by that Shareholder.

Any person so entitled on the death, bankruptcy or incapacity of such a Shareholder may, on the production as such evidence of title as the Directors may require, elect by notice to the Cell that that person wishes to be registered as the Shareholder of the relevant Shares or to nominate another person to be so registered by instrument of transfer (in each case on the production of such information (as outlined in the Articles) which allows the Directors to determine that the person to be registered as Shareholder of the Shares is not a US Person or a Prohibited Person).

Such person who is not a US Person or a Prohibited Person shall be entitled to the same dividends and other advantages to which he would be entitled if he were the Shareholder of the Shares except that he shall not before being registered as the Shareholder be entitled to exercise any right conferred by membership in relation to meetings of the Cell. The Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the Shares and if the notice is not complied with within one month such person shall be deemed to have so elected to be registered himself and all the restrictions on the transfer and transmission of shares shall apply to such election (see the "*Transfer of Shares*" section above).

Shares not freely redeemable

The Shares are not redeemable at the instance of the Shareholder.

Purchase of Shares

Subject to the provisions of the Law, the Cell may purchase its own shares.

Payments to Shareholders

Where any payment due to a Shareholder is unclaimed after ten years from the date it first became payable (or any cheque in respect thereof remaining uncashed or unpresented after ten years from the date of posting or in the case of a dividend from the date of declaration thereof) it shall if the Directors so resolve be forfeited for the benefit of and shall cease to remain owing by the Cell and shall thenceforth belong to the Cell absolutely.

Determination of the net assets attributable to a separate account

The net assets of a separate account shall be equal to the aggregate value as at the relevant valuation point of all assets of the relevant class less all liabilities attributable to such class as at such valuation point.

The value of assets and liabilities attributed to a separate account shall be determined as follows:-

- all assets and liabilities of the class shall be valued at their respective fair values as determined in good faith by the Directors;

- any value in respect of a non-Pounds Sterling asset or liability shall be converted at any officially set exchange rate or appropriate spot market rate (whether official or otherwise) on the relevant valuation point or, if no such rate is then available, at the most recently available such rate as the Directors in their absolute discretion deem appropriate in the circumstances having regard, inter alia, to any premium or discount which may be relevant and to costs of exchange; and

- the valuation of the assets and liabilities shall also be determined in accordance with any principles contained in the relevant Prospectus.

Notwithstanding the foregoing, where on any valuation point any asset attributed to a separate account has been realised or contracted to be realised there shall be included in the assets attributed to that separate account in place of such asset the net amount receivable in respect thereof provided that if such amount is not then known exactly (which will be the case in respect of the amount receivable under the Investment Product entered into in relation to the relevant Shares Class, if the Investment Product has not matured) then its value shall be the net amount estimated by the Directors as receivable (which will result in an "indicative" valuation being produced) and provided that if the net amount receivable is not payable until some future time after the time of any valuation the Directors may make such allowances as they consider appropriate (which may also result in an "indicative" valuation being produced).

If the Directors consider that any of the above bases of valuation are unfair or impracticable in any particular case or generally, they may adopt such other valuation or valuation procedure as they consider is fair and reasonable in the circumstances.

Any accrued advisory, management or other fees payable by the Cell and attributed to a separate account, general operating expenses and taxation provisions shall be deducted in calculating the net assets attributed to that separate account.

The liabilities of or attributable to a separate account shall be deemed to include all its liabilities (including such amount as the Directors determine to provide in respect of contingent liabilities) of whatsoever kind and nature except liabilities represented by shares. In determining the amount of such liabilities the Directors may calculate any liabilities on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any such period.

Any expense or liability attributable to a separate account may be amortised over such period as the Directors may determine (and the Directors may at any time and from time to time determine to lengthen or shorten any such period) and the unamortised amount thereof at any time shall also be deemed to be an asset of that class.

For the purpose of valuing the assets attributable to a separate account as aforesaid the Directors may rely upon the opinions of any persons who appear to them to be competent to value assets of the class by reason of any appropriate professional qualification or of experience of any relevant market including, without limitation, the Investment Provider.

For the foregoing purposes:

- the price of Shares which have been allotted (less commission, if any, and less any other duties and charges payable by the Cell in connection with the allotment thereof) shall be deemed to be an asset of the relevant separate account as of the time at which such Shares are issued; and

- the price for Shares which have been redeemed or whose allotment has been cancelled shall from the time at which such Shares are deemed to cease to be in issue until such price is paid be deemed to be a liability of the relevant separate account.

Any valuation made pursuant to the Articles shall be made by or on behalf of the Directors and shall (except in the case of manifest error) be binding on all persons.

Suspension of determination of the net assets attributable to a separate account

The Directors may declare a suspension of the determination of the net assets in relation to the Cell as a whole or in relation to any separate account in such circumstances as they think appropriate including (but without prejudice to the generality of the foregoing):-

- by reason of the closure of or the suspension of trading on any market or stock exchange or any other exchange or for any other reason circumstances exist as a result of which, in the opinion of the Directors, it is not reasonably practicable on that day fairly to dispose of any substantial portion of the assets of the Cell or attributed to a particular separate account (as applicable) or to determine the net assets in accordance with the Articles; or

- a breakdown occurs in any of the means normally employed by the Directors in ascertaining the value of assets of the Cell or attributed to a particular separate account or when for any other reason the Directors are of the opinion that they cannot reasonably ascertain the value of any substantial portion of such assets of the Cell or attributed to a particular separate account as at the valuation point on the day concerned; or

- circumstances exist as a result of which, in the opinion of the Directors, it is not reasonably practicable for the Cell to realise or to dispose of assets of the Cell or attributed to a particular separate account without materially and adversely affecting and prejudicing the interests of the relevant Shareholders or fairly to determine the net assets.

Each declaration by the Directors pursuant to the above provisions shall be consistent with such official rules and regulations (if any) relating to the subject matter thereof as shall have been promulgated by any authority having jurisdiction over the Cell as shall be in effect at the time. To the extent not inconsistent with the aforementioned official rules and regulations the determination of the Directors shall be conclusive.

The Directors shall during the period of any suspension declared pursuant to the relevant provision of the Articles review the reasons for such suspension and declare the suspension at an end as soon as they consider that the reasons or conditions giving rise to the suspension have ceased to exist and no other reasons or conditions entitling them to declare a suspension shall exist. Where possible, the Directors will take all reasonable steps to bring any period of suspension to an end as soon as possible. The imposition or lifting of any such suspension shall be notified to the Shareholders in such manner as the Directors determine to be desirable in order to bring such matters to the attention of the Shareholders.

General meetings

Unless all of the shareholders of the Cell agree in writing to dispense with the holding of Cell annual general meetings, and any such agreement remains valid in accordance with the Law, the Cell shall in each calendar year hold a general meeting as its annual general meeting at such time and place as may be determined by the Directors, provided that so long as the Cell holds its first annual general meeting within eighteen months of its creation it need not hold it in the year of its incorporation or in the following year.

The Directors may, whenever they think fit, and upon a requisition of shareholders of the Cell pursuant to the provisions of the Law the Directors shall forthwith, proceed to convene a Cell extraordinary general meeting for a date not later than two months after the receipt of the requisition. If there are not sufficient Directors to convene the Cell extraordinary general meeting any Director or any shareholder may convene such a meeting.

At any Cell extraordinary general meeting called pursuant to a requisition unless such meeting is called by the Directors no business other than that stated in the requisition as the objects of the meeting shall be transacted.

Only Founder Shares carry the right to receive notice of, and to attend and vote at, general meetings of the Cell.

At least fourteen clear days' notice shall be given of every Cell annual general meeting and of every Cell extraordinary general meeting, including without limitation, every general meeting called for the passing of a Special Resolution. A person who is entitled to attend and vote at a general meeting of the Cell is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not also be a holder of any shares in the Cell.

No business shall be transacted at any general meeting except the adjournment of the meeting unless a quorum is present at the time when the meeting proceeds to business. Such quorum shall consist of not less than one Holder of Founder Shares present in person, by proxy or by corporate representative.

At any general meeting a resolution put to the vote of the meeting shall be decided in the first instance on a show of hands unless before or on the declaration of the result of the show of hands a poll is demanded. Subject to the provisions of the Law, a poll may be demanded:

(a) by the chairman;

(b) by a least two Cell shareholders having the right to vote on the resolution; or

(c) by a Cell shareholder or Cell shareholders representing not less than one tenth of the total voting rights of all the Cell shareholders having the right to vote on the resolution.

On a vote on a show of hands, every Cell shareholder present in person, by proxy or by corporate representative shall have one vote, and on a poll every such shareholder shall have one vote for each share of which he is the holder.

A resolution in writing (including a Special Resolution but excluding a resolution removing an auditor) signed by all Cell shareholders who would be entitled to receive notice of and to attend and vote at a general meeting at which such a resolution would be proposed or by their duly appointed attorneys, shall be as valid and effectual as if it had been passed at a general meeting of the Cell duly convened and held. Any such resolution may consist of several documents in the like form each signed by one or more of the Cell shareholders or their attorneys.

Class Meetings

Save as otherwise provided in the Cell Articles, all the provisions of the Cell Articles and of the Law relating to general meetings of the Cell and to the proceedings thereat shall apply mutatis mutandis to every class meeting. At any class meeting the Shareholders of the relevant Share Class shall on a poll have one vote in respect of each Share of that class held by them.

No business shall be transacted at any class meeting except the adjournment of the meeting unless a quorum is present at the time when the meeting proceeds to business. Such quorum shall consist of not less than two Shareholders present in person, by proxy or by corporate representative holding in aggregate not less than one-third in number of the Shares of the relevant Share Class then in issue.

Directors

Minimum and maximum number

The Cell may by Ordinary Resolution determine the maximum and minimum number of Directors and unless and until otherwise so determined, and subject to the provisions of the Law, the minimum number of Directors shall be three.

Appointment and removal of Directors

The holders of Founder Shares may by unanimous written instrument from time to time appoint any person (unless disqualified or ineligible by law to act as a director of a company) to be a Director of the Cell.

The office of a Director shall be vacated if the Director: (i) resigns office by notice to the Cell; (ii) ceases to be a Director by operation of law or he becomes prohibited or disqualified by law from being a Director; (iii) becomes bankrupt or makes any arrangement or composition with his creditors generally; or (iv) becomes of unsound mind. Additionally, the holders of Founder Shares may from time to time remove any Director by unanimous written instrument.

Remuneration and expenses of Directors

The Administrator shall pay such remuneration and expenses to the Directors in connection with the discharge of their duties as the Administrator may from time to time agree with the Directors. The Directors shall not be entitled to be paid any remuneration or expenses out of the funds of the Cell in connection with the discharge of their duties.

Interests of Directors

A Director who has, directly or indirectly, an interest in a transaction entered into or proposed to be entered into by the Cell or by a subsidiary of the Cell which to a material extent conflicts or may conflict with the interests of the Cell and of which he is aware, shall disclose to the Cell the nature and extent of his interest as detailed in the Articles. Subject to the provisions of the Law, a Director may hold any other office or place of profit under the Cell (other than the office of Cell's auditor) in conjunction with his office of Director for such period and on such terms as to tenure of office, remuneration and otherwise as the Directors may determine.

Subject to the provisions of the Law, and provided that he has disclosed to the Cell the nature and extent of any of his material interests in accordance with the Articles, a Director notwithstanding his office: (i) may be a party to or otherwise interested in any transaction or arrangement with the Cell or in which the Cell is otherwise interested; (ii) may be a director or other officer of or employed by or a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Cell or in which the Cell is otherwise interested; (iii) shall not by reason of his office be accountable to the Cell for any benefit which he derives from any such office or employment; and (iv) may act by himself or his firm in a professional capacity for the Cell and shall be entitled to remuneration for professional services as if he were not a Director.

Subject to the provisions of the Law, and provided that he has disclosed to the Cell the nature and extent of any of his material interests in accordance with the Articles, a Director may be counted in the quorum present at any meeting at which any contract or arrangement in which he is interested is considered and he may vote in respect of any such contract or arrangement except those concerning his own terms of appointment.

Powers of Directors

The business of the Cell shall be managed by the Directors who may pay all expenses incurred in promoting and creating the Cell and may exercise all such powers of the Cell as are not by the Law or the Cell Articles required to be exercised by the Cell in general meeting. Without limitation to any of their other powers (in relation to expenses or otherwise), the Directors may pay any and all other expenses which are specified in the Prospectus. The Directors shall generally manage and operate the Cell having regard to the provisions of each Prospectus(as amended from time to time) and the intentions as set out therein.

The Directors' powers in respect of the Cell shall be subject to the provisions of the Cell Articles, to the provisions of the Law and to such regulations (being not inconsistent with the aforesaid regulations or provisions) as may be prescribed by the Cell in general meeting, but no regulations made by the Cell in general meeting shall invalidate any prior act of the Directors which would have been valid if such regulations had not been made.

The Directors may by power of attorney, mandate or otherwise appoint any person to be the agent of the Cell for such purposes and on such conditions as they determine including authority for the agent to delegate all or any of his powers.

Delegation to committees

The Directors may delegate any of their powers to committees consisting of such Director or Directors or such other persons as they think fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors (and, unless such regulations specify otherwise, any such committee may delegate any of its powers).

Communication of documents and information

In the case of joint holders of a Share all notices shall be given to that one of the joint holders whose name stands first in the Register in respect of the joint holding. A notice may be given to any person either personally or by sending it by post to him at his registered address. Where a notice is sent by post service of the notice shall be deemed to be effected by properly addressing prepaying and posting a letter containing the notice and to have been effected one clear day after the day it was posted.

Any Cell shareholder present at any meeting of the Cell in person, by proxy or by corporate representative shall for all purposes be deemed to have received due notice of such meeting and where requisite of the purposes for which such meeting was convened.

A notice may be given by the Cell to the persons entitled to a Cell share in consequence of the death, bankruptcy or incapacity of a Cell shareholder by sending or delivering it in any manner authorised by the Cell Articles for the giving of notice to a Cell shareholder addressed to them by name or by the title of representatives of the deceased or trustee of the bankrupt or curator of the Cell shareholder or by any like description at the address if any supplied for that purpose by the persons claiming to be so entitled. Until such an address has been supplied a notice may be given in any manner in which it might have been given if the death, bankruptcy or incapacity had not occurred. If more than one person would be entitled to receive a notice in consequence of the death, bankruptcy or incapacity of a Cell shareholder notice given to any one of such persons shall be sufficient notice to all such persons.

Notwithstanding any of the provisions of the Cell Articles, any notice to be given by the Cell to a Director or to a Cell shareholder may be given in any manner agreed in advance by any such Director or Cell shareholder.

For the purpose of determining the identity and/or shareholding of the Shareholders for any purpose (including the entitlement to notice of or to vote at any meeting of Shareholders or any adjournment thereof) or in order to make any other determination in connection with the Shareholders for any other proper purpose, the Directors may fix in advance a date as the record date for any such determination. When such a determination has been made in respect of a meeting, such determination shall apply to any adjournment of the relevant meeting unless specified otherwise in the determination.

If no record date is fixed for the determination of the identity and shareholding of Shareholders entitled to notice of or to vote at a meeting of Shareholders, the date on which notice of the meeting is mailed shall be the record date for such determination.

No Cell shareholder shall (as such) have any right to inspect any accounting records or other book or document of the Company, the Cell or of any other protected cell of the Company except as conferred by the Law or in the case of any accounting records or other book or document of the Cell as authorised by the Directors or by Ordinary Resolution of the Cell.

Indemnities

In so far as the Law allows, every present or former officer of the Cell (which expression includes the Cell's secretary) shall be indemnified out of the assets of the Cell against any loss or liability incurred by him by reason of being or having been such an officer. The Directors may authorise the purchase or maintenance by the Cell for any officer or former officer of the Cell of any such insurance as is permitted by the Law in respect of any liability which would otherwise attach to such officer or former officer. The Cell and each service provider to the Cell shall be entitled to rely absolutely on any declaration received from a shareholder and are excused from liability incurred in reliance upon any paper or document believed to be genuine or any forged or unauthorised signature or common seal.

If for any reason it becomes impossible or impracticable to carry out any of the provisions of the Cell Articles, neither the Cell nor any service provider to the Cell shall be under any liability therefor or thereby.

Winding up

The Cell shall not be caused or required to be wound-up or dissolved by reason only of the winding-up or dissolution of another protected cell of the Company. The winding-up or dissolution of the Cell shall not restrict the exercise of any powers of the Company in any respect other than as may be consequent upon the winding-up or dissolution of the Cell.

In a winding up of the Cell, the liquidator or, where there is no liquidator, the Directors shall apply the assets of the Cell in satisfaction of creditors' claims in such manner and order as is required by the Law or pursuant to any other enactment or rule of law. The liquidator or the Directors (as applicable) shall in relation to the assets available for distribution among the Cell's members make in the books of the Cell such transfers thereof to and from the separate account kept in respect of each class of Share as may be necessary in order that the effective burden of creditors' claims may be shared among the Shareholders of different classes of Shares in such proportions as the liquidator or the Directors (as applicable) may in their absolute discretion think equitable.

Subject to any particular rights or limitations for the time being attached to any shares in the Cell as may be specified in the Cell Articles or upon which such Cell Shares may be issued, if the Cell is wound up, the assets available for distribution among the Cell's members shall be applied as follows:

- first, such amounts shall be distributed to the Shareholders of each relevant Share Class as would have been paid on the redemption of those shares as if the date of the commencement of the winding up were the Maturity Date; and

- second, any balance then remaining (whether in any separate account or otherwise) shall be distributed pari passu to the holders of the Founder Shares pro rata in proportion to the number of Founder Shares held by each such holder at the time of the commencement of the winding up.

If the Cell is wound up, the Cell may with the sanction of a special resolution of the Shareholders of the relevant class of Shares or of the holders of the Founder Shares (as applicable) and any other sanction required by the Law, divide the whole or any part of the assets of the Cell attributed to that class (whether in a separate account or otherwise) among the holders of that class of Cell shares in specie and the liquidator or, where there is no liquidator, the Directors may for that purpose value any assets and determine how the division shall be carried out as between such holders (and, if applicable, as between the holders of different classes of Cell shares) and with the like sanction vest the whole or any part of the assets in trustees upon such trusts for the benefit of such holders as the liquidator or the Directors (as the case may be) with the like sanction determine, but no holder shall be compelled to accept any assets upon which there is a liability.

Amendments of Cell Articles

The Cell Articles may only be amended by a Special Resolution of the Cell and a Company Special Resolution, each in the same or substantially the same terms.

Transfer and incorporation of the Cell

Subject to the provisions of the Law:

(a) the Cell may be transferred to another protected cell company registered under the Law so as to become a protected cell of that other protected cell company;

(b) the Cell may be transferred to an incorporated cell company registered under the Law so as to become an incorporated cell of that incorporated cell company; and

(c) the Cell may with the approval of a Special Resolution or, if the Cell has more than one class of Cell Shares in issue, with the approval of a Special Resolution passed at a separate meeting of the Shareholders of each Share Class, apply to the Registrar of Companies to be incorporated as a company independent of the Company.

7 Directors' interests

The functions of the Directors are set out in the section entitled "Directors" contained in paragraph 4 of this Part IX of this document. When referred to in this document, the members of the administrative, management or supervisory bodies of the Company and the Cell are their respective Directors.

The Directors have no voting rights, directly or indirectly, in respect of the share capital of the Company or the Cell as at 2 October 2012 (being the last practicable date prior to publication of this document) and immediately following Admission.

The business address of each of the Directors is set out in paragraph 4 of this Part IX of this document. The Directors are or have been directors or partners at any time in the five years immediately preceding the date of this document of the following companies and partnerships:

Name	Current	Past
Mark Creasey	Emirates Portfolio Management PCC, Emirates Alternative Strategies Fund PC, Emirates Active Managed Fund PC, Emirates Balanced Managed Fund PC, Emirates Conservative Managed Fund PC, Emirates MENA Fixed Income Fund PC, Emirates MENA High Income Fund PC, Emirates MENA Top Companies PC, Emirates Funds Limited, Emirates Emerging Market Equity Fund Limited, Emirates Global Sukuk Fund Limited, Emirates Islamic Alternative Strategies Fund Limited, Emirates Islamic Global Balanced Fund Limited, Emirates Islamic Money Market Fund Limited, Emirates MENA Opportunities Limited, Emirates Real Estate Fund Limited, Emerging Markets Capital International Funds ICC, Duet Africa Opportunities Fund IC, Duet GAMLA LIV Africa Opportunities Fund IC, Duet Victoire Africa Index – US Dollar Share Class IC, Duet Victoire Africa Index – Euro Share Class IC, Duet Victoire Africa Index Fund IC	BPF UK Growth 14 Limited, BPF UK Growth 1 Limited, BPF UK Growth 3 Limited, BPF UK Growth 4 Limited, BPF UK Growth 5 Limited, BPF UK Growth 6 Limited, BPF UK Growth 7 Limited, BPF UK Growth 8 Limited, BPF UK Growth 9 Limited, BPF UK Growth 10 Limited, BPF UK Growth 11 Limited, BPF UK Growth 12 Limited, BPF UK Growth 13 Limited, Peter Street Properties Limited, BELF 1 Limited, BELF 2 Limited, BELF 3 Limited, BELF 4 Limited, BELF 5 Limited, BELF 6 Limited, BELF 7 Limited, BELF 8 Limited, BELF 9 Limited, BELF 10 Limited, Fame Well Group Limited, Excel Chance Group Limited, Zindel Private Equity Management Limited, SW Development Sp zoo, WW Development Sp zoo, ABY Development Sp zoo, SPS Development Sp zoo, BEPF 2 BV, Chuchubi BV, BEPF3 BV, BEPF6 BV, BEPF7 BV, European Income Fund Limited, Oxalis SP.Zoo, Zostera SP.Zoo, Trinia SP.Zoo, Subularia SP.Zoo, Vulpia SP.Zoo, Reseda SP.Zoo, Belgravia Property Funds (UK Income Dist) Limited, Belgravia Property Funds (UK and Europe) Limited, BPF UK Growth 2 Limited, TSAR Timber Group Limited, Unichemicals Limited, Siberian Timber Group Limited, Karelian Timber Group Limited, Tsar Timber Trading (Jersey) Limited, Belgravia Property Funds Limited, Aplite Holdings Limited, Canway Investments Limited, Comcor Investments Limited, Russian Real Estate ICC, Capitalsino Properties Limited, Emirates Sukuk Fund No.1 Limited, Emirates Islamic Global Property Fund Limited, DB Dynamic Europe Fund Limited, Charlottenburg Fund Limited, Pro Capital EPF1 Limited, Pro Capital EPF2 Limited, Pro Capital EPF3 Limited, Pro Capital EPF4 Limited, Monros Investment Growth Fund Limited, London Procapital Management Limited, Cubic Property Fund Limited, Monros Investment Management Limited, EREF Property 1 Limited, EREF Property 2 Limited, EREF Property 3 Limited, Jacana Trading Fund Limited
Philip Burgin	WorldNet Capital Management Limited, Whitecote Limited, Warwick Square Limited, SugarInvest Limited, Sauluna Invest Holding Ltd, Root Holdings Limited, MFF Leasing Limited, Liquid Petroleum Gas Development Ltd, Lincoln Investments Limited, Land Project and Development Limited, JTC Holdings Limited, JTC Listing Services Limited, JTC Properties (Elizabeth House) Limited, Curzon Three Limited, Curzon Two Limited, Commerzbank International Trust (Jersey) Limited, Carmin Invest SA, JTC Trustees Limited, JTC (Jersey) Limited, JTC Securities Limited, JTC Corporate Services Limited, Antalis US Funding Corp., Bannerman (Capital) Limited, Corsaire Limited, N17 Limited, Rock Solid Limited, Safety Net Limited, Carrera Limited, Rosery Estates Limited, Cyclone Limited, Sabot Investments Limited, Heathcote Holdings Limited, Axis Sports & Entertainment Limited, Taliesin Property Fund Limited, SWB Holdings Limited, Draco Maidenhead Limited, Broadstone Limited, Draco Southampton Limited, Investors In Arabia Limited, Blue Diamond Management Limited, BrightWater Aquatics Limited, Defiant Productions Limited, Numology Limited, Glenview Property Holdings Limited, Draco (St.Andrews) Limited, Draco Kings Chase Limited, Wharf Land Investments (Jersey) Limited, Worton Grange Industrial Limited, Celtic Motors (C.M.) Limited, JTC Group Limited, Jersey Trust Company Limited, Draco Brettenham Limited, Servantes Holdings Ltd, SLH Investments Limited, Sandown Isle of Wight Airport Limited, Tiskopan Holding Ltd, Northpoint Partners ICC, Abris-Emp Capital Partners Limited, Abris-Emp Fund Management Limited, Edgeborough Partners (General Partner) Limited, JTC Holdings (BVI) Limited, Soditic Asset Management Holdings Limited, Soditic Asset Management Holdings Limited, John Sisk & Son Africa Holdings Limited, West End Building Material S.ar.l., Mint Green One Limited, Hurstpoint Limited, Global Sea Trade (Luxembourg) Sarl, MSF Partnership Services ICC, Eastside and City Developments Limited, MSF Enterprise No.1 IC, MSF Vanguard No.1 IC, Gryphon Overseas Limited, LMM Partners, Regional Development and Investment (Jersey) Limited, RDI Financial Services Limited, MSF Vanguard No 2 IC, Millharbour Investments Limited, Q C Supplies (Jersey) Limited, Barvinok Holdings 1 Limited, The Aegis Film Fund Limited, JTC Directors Limited, MSF Vanguard No.3 IC, Northpoint Byala IC, PCP Gulf Invest 3 Limited, Albemarle Fairoaks Airport Limited, Mattsam Limited, HDZ Capital Limited, Pyramid Investment Limited, Old Street Limited, Blackfriars Limited, G.F. Shui (B.V.I.) Ltd., Eklus (Mauritius) Limited, Langrig Holdings Limited, Castle Directors Limited, The Nottingham Island Site Management Company Ltd, JTC Foundations Limited, Westside & City Holdings Limited, Interceptor Global Holdings, Vasathi Holdings Limited, Clapham Holdings Limited, Sigma Enterprises Holding Limited, Hotbed (Jersey) Intermediate Limited, Hotbed (Library Place) Limited, Hotbed (Jersey) Holdings Limited, Hotbed (Broad Street) Limited, Aspen Park Holdings Limited, Watermark Holdings Limited, SIPP Residential Income Choice PCC, Alpine International Enterprises Ltd, Park Finance Limited, Sunguard Land Limited, Northpoint Real Estate IC, Southwest Property Holdings Limited, Dualvest Limited, KH Revcap (Ceva) Limited, KH Revcap (College Green) Limited, KH Revcap (Heathcroft) Limited, KH Revcap (Orbital) Limited, Middle East Capital Partners Limited, Davos Invest Limited, Shray Holdings Limited, Chlohansa Investment Holdings Limited, Alternative Developments (Guernsey) Limited, KH Revcap Coatbridge Limited, KH Revcap Andover Limited, Chlohansa Investments S.A., KH Revcap Properties 201 Limited, KH Revcap Properties 202 Limited, Monument Park Holdings Limited, Picketstone Holdings Limited, Revgate (Coatbridge) Limited, JTC Holdings (Guernsey) Limited, Revgate GP Limited, Castle Trust Holdings (Jersey) Limited, Castle Trust Capital Management (Jersey) Limited, Finite	Fergana Holdings Limited, Coatbridge Retail Limited, JTC Trustees (UK) Limited, JTC Corporate Services (UK) Limited, JTC (UK) Limited, Walden Equity Limited, Watermark Holdings Limited, Hurstpoint Limited, CREEC (Bedford) Limited, Blue Aura Limited, JTC Trustees (Frontier) Limited, Mayfair Mezzanine Limited, Drayton Park Limited, Bansko MezzFin General Partner Limited, Madara Bulgarian Property Fund Limited, Mercury Sofia General Partner Limited, Spinner Limited, MRD Limited, MBR Limited, Leyston International Limited, Humber Land (Grimsby) Trustee One Limited, Humber Land (Grimsby) Trustee Two Limited, Burhill Kennels Properties Limited, Conington Estate Investments Limited, Stroude Farm Properties Limited, Stockley Investments Limited, Lisfinny Limited, Cherry Tree Trustee One Limited, Cherry Tree Trustee Two Limited, Basildon Trustee 1 Limited, Basildon Trustee 2 Limited, Weedon Road Trustee 1 Limited, Weedon Road Trustee 2 Limited, Ringwood Road Trustee 1 Limited, Ringwood Road Trustee 2 Limited, Fusiongold Limited, Hazenmoor Limited, Panthermane Limited, Ostingale Limited, Swan & Drake 1 Limited, Swan & Drake 2 Limited, Fern Trustee 1 Limited, Fern Trustee 2 Limited, Jessop Avenue Trustee 1 Limited, Jessop Avenue Trustee 2 Limited, M A Street Trustee 1 Limited, M A Street Trustee 2 Limited, Firefly Limited, Corston Holdings Limited, Cheval Noir Investments Limited, Michellisa Properties Limited, Glow-Worm Properties Limited, Winsley Properties Limited, Keyway Properties Limited, Ochre Properties Limited, Sandford Farm Properties Limited, SDH Trustee One Limited, SDH Trustee Two Limited,Yosemite Securities Company Ltd, UK & European Investments (Redhill) Ltd, UK & European Investments (Chiswick) Ltd, UK & European Investments (Bristol) Ltd, Securitised Instantly Repackaged Perpetuals Limited, Egyptinvest One Limited, Corporate Real Estate Equity Capital Limited, Amedis Commercial Finance Limited, Savior Faire Properties Limited, Karibu Limited, Peterborough Court (Nominees) I Limited, Peterborough Court (Nominees) II Limited, Tanlan Limited, TAJRV LTD, Showmaxx Rights Limited, Shalot Properties Limited, Peregrine Finad Limited, Perceptive Holdings Limited, Newport Holdings Limited, Newman Street Investments Limited, Midlin Properties Limited, Fernando Holdings Limited, Cuvette Investments Limited, Chakalak Limited, CET (New Europe) Limited, Cantel Investments Limited, Cadenza Management Limited, BW Investments Limited, Bath Holdings Limited, Barnwood Properties Limited, Amirati Investments Limited, Zebedhee Properties Limited, GFF Limited, Hernando Investments Limited, Holcroft Limited, Terrace Hill (Awdry) Limited, Norrismount Holdings Limited, Sea Freedom Limited, Luba Primitive Limited, Homecourt Limited, Woodlands Holdings Limited, GVG Distribution Limited, Lou Investments Limited, Rada Investments Limited, Mermaid Holdings Limited, Siberia Overseas Limited, Ashes Property Limited, Chalk Hill Holdings Limited, Access Investments (Jersey) Limited, Eklus Holdings Limited, Ringsend Property Limited, Ming Holdings Ltd, Raneen Properties Limited, Roba LB Limited, Roba Investments Germany Limited, Robar Limited, Roba PE Limited, Roba Investments Romania Limited, G J R Securities Limited, Roba MF Limited, Roba WV Limited,

	Assets (Jersey) ICC, Finite Assets Trading Fund IC, Finite Assets Global Fund IC, Northpoint Acrede IC, KH Revcap (Finance) Limited, Red Shield Secretaries Limited, Red Shield Nominees Limited, Caledonia Trustees Limited, Odyssey Real Estate Partners (Jersey) Limited, Arden Real Estate Partners (Jersey) Limited, Sent Real Estate Partners (Jersey) Limited, Soho Phoenix (Jersey) Limited, Marwyn Management Partners Subsidiary Limited, WST Trustees Limited, Belnepco Management Limited, Sparrowhawk Properties 303 Limited, Sparrowhawk Properties 302 Limited, Sparrowhawk Properties 301 Limited, Clapham Properties Limited, Forthright Property Investments (Slough) Limited, Forthright Property Investments (Swindon) Limited, Forthright Property Investments (Reading) Limited, Forthright Property Investments (Brentford) Limited, Forthright Property Investments (Birmingham) Limited, Forthright Property Investments No.6 Limited, Forthright Property Investments Limited, Forthright Property Investments No.7 Limited, Brabazon Property Investments No.2 Limited, St Aldates (98) (No.2) Limited, Brabazon Property Investments Limited, Brabazon Property Investments (Papworth Everard) Limited, St Aldates (98) (No.1) Limited, Kuig Property Investments (Stockton) Limited, Kuig Property Investments (Poyle) Limited, Kuig Property Investments (Chadderton) Limited, Kuig Property Investments No.2 Limited, Morston Hickling Limited, Kuig Property Investments (Trentham Lakes) Limited, Otterdam Limited, Kuig Property Investments (Link 414) Limited, Kuig Property Investments (Launceston) Limited, Kuig Property Investments (Paradigm) Limited, Kuig Property Investments (Ipswich) Limited, Rollerdell Limited, Roba Investments Germany Limited, Roba WV Limited, G J R Securities Limited, Morpus No.2 Limited, Kuig Property Investments Limited, Kuig Property Investments (Lincoln) Limited, Kuig Property Investments No.6 Limited, Derby Property Investments (Pride Park) Limited, Morpus No.1 Limited, Worcester Retail Park (Two) Limited, Worcester Retail Park (One) Limited, Derby Property Investments No.2 Limited, Kuig Property Investments (Queen Anne's Gate) Limited, Caledonia Financial Services Limited, Derby Property Investments Limited, Derby Property Investments (Wingfield House) Limited, Derby Property Investments (Magna House) Limited, WECF Funding Founder Limited, WECF Holding (Jersey) Limited, WECF Funding (Jersey) Limited, Derby Property Investments (No.6) Limited, Hermes Real Estate Partners (Jersey) Limited, Triumph Real Estate Partners (Jersey) Limited, Landmark North Limited, Artic International Limited, Artic Leicester Square Limited, Falah Growth Fund (GP) Limited, Castle Trust PCC, Rosery (Commercial) Limited, Sagoma Investments Sarl,	Roba Securities Limited, Hong Kong Mortgage Financing Limited, Fabian Romania Limited, Worldwide Music Corporation, Wickets Investments Limited, DCLW Consulting Limited, Cadenza International Limited, Bespoke Investments Limited, Hudson Investment Holdings Limited, Etna Range Limited, Lateen Limited, Caribe Entertainment Limited, Eklus (BVI) Limited, PCP Propinvest 3 Limited, PCP Qatar Invest Limited, Alternative Developments (Guernsey) Limited, Wharf Air Industries Limited, Redbank Investments Limited, Haiku Releasing Limited, DNA Holdings Limited, WPFP Management Limited, Tic Toc Films Limited, Sherwood Films Limited, Quadroon Holdings Limited, Phoenix Films Limited, MFB Films Limited, Loxley Films Limited, Karvelen Limited, CMS Holdings Limited, Baligay Limited, Shorething Limited, Chester Terrace Limited, Infinite End Limited, MSF Leasing Limited, Lakeshore Entertainment Group Jersey Limited, Commercial Property Management Limited, Red Harrison Limited, Minotaur Films Limited, Lucky Mill Holdings Limited, Ingenious (Jersey) Film Sales Limited, CEE Mid-Market Investments (GP) Limited, Temmart Limited, Franklin Global Limited, Rectory Limited, Foresight European Solar 2 Limited, BMF Investments Limited, Foresight European Solar 1 Limited, LM Holdings Limited, Perseus Films Limited, Ellisfield Investments Limited, JTC Fund Services (Guernsey) Limited, Coral International Resources Inc, Scaramouche Investments Limited, Spacegate International Limited, Create Distribution (Jersey) Limited, SES Limited, Ditco Vehicles Limited, Global Residential Properties Limited, 14 Yeomans Row Limited, 12a Yeomans Row Limited, Taunus Consultants Limited, Yeomans Residential Limited, Northpoint Partners Solar IC, Uchida S.A., JTC (Guernsey) Limited, Ingenious Senior Film Fund GP Limited, Ingenious Senior Film Investments (Jersey) Limited, Silver Reef Properties Limited, Interport Limited, Gloucester Estates (Wandsbeker) Limited, Gloucester Estates (Landsberger) Limited, Gloucester Estates (Holdings) Limited, Emory Properties Limited, Creake Limited, Flintstone Finance Limited, Roches Properties Limited, Global Sea Trade Limited, Loxodonta Properties Limited, Winsley Properties Limited, Rotterdam House Limited, Firefly Limited, Knightspeed Limited, Shemara (2010) Ltd., Tranent Limited, Crowley Limited,
Miranda Lansdowne	Forthright Property Investments (Slough) Limited, Forthright Property Investments (Swindon) Limited, Forthright Property Investments (Reading) Limited, Forthright Property Investments (Brentford) Limited, Forthright Property Investments (Birmingham) Limited, Forthright Property Investments No.6 Limited, Forthright Property Investments Limited, Forthright Property Investments No.7 Limited, Brabazon Property Investments No.2 Limited, St Aldates (98) (No.2) Limited, Brabazon Property Investments Limited, Brabazon Property Investments (Papworth Everard) Limited, St Aldates (98) (No.1) Limited, Kuig Property Investments (Stockton) Limited, Kuig Property Investments (Poyle) Limited, Kuig Property Investments (Chadderton) Limited, Kuig Property Investments No.2 Limited, Morston Hickling Limited, Kuig Property Investments (Trentham Lakes) Limited, Otterdam Limited, Kuig Property Investments (Link 414) Limited, Kuig Property Investments (Launceston) Limited, Kuig Property Investments (Paradigm) Limited, Kuig Property Investments (Ipswich) Limited, Rollerdell Limited, Morpus No.2 Limited, Kuig Property Investments Limited, Kuig Property Investments (Lincoln) Limited, Kuig Property Investments No.6 Limited, Derby Property Investments (Pride Park) Limited, Morpus No.1 Limited, Worcester Retail Park (Two) Limited, Worcester Retail Park (One) Limited, Derby Property Investments No.2 Limited, Kuig Property Investments (Queen Anne's Gate) Limited, Derby Property Investments Limited, Derby Property Investments (Wingfield House) Limited, Derby Property Investments (Magna House) Limited, Derby Property Investments (No.6) Limited, Aspen Park Holdings Limited, Dualvest Limited, Sigma Enterprises Holding Limited, Castle Trust PCC	None
Anthony Underwood-Whitney	Cyclone Limited, Bannerman (Capital) Limited, Carmin Invest SA, Corsaire Limited, Glenview Property Holdings Limited, Land Project and Development Limited, Lincoln Investments Limited, Liquid Petroleum Gas Development Ltd, Mayfair Mezzanine Limited, MFF Leasing Limited, Rosery Estates Limited, JTC Properties (Elizabeth House) Limited, Jersey Trust Company Limited, JTC Securities Limited, JTC Listing Services Limited, JTC (Jersey) Limited, JTC Corporate Services Limited, JTC Trustees Limited, Taliesin Jersey Limited, Taliesin Limited, Mint Green One Limited, MSF Partnership Services ICC, MSF Enterprise No.1 IC, MSF Vanguard No.1 IC, LMM Partners, MSF Vanguard No 2 IC, Millharbour Investments Limited, JTC Directors Limited, MSF Vanguard No.3 IC, Bansko MezzFin General Partner Limited, Foundation Design & Build Services (Jersey) Limited, Drayton Park Limited, Mercury Sofia General Partner Limited, Castle Directors Limited, Gold Bullion Holdings (Jersey) Limited, JTC Foundations Limited, Belnepco Management Limited, Opus Design and Build Services (Jersey) Limited, Cantel Investments Limited, Artemis Design & Build (Jersey) Limited, SIPP Residential Income Choice PCC, Orion Real Estate Partners (Jersey) Limited, Fisby Limited, Eve Real Estate (Jersey) Limited, Aragon Real Estate (Jersey) Limited, Destiny Real Estate (Jersey) Limited, Meridian Real Estate (Jersey) Limited, Optima Real Estate (Jersey) Limited, Red Shield Secretaries Limited, Red Shield Nominees Limited, Odyssey Real Estate Partners (Jersey) Limited, Arden Real Estate Partners (Jersey) Limited, Sent Real Estate Partners (Jersey) Limited, Soho Phoenix (Jersey) Limited, Ingenious Senior Film Fund GP Limited, WGC Holdings Limited, Ingenious Senior Film Investments (Jersey) Limited, Sparrowhawk Properties 303 Limited, Sparrowhawk Properties 302 Limited, Sparrowhawk Properties 301 Limited, SugarInvest Limited, Clapham Properties Limited, DBG Asset Management Limited, Arx Equity Partners Limited, Forthright Property Investments (Slough) Limited, Forthright Property Investments (Reading) Limited, Forthright Property Investments (Brentford) Limited, Forthright Property Investments (Birmingham) Limited, Forthright Property Investments No.6 Limited,	BrightWater Aquatics Limited, Walden Equity Limited, Watermark Holdings Limited, CREEC (Bedford) Limited, Blue Aura Limited, JTC Trustees (Frontier) Limited, Rectory Limited, Numology Limited, Leyston International Limited, Humber Land (Grimsby) Trustee One Limited, Humber Land (Grimsby) Trustee Two Limited, Burhill Kennels Properties Limited, Conington Estate Investments Limited, Stroude Farm Properties Limited, Stockley Investments Limited, Lisfinny Limited, Creake Limited, Emory Properties Limited, Roches Properties Limited, Silver Reef Properties Limited, Cherry Tree Trustee One Limited, Cherry Tree Trustee Two Limited, Basildon Trustee 1 Limited, Basildon Trustee 2 Limited, Ringwood Road Trustee 1 Limited, Ringwood Road Trustee 2 Limited, Weedon Road Trustee 2 Limited, Weedon Road Trustee 1 Limited, M A Street Trustee 1 Limited, M A Street Trustee 2 Limited, Fern Trustee 1 Limited, Fern Trustee 2 Limited, Jessop Avenue Trustee 1 Limited, Swan & Drake 1 Limited, Swan & Drake 2 Limited, Jessop Avenue Trustee 2 Limited, Cheval Noir Investments Limited, Corston Holdings Limited, Firefly Limited, Glow-Worm Properties Limited, Michellisa Properties Limited, Winsley Properties Limited, Keyway Properties Limited, Ochre Properties Limited, Warwick Square Limited, Sandford Farm Properties Limited, SDH Trustee One Limited, SDH Trustee Two Limited, Amedis Commercial Finance Limited, Corporate Real Estate Equity Capital Limited, Egyptinvest One Limited, Karibu Limited, UK & European Investments (Bristol) Ltd, UK & European Investments (Chiswick) Ltd, UK & European Investments (Redhill) Ltd, Savior Faire Properties Limited, Securitised Instantly Repackaged Perpetuals Limited, Yosemite Securities Company Ltd, Peterborough Court (Nominees) I Limited, Peterborough Court (Nominees) II Limited, Draco Brettenham Limited, Draco (St.Andrews) Limited, Draco

Forthright Property Investments Limited, Forthright Property Investments No.7 Limited, St Aldates (98) (No.2) Limited, Brabazon Property Investments Limited, Brabazon Property Investments (Papworth Everard) Limited, St Aldates (98) (No.1) Limited, Kuig Property Investments (Stockton) Limited, Kuig Property Investments (Poyle) Limited, Kuig Property Investments (Chadderton) Limited, Kuig Property Investments No.2 Limited, Morston Hickling Limited, Kuig Property Investments (Trentham Lakes) Limited, Otterdam Limited, Kuig Property Investments (Link 414) Limited, Kuig Property Investments (Launceston) Limited, Kuig Property Investments (Paradigm) Limited, Kuig Property Investments (Ipswich) Limited, Rollerdell Limited, Morpus No.2 Limited, Kuig Property Investments Limited, Kuig Property Investments (Lincoln) Limited, Kuig Property Investments No.6 Limited, Derby Property Investments (Pride Park) Limited, Morpus No.1 Limited, Worcester Retail Park (Two) Limited, Worcester Retail Park (One) Limited, Derby Property Investments No.2 Limited, Kuig Property Investments (Queen Anne's Gate) Limited, Derby Property Investments Limited, Derby Property Investments (Wingfield House) Limited, Derby Property Investments (Magna House) Limited, KH Revcap (Heathcroft) Limited, WECF Funding Founder Limited, WECF Holding (Jersey) Limited, WECF Funding (Jersey) Limited, Derby Property Investments (No.6) Limited, Hermes Real Estate Partners (Jersey) Limited, Triumph Real Estate Partners (Jersey) Limited, Aspen Park Holdings Limited, Dualvest Limited, Sigma Enterprises Holding Limited, Landmark North Limited, Artic International Limited, Artic Leicester Square Limited, Draco Maidenhead Limited, Draco Kings Chase Limited, Draco Brettenham Limited, Draco (St.Andrews) Limited, Draco Southampton Limited, Blackfriars Limited, Old Street Limited, KH Revcap Properties 201 Limited, KH Revcap Properties 202 Limited, KH Revcap (Ceva) Limited, KH Revcap (Orbital) Limited, KH Revcap (College Green) Limited, KH Revcap (Finance) Limited, KH Revcap Andover Limited, KH Revcap Coatbridge Limited, Q C Supplies (Jersey) Limited, Clapham Holdings Limited, Castle Trust PCC, Rosery (Commercial) Limited, Forthright Property Investments (Swindon) Limited

Kings Chase Limited, Draco Maidenhead Limited, Draco Southampton Limited, Investors In Arabia Limited, Sabot Investments Limited, Scaramouche Investments Limited, Redbank Investments Limited, Defiant Productions Limited, Global Sea Trade Limited, Interport Limited, Loxodonta Properties Limited, Homecourt Limited, Barnwood Properties Limited, Bath Holdings Limited, BW Investments Limited, Cadenza Management Limited, CET (New Europe) Limited, Chakalak Limited, Cuvette Investments Limited, Fernando Holdings Limited, GFF Limited, Hernando Investments Limited, Holcroft Limited, Luba Primitive Limited, Midlin Properties Limited, Newman Street Investments Limited, Newport Holdings Limited, Norrismount Holdings Limited, Perceptive Holdings Limited, Peregrine Finad Limited, Raneen Properties Limited, Shalot Properties Limited, Showmaxx Rights Limited, TAJRV LTD, Tanlan Limited, Terrace Hill (Awdry) Limited, Zebedhee Properties Limited, Amirati Investments Limited, Sea Freedom Limited, Woodlands Holdings Limited, GVG Distribution Limited, Lou Investments Limited, Rada Investments Limited, Mermaid Holdings Limited, Siberia Overseas Limited, Cantel Investments Limited, Ashes Property Limited, Chalk Hill Holdings Limited, Eklus Holdings Limited, Flintstone Finance Limited, Gloucester Estates (Holdings) Limited, Gloucester Estates (Landsberger) Limited, Gloucester Estates (Wandsbeker) Limited, Ming Holdings Ltd, Wharf Land Investments (Jersey) Limited, Whitecote Limited, Worton Grange Industrial Limited, Sandown Isle of Wight Airport Limited, Wharf Air Industries Limited, West End Building Material S.ar.l., Global Sea Trade (Luxembourg) Sarl, Hong Kong Mortgage Financing Limited, Gryphon Overseas Limited, Antalis US Funding Corp.RDI Financial Services Limited, Bespoke Investments Limited, Cadenza International Limited, Lateen Limited, Hudson Investment Holdings Limited, Etna Range Limited, DCLW Consulting Limited, Spinner Limited, Baligay Limited, Chester Terrace Limited, CMS Holdings Limited, Commercial Property Management Limited, DNA Holdings Limited, Haiku Releasing Limited, Infinite End Limited, Karvelen Limited, Lakeshore Entertainment Group Jersey Limited, Loxley Films Limited, MBR Limited, MFB Films Limited, MSF Leasing Limited, Phoenix Films Limited, Quadroon Holdings Limited, Sherwood Films Limited, Shorething Limited, Tic Toc Films Limited, WPFP Management Limited, Red Harrison Limited, Minotaur Films Limited, Lucky Mill Holdings Limited, Ingenious (Jersey) Film Sales Limited, Temmart Limited, Franklin Global Limited, Foresight European Solar 2 Limited, BMF Investments Limited, Foresight European Solar 1 Limited, MRD Limited, LM Holdings Limited, Perseus Films Limited, Blackwater Limited, Coral International Resources Inc, 12a Yeomans Row Limited, 14 Yeomans Row Limited, Ditco Vehicles Limited, Global Residential Properties Limited, SES Limited, Taunus Consultants Limited, Uchida S.A., Zendaro Limited, BOKA Property Holding Services (Jersey) Limited, Capricorn Capital Properties Limited,

7.1 None of the Directors have at any time within the last five years:

7.1.1 had any convictions in relation to fraudulent offences;

7.1.2 been adjudged bankrupt or been the subject of any individual voluntary arrangement;

7.1.3 been subject to any public incrimination and/or sanctions by any statutory or regulatory authority (including designated professional bodies);

7.1.4 been disqualified by a court from acting as a director or other officer of any company or from acting in the management or conduct of the affairs of any company;

7.1.5 been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation or administration or entered into any company voluntary arrangement or any composition or arrangement with its creditors generally or any class of creditors either whilst he was the director of that company or within 12 months of him ceasing to be a director of that company;

7.1.6 been a partner in a partnership which has been placed in compulsory liquidation or administration or entered into any partnership voluntary arrangement, either whilst he was a partner of such partnership or within

12 months of him ceasing to be a partner in such partnership;

7.1.7 been a partner in a partnership any asset of which has been placed in receivership or been a partner of any partnership whose assets have been placed in receivership, either whilst he was a partner of such partnership or within 12 months of him ceasing to be a partner in such partnership; or

7.1.8 had a receiver appointed with respect to any assets belonging to him.

7.2 No Directors have any potential conflicts of interest between their duties to the Cell and their private interests and/or their duties to third parties save that JTC is the company secretary of both the Directors and the Company. Certain of the Directors are also directors of JTC.

7.3 With the exception of the Investment Product (details of which are set out in paragraph 11.5 of this Part IX) and the Umbrella Agreement (details of which are set out in paragraph 11.6 of this Part XI) neither the Company nor the Cell has entered into any related party transactions between the date of incorporation of the Company and the date of establishment of the Cell, respectively, and the date of this document.

8 **Directors' service agreements**

8.1 None of the Directors have entered into letters of appointment with the Company and the Cell and are instead are appointed as Directors pursuant to the Registrar's and Administrator's Agreement.

8.2 There are no service agreements with Directors which provide for benefits upon termination of employment.

8.3 There are no existing or proposed service agreements between any of the Directors and the Company or the Cell.

9 **Subsidiary undertakings**

Neither the Company nor the Cell has any subsidiary undertakings.

10 **Pensions**

Neither the Company nor the Cell has any pension provision or retirement benefit scheme.

11 **Material contracts**

The following contracts (not being contracts entered into in the ordinary course of business) (together the "**Material Contracts**") have been entered into by the Cell or are expected to be entered into prior to Admission and/or are, or may be, material or contain any provision under which any member of the Cell has an obligation or entitlement which is material to the Cell as at the date of this document:

11.1 an investment management agreement (the "**Management Agreement**") between the Cell and CTCM dated 27 September 2012, under which CTCM will provide investment management services to the Cell by managing the Investment Products in which each Share Class will invest in return for an upfront fee of 3% of the subscription proceeds payable within one calendar month of the receipt of those subscription fees. Such fees will be paid to CTCM by Castle Trust under the Umbrella Agreement described below and so no cost will be borne by either the Cell, the

Company or the Shareholders.

11.2 a marketing agreement (the "**Marketing Agreement**") between the Cell and CTCM dated 27 September 2012, under which CTCM will provide marketing services to the Cell by marketing Shares to investors in the UK in return for an upfront fee of 1% of the subscription proceeds payable within one calendar month of the receipt of those subscription fees. Such fees will be paid to CTCM by Castle Trust under the Umbrella Agreement described below and so no cost will be borne by either the Cell, the Company or the Shareholders.

11.3 a registrar and administrator agreement (the "**Registrar and Administration Agreement**") between the Company, the Cell and JTC dated 27 September 2012, under which JTC will manage the Register and will act as the Cell's registrar. JTC will also carry out the administrative functions of the Company and the Cell and perform all ancillary functions including making the relevant filings to the Jersey authorities and provide company secretarial services.

In consideration for the services provided, the Company will pay the Administrator £2,000 per annum (in addition to the £2,000 per annum fee for the provision of Jersey-resident directors as mentioned under *Compensation* in paragraph 4 – Directors above). These fees will be paid for by CTCM under the Umbrella Agreement described below and so no cost will be borne by either the Cell, the Company or the Shareholders.

11.4 a listing sponsorship agreement (the "**Listing Sponsorship Agreement**") between the Cell and JTC Listing Services Limited dated 27 September 2012, under which JTC Listing Services Limited has been appointed to provide CISX listing sponsorship services to the Cell.

In consideration for the services provided, CTCM, on behalf of the Cell, will pay the Listing Sponsor an annual responsibility fee (excluding disbursements) of £2,000, as well as an annual fee (excluding disbursements) for up to 36 Share classes per annum of:

- for the first year: £7,500;
- for the second year: £12,000;
- for the third year: £15,750; and
- for the fourth and each subsequent year: £18,750.

Each fee paid under the Listing Sponsorship Agreement will be adjusted annually in accordance with the Jersey RPI published by the States of Jersey.

11.5 a master swap confirmation (the "**Investment Product**") between the Cell and Castle Trust dated 27 September 2012 under which those parties will enter into Investment Products. Under each Investment Product, the monies received by the Cell from Castle Trust for subscriptions of Shares in a particular Share Class, less certain fees payable to CTCM under the Management Agreement, are paid to Castle Trust, which will apply these monies for use in its Partnership Mortgage business. In consideration, Castle Trust agrees to pay the Cell at the maturity of the relevant Investment Product an amount equal to the Investment Return. There is an Investment Product for each Share Class and therefore each Investment Product matures at the same time as each Share Class matures.

11.6 an umbrella agreement (the "**Umbrella Agreement**") dated 27 September 2012 under between the Cell, Castle Trust and CTCM whereby sums due from Castle Trust in subscribing for the Shares issued by the Cell are set off against the sums it would be due to receive from the Cell under the related Investment Product. The Shares will initially be issued to Castle Trust nil-paid who will then pay up the Shares on receipt of the Investment Amount from investors. The subscription monies received by the Cell, less certain fees payable to CTCM under the Management Agreement and the Marketing Agreement, will then be advanced to Castle Trust under the Investment Product. The Umbrella Agreement offsets these two payments and Castle Trust will pay CTCM on behalf of the PCC such marketing and investment management fees. On the maturity of an Investment Product, Castle Trust is obliged to pay the Cell under that Investment Product an amount equal to the Investment Return in respect of the relevant maturing Share and then the Cell would pay back the same sum to Shareholders on the redemption of the maturing Shares. Under the buy-back arrangement Shareholders have with Castle Trust under the Terms and Conditions, Castle Trust will repurchase the Shares for an amount equal to the Investment Return prior to the redemption of such Shares. Therefore, the redemption proceeds from the Cell are payable to Castle Trust. As the Investment Product's payment obligation on maturity occurs at the same time as the redemption of the shares, the payments are simply offset under the Umbrella Agreement. The Umbrella Agreement will also cover the fees payable to CTCM under the Management Agreement and the Marketing Agreement.

12 **Litigation**

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) nor have there been any such proceedings during the 12 months prior to the date of this document, which may have, or have had, in the recent past a significant effect on the Company and/or the Cell's financial position or profitability.

13 **Significant change**

There has been no significant change in the financial or trading position of the Company since its incorporation or of the Cell since its establishment.

14 **Nature of financial information**

Since the date of incorporation, neither the Company nor the Cell has commenced operations and no financial statements have been made up as of the date of this document.

15 **Third Party Information**

The Company and the Cell confirms that the information contained in this document sourced from any third party has been accurately reproduced and, as far as the Company and the Cell is aware and has been able to ascertain from information published by any such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where third party information has been used in this Registration Document, the source of the information has been disclosed.

16 **General**

The total costs and expenses (exclusive of amounts in respect of VAT) payable by the Cell in connection with Admission have been and are to be paid by CTCM.

PART X

ADDITIONAL INFORMATION ON CASTLE TRUST

Castle Trust and the Castle Trust Directors accept responsibility for the statements of belief attributed to them relating to Castle Trust, the information contained in this Registration Document relating to Castle Trust, the risks relating to Castle Trust and its business in Part I of this Registration Document and Parts II, VIII and X of this Registration Document and declare that, to the best of the knowledge and belief of Castle Trust and the Castle Trust Directors (who have taken all reasonable care to ensure that such is the case), the statements of belief attributed to them relating to Castle Trust, the information contained in this Registration Document relating to Castle Trust, the risks relating to Castle Trust and its business in Part I of this Registration Document and Parts II, VIII and X of this Registration Document is in accordance with the facts and contains no omission likely to affect its import.

1 Incorporation and General Information about Castle Trust

Castle Trust was incorporated in England on 29 November 2010 under the name of Morgan Trust Capital Limited with registered number 07454474 as a private company limited by shares under the 2006 Act. The liability of the members is limited. Castle Trust's name was changed to Castle Trust Capital Limited on 24 January 2011 and was converted to a public limited company on 24 November 2011.

Castle Trust's registered office is at 10 Norwich Street, London EC4A 1BD, and its principal place of business is at 41 Lothbury, London EC2R 7HG (telephone number: +44 (0)20 7166 6260).

2 Statutory Auditors

The auditors of Castle Trust are Ernst & Young. Ernst & Young are members of the Institute of Chartered Accountants in England and Wales.

3 Organisation Structure

Castle Trust is a wholly owned subsidiary of Castle Trust Holdings (Jersey) Limited, a Jersey-based entity. Castle Trust is ultimately (but not wholly) beneficially owned and controlled by J.C. Flowers & Co., a subsidiary within the J.C. Flowers group, and for this reason it is regarded as being the arranger of the Cell's investment scheme. The significant presence of non-executive directors on the board of Castle Trust ensures that control of Castle Trust by Castle Trust Holdings (Jersey) Limited is checked.

Castle Trust has three subsidiaries: Castle Trust Capital Management Limited, Castle Trust Income HouSA plc and Castle Trust Capital Nominees Limited. CTCM and CTCN are private companies limited by shares, Castle Trust Income HouSA plc is a public company limited by shares.

4 Directors

The board of Castle Trust Directors currently comprises two executive directors and seven non-executive directors. The Castle Trust Directors are as follows:

Name	Position	Date appointed to the Board
Sir Callum McCarthy	Non-executive chairman	10 January 2011

The Rt Hon The Lord Deben	Non-executive director	18 February 2011
Dame Deirdre Hutton	Non-executive director	18 February 2011
Patrick Gale	Non-executive director	1 February 2011
Dr. David Morgan	Non-executive director	10 January 2011
Tim Hanford	Non-executive director	14 December 2010
Richard Ramsay	Non-executive director	27 May 2011
Sean Oldfield	director	14 December 2010
Keith Abercromby	director	14 December 2010

The business address of the Castle Trust Directors is currently 41 Lothbury, London EC2R 7HG.

Unless otherwise stated below, the Castle Trust Directors do not have any actual or potential conflicts of interests between their duties as Castle Trust Directors and their private interests or any other duties they might have. The functions (and any potential conflicts of interest) of each of the Castle Trust Directors are set out below.

Sir Callum McCarthy, Non-executive Chairman, Date of birth: 29 February 1944

Directorships:

- Industrial and Commercial Bank of China Limited
- IntercontinentalExchange, Inc
- ICE Futures Europe
- ICE Futures Holdco No 1 Limited
- OneSavings Bank Plc
- Castle Trust Capital plc
- Castle Trust Capital Management Limited
- Castle Trust Capital Nominees Limited
- Castle Trust Income HouSA plc

The Rt Hon The Lord Deben, Non-executive Director, Date of birth: 26 November 1939

Directorships:

- Veolia Water UK PLC
- Veolia Voda SA
- Valpak Limited
- Valpak Holdings Limited
- Sancroft International Limited
- Association of Independent Financial Advisers
- Catholic Herald
- Globe International
- Prince Albert II of Monaco Foundation
- Blue Marine Foundation
- Castle Trust Capital plc
- Castle Trust Capital Management Limited
- Castle Trust Capital Nominees Limited
- Castle Trust Income HouSA plc

Dame Deirdre Hutton, Non-executive Director, Date of birth: 15 March 1949

Directorships:
- Civil Aviation Authority (Chair)
- HM Treasury
- Thames Water Utilities Limited
- Castle Trust Capital plc
- Castle Trust Capital Management Limited
- Castle Trust Capital Nominees Limited
- Castle Trust Income HouSA plc

Patrick Gale, Non-executive Director, Date of birth: 8 March 1960

Directorships:

- Aztec Group Limited
- Positive Solutions (Financial Services) Limited
- Origen Financial Services Limited
- Origen Investment Services Limited
- Heritage Properties (Oxford) Limited
- Oxfordshire Community Churches
- Origen Limited
- World Outreach
- Momentum Group Limited
- Think Synergy
- Aegon UK Distribution Holdings Limited
- Castle Trust Capital plc
- Castle Trust Capital Management Limited
- Castle Trust Capital Nominees Limited
- Castle Trust Income HouSA plc

Dr. David Morgan AO, Non-executive Director, Date of birth: 14 March 1947

Directorships:

- HSH Nordbank AG
- NIBC Holding NV
- NIBC Bank NV
- Pension Insurance Corporation Holdings LLP – Member of Management Board
- NPG Wealth Management Sarl
- J C Flowers & Co UK LLP
- JCF & Co UK Holdings Limited
- OneSavings Bank Plc
- Mittagong Limited
- Vaucluse Limited
- Castle Trust Capital plc
- Castle Trust Capital Management Limited
- Castle Trust Capital Nominees Limited
- Castle Trust Income HouSA plc

Potential conflict: J C Flowers & Co UK LLP and JCF & Co UK Holdings Limited are affiliated with the ultimate shareholder of Castle Trust.

Tim Hanford, Non-executive Director, Date of birth: 26 April 1964

Directorships:

- Pension Insurance Corporation Holdings LLP
- Shelbourne Syndicate Services Limited
- Shelbourne Group Limited
- SGL No 1 Llimited
- Orsu Metals Corporation
- JSCB Investtradebank "OJSC"
- OneSavings Bank Plc
- Vitae Trading Company Limited
- Financiere Holding CEP
- LuxCo Holdings CEP II s.a.r.l.
- Castle Trust Capital plc
- Castle Trust Capital Management Limited
- Castle Trust Capital Nominees Limited
- Castle Trust Income HouSA plc

Richard Ramsay, Non-executive Director, Date of birth: 27 December 1949

Directorships:

- Northcourt Limited
- GPS Malta Limited
- Redstone plc
- Wolsey Group Limited
- Richard Ramsay Limited
- Urica Limited
- Castle Trust Capital plc
- Castle Trust Capital Management Limited
- Castle Trust Capital Nominees Limited
- Castle Trust Income HouSA plc

Sean Oldfield, Chief Executive Officer, Date of birth: 21 January 1977

Directorships:

- Castle Trust Capital plc
- Castle Trust Capital Management Limited
- Castle Trust Capital Nominees Limited
- Castle Trust Income HouSA plc

Keith Abercromby, Chief Financial Officer, Date of birth: 5 March 1964

Directorships

- Castle Trust Capital plc
- Castle Trust Capital Management Limited
- Castle Trust Capital Nominees Limited
- Castle Trust Income HouSA plc

5 Senior Management Team

Martyn Guerin, Chief Operating Officer

Tony Pauley, Chief Technology Officer

Mikkel Bates, Head of Marketing

James Neave, Head of Lending

Mike Hughes, Commercial Director

Mark Banham, General Counsel

6 Corporate Governance

Compliance with the UK Corporate Governance Code ("Code")

Castle Trust is not obliged to meet the requirements of the Code. Nevertheless, the Castle Trust Board has established Audit, Risk, Remuneration and Nomination Committees with formally delegated duties and responsibilities.

Audit Committee

The Audit Committee's purpose is to evaluate and make recommendations to the Castle Trust Board in relation to accounting policies, internal control and financial reporting functions.

The Audit Committee's primary responsibilities include oversight of overall financial affairs of the business, accounting and financial reporting, ensuring principles and policies adopted comply with statutory requirements, effectiveness and adequacy of standards of internal control, internal audit, (including the internal audit programme), external audit (including the appointment, reappointment, remuneration and removal of external auditors), and the effectiveness and adequacy of regulatory compliance (including the compliance programme). The Audit Committee has the authority to obtain any information it requires from any employee or external adviser, and at least once a year may meet with Castle Trust's external auditors and internal audit function without any executive Castle Trust Directors being present.

The Audit Committee as at the date of this Registration Document is comprised of Richard Ramsay, Patrick Gale, and Tim Hanford. The first chair of the Audit Committee is be Richard Ramsay. The quorum for meetings of the Audit Committee is two members.

Risk Committee

The Risk Committee's purpose is to oversee, evaluate, challenge, and make recommendations in relation all risk matters within Castle Trust.

The Risk Committee's primary responsibilities include oversight of the risk management framework, definition of and compliance with risk appetite metrics, monitoring the risk register (including risk trends and concentration), reputational risk, Treating Customers Fairly, outsourced partner and distribution risks, systems and start up risks, risk KPIs, provisions experience against budget, and financial risks (ICAAP and ILAA).

The Risk Committee as at the date of this Registration Document is comprised of Tim Hanford, Richard Ramsay, Patrick Gale, Dame Deirdre Hutton, and Sir Callum McCarthy. The first chair of the Risk Committee is Tim Hanford. The quorum for meetings of the Risk Committee is two members.

Remuneration Committee

The Remuneration Committee's purpose is to evaluate and make recommendations to the Castle Trust Board in relation to remuneration policy and remuneration recommendations in respect of Castle Trust's senior executives

The primary responsibilities of the Remuneration Committee are to: approve, review, and make recommendations of changes to and the termination of incentive schemes for approval by the Castle Trust board; oversee any major changes in employee benefits structures throughout the company or group; manage the selection, appointment and setting of terms of reference for any external advisers to the Committee; receive guidance on risk weightings for performance objectives from the Risk Committee; report to the board on the annual remuneration policy statement to be submitted to the FSA.

The Remuneration Committee as at the date of this Registration Document is comprised of Dr David Morgan AO and The Rt Hon The Lord Deben. The first chair of the Remuneration Committee is Dr David Morgan AO. The quorum for meetings of the Remuneration Committee is two members.

Nomination Committee

The Nomination Committee's primary responsibilities are to: consider and make recommendations to the Board regarding future appointments to the Board; evaluate the composition of the Board, considering the following factors: total number of directors, balance between executive and non-executive directors and proportion of independent non-executive directors, length of service, mix of skills versus requirements, expected time commitment of non-executive directors, succession planning.

The Nomination Committee as at the date of this Registration Document is comprised of Sir Callum McCarthy and Dame Deirdre Hutton. The first chair of the Nomination Committee is Sir Callum McCarthy. The quorum for meetings of the Nomination Committee is two members.

7 Legal and Arbitration Proceedings

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Castle Trust is aware) nor have there been any such proceedings during the 12 months prior to the date of this document, which may have, or have had, in the recent past a significant effect on Castle Trust's financial position or profitability.

8 Significant Change

There has been no significant change in the financial or trading position of Castle Trust since 31 March 2012 (for which interim financial statements were prepared) save for the injection a further £50m permanent equity capital which was injected by Castle Trust's parent company, Castle Trust Holdings (Jersey) Limited on 3 September 2012.

9 Material Contracts

9.1 a master swap confirmation (the "**Investment Product**") between the Cell and Castle Trust dated 27 September 2012 under which Castle Trust will be the Investment Provider in respect of the Investment Products. As outlined above, each Investment Product is a financial contract whereby the monies received by the Cell from Castle Trust for subscriptions of Shares in a particular Share Class, less certain fees payable to CTCM under the Management Agreement, are paid to Castle Trust, which will apply these monies for use in its Partnership Mortgage business. In consideration, Castle Trust agrees to pay the Cell at the maturity of the relevant Investment Product an amount equal to the Investment Return. There is an Investment Product for each Share Class and therefore each Investment Product matures at the same time as each Share Class matures.

9.2 an umbrella agreement (the "**Umbrella Agreement**") dated 27 September 2012 between the Cell, Castle Trust and CTCM whereby sums due from Castle Trust in subscribing for the Shares issued by the Cell are set off against the sums it would be due to receive from the Cell under the related Investment Product. The Shares will initially be issued to Castle Trust nil-paid who will then pay up the Shares on receipt of the Investment Amount from investors. The subscription monies received by the Cell, less certain fees payable to CTCM under the Management Agreement and the Marketing Agreement will then be advanced to Castle Trust under the Investment Product. The Umbrella Agreement offsets these two payments and Castle Trust will pay CTCM on behalf of the PCC such marketing and investment management fees. On the maturity of an Investment Product, Castle Trust is obliged to repay the Cell under that Investment Product an amount equal to the Investment Return in respect of the relevant maturing Share and then the Cell would pay back the same sum to Shareholders on the redemption of the maturing Shares. Under the buy-back arrangement Shareholders have with Castle Trust under the Terms and Conditions, Castle Trust will repurchase the Shares for an amount equal to the Investment Return prior to the redemption of such Shares. Therefore, the redemption proceeds from the Cell are payable to Castle Trust. As the Investment Product's payment obligation on maturity occurs at the same time as the redemption of the shares, the payments are simply offset under the Umbrella Agreement. The Umbrella Agreement will also cover the fees payable to CTCM under the Management Agreement and the Marketing Agreement.

10 Audited Information

The financial statements in relation to Castle Trust and its subsidiaries for the period ended 30 September 2011 set out in Part IX of this document have been audited by Ernst & Young. The half yearly financial report for Castle Trust and its subsidiaries for the six months ended 31 March 2012 has not been audited.

11 Regulatory Status

FSA regulation

In the UK, activities carried out by Castle Trust are regulated under FSMA, together with secondary legislation and other rules made under it, including the FSA Rules. It is an offence for a person to carry on "regulated activities" in the UK unless it is an authorised person or exempt from the need to be authorised. Castle Trust is authorised under FSMA to carry on the FSA regulated activities that it currently conducts.

Threshold conditions

A FSA authorised firm must satisfy at all times certain "threshold conditions" which are set out in FSMA. These threshold conditions include the requirement that an authorised firm must have adequate financial resources, not have "close links" of a nature that would impede the FSA's supervision of the firm and generally satisfy the FSA that it is "fit and proper" and otherwise suitable to be authorised.

Approved persons

The approval of the FSA is required for the performance of certain "controlled functions". Persons performing a "controlled function" in relation to a FSA authorised firm include, inter alia, the chief executive officer, the directors, persons with oversight of money laundering reporting and compliance and certain persons carrying out important management or customer facing functions.

The FSA Rules

A FSA authorised firm must comply with the principles and rules set out in the FSA Rules, which also provide guidance on the application and interpretation of these rules.

The FSA's Principles for Business ("Principles") are high level principles which are a general statement of the fundamental obligations of FSA authorised firms under the regulatory system. The FSA is a "judgements based regulator" and expects firms to meet the standards of behaviour set out in the Principles. These Principles include obligations to treating customers fairly. The FSA may take disciplinary action against any firm which breaches one or more of the Principles, irrespective of whether it has also breached a specific FSA rule.

If a breach of the FSA Rules occurs, the FSA has the power to take a wide range of disciplinary actions against regulated firms and any FSA approved persons, including public censure, the imposition of fines, the variation, suspension or termination of the firm's authorisations or the removal of approved status from individuals.

Regulatory capital

Regulatory capital requirements form an integral part of the FSA's prudential supervision of UK authorised firms. The regulatory capital rules oblige firms to hold a certain amount of capital at all times (taking into account the particular risks to which the firm may be exposed given its business activities), thereby seeking to ensure that firms can meet their liabilities as they fall due and safeguarding their (and their counterparties') financial stability. The FSA also expects firms to take a pro-active approach to monitoring and managing risks, consistent with its high level requirement for firms to have adequate financial resources.

Consumer credit

Castle Trust's consumer credit activities (in the form of its Partnership Mortgage products) are also regulated. Castle Trust is required to hold and does so hold a licence from the OFT to enable it to carry out such activities. Castle Trust is also required to comply with the Consumer Credit Act 1974 and its regulations ("CCA regulations"), which contain rules on (among other things) advertising, pre-contract disclosure, credit agreements and post-credit information.

Castle Trust has received its directions from the OFT for Partnership Mortgages for the purchase of a home and for Partnership Mortgages for a current home.

Other legislation

Castle Trust is also required to comply with a wide range of other legislation as a result of its activities, including (amongst other things) the Data Protection Act 1998, the Money Laundering Regulations 2001, and the Proceeds of Crime Act 2002.

Regulatory changes

The UK Government has announced proposed amendments to FSMA that will alter the approach to the regulation of financial services in the UK. This includes the creation of the Prudential Regulatory Authority (the "PRA") and Financial Conduct Authority (the "FCA"), which will in general terms have responsibility for prudential and business conduct regulation respectively, and the transfer of consumer credit regulation from the OFT to the FCA in due course. The PRA and the FCA will have new regulatory powers and will replace the FSA in 2013.

12 Asset and Liability Management

Regulation

Castle Trust is a limited license investment firm authorised and regulated by the FSA under BIPRU and as such is subject to the applicable rules of the FSA. Castle Trust has a formal governance structure in place to manage and mitigate risk in accordance with FSA requirements. Castle Trust has a formal governance structure in place to manage and mitigate market risks (including house price risk and interest rate risk) and liquidity risk.

Capital and funding

Castle Trust is funded by shareholder equity capital and through customer investments which comprise Income HouSAs and Growth HouSAs. Castle Trust does not have any other funding facilities in place and has no exposure to the bank wholesale markets.

House price risk management

The Castle Trust Board sets and approves Castle Trust's house price risk management strategy. The Executive Risk Management Committee, comprising senior executives of Castle Trust, monitors house price risk. Key house price risk management information is reported by the finance team and monitored by the Chief Executive Officer and Chief Financial Officer and other members of the Executive Risk Management Committee on a monthly basis to review house price risk exposure.

At this meeting, consideration is given to the internal matching between the Partnership Mortgage assets and HouSA liabilities to ensure compliance with risk appetite metrics as approved by the Castle Trust Directors. Matching is considered in terms of the exposure of the balance sheet to movements in house prices up or down, the expected duration profile of the assets and liabilities and the degree to which the profile of the individual properties backing the Partnership Mortgages matches the profile underlying the Halifax House Price Index. Castle Trust seeks to mitigate house price risk. Castle Trust's intention is to manage its exposure to house price risk within operational and risk tolerances.

New business volume and mix will be used to manage the exposure to house price risk.

Interest rate risk management

Key interest rate risk management information is reported by the finance team and monitored by the Chief Executive Officer and Chief Financial Officer on a daily, weekly, monthly or quarterly basis as appropriate.

Liquidity risk management

The Castle Trust Board sets and approves Castle Trust's liquidity risk management policy. Castle Trust has an agreed liquidity policy under which it will maintain at all times adequate liquidity resources, both in terms of amount and quality. The Castle Trust Board routinely reviews its liquidity policy and, amongst other things, the controls in place for liquidity management.

The Executive Risk Management Committee monitors liquidity risk. Key liquidity risk management information is reported by the finance team and monitored by the Chief Executive Officer and Chief Financial Officer on a daily, weekly or monthly basis as appropriate.

To ensure sufficient liquidity is retained by Castle Trust, a significant cash buffer is established as Castle Trust targets retaining a minimum of 20 per cent. of funds raised from HouSAs in liquid assets such as money market, cash and cash equivalents. To reduce liquidity risk, Castle Trust intends to actively manage the blend of HouSA investments (ranging from three to then years) with the expected duration portfolio (which is based on UK experience) using its systems and controls Liquidity retained under the liquidity risk management policy will be used to satisfy contractual liabilities in the event of an unexpected mismatch between assets and liabilities.

The Executive Risk Management Committee meets monthly to review liquidity risk exposure at which at which consideration is given to correcting between assets and liabilities.

13 Capital resources

During the accounting period ended 30 September 2011, and thereafter until the commencement of the Offer Period, initial permanent equity capital of approximately £14m from Castle Trust's parent company Castle Trust Holdings (Jersey) Limited was utilised to fund start-up costs of Castle Trust's business.

On 3 September 2012, a further £50m permanent equity capital was injected by Castle Trust's parent company, Castle Trust Holdings (Jersey) Limited. As at date of this document, Castle Trust has in excess of £50 million in perpetual core tier one equity capital. There are no current borrowings.

Going forward, proceeds raised via HouSA products will be loaned out in accordance with Castle Trust's liquidity policy which targets retaining a minimum of 20 per cent. of funds raised from HouSA in liquid assets such as money market, cash, and cash equivalents, with the remaining funds loaned to borrowers as Partnership Mortgages.

Castle Trust's ability to lend to Partnership Mortgage borrowers is constrained by the Core Tier 1 regulatory capital requirements imposed on Castle Trust and the amount of funding raised via HouSA products. Prudential regulation management requires Castle Trust, as a firm regulated by the FSA under BIPRU, to hold appropriate levels of capital at all times.

The source of cash flow to date has been capital injections provided by Castle Trust's parent company, Castle Trust Holdings (Jersey) Limited, which has been used to fund the costs incurred in establishing the business platform and infrastructure of Castle Trust. Future sources of cash flow will comprise the Proceeds of HouSA products issued and Partnership Mortgages redeemed together with investment income (from liquid assets such as money market, cash and cash equivalents) less expenses.

From the launch of the first HouSA products, the funding structure of Castle Trust will be determined by the duration of HouSA products purchased by investors (currently 3 year, 5 year and 10 year term products).

14 Financial Information

There have been no changes in equity since incorporation other than those where capital has been injected from Castle Trust's parent entity to fund the business launch of Castle Trust. The accounts include a cashflow statement.

No quarterly or half yearly information (other than unaudited interim accounts for the six months ended 31 March 2012) has been published since the date of Castle Trust's last audited financial statements, and none is currently planned.

The unaudited interim accounts (for the six months ended 31 March 2012) are superseded by the final capital injection which occurs as a post balance sheet event and prior to launch of the HouSAs and the Partnership Mortgage business.

Castle Trust has paid no dividend since incorporation. Castle Trust intends to start trading on 1 October 2012 and does not anticipate paying a dividend in respect of the first year of trading. Thereafter, prior to approving a dividend, the board of Castle Trust will satisfy itself that after any such dividend had been paid, Castle Trust would retain surplus capital resources in excess of its regulatory capital requirements.

PART XI

INFORMATION ON THE HOUSING FOUNDATION CHARITABLE TRUST

1 **General**

1.1 The Trustee of the Housing Foundation Charitable Trust, JTC Trustees Limited, was incorporated in Jersey on 23 March 1987 under the name of Praetor Trust Company Limited with registered number 37295 as a private company limited by shares under the Law. The Trustee is registered to undertake trust company business services under the Financial Services Law.

1.2 The Housing Foundation Charitable Trust was established on 12 August 2011 by the Trustee. The Housing Foundation Charitable Trust is governed by the Trust Instrument and the Trust Law.

1.3 The Trustee's registered office and principal place of business is at Elizabeth House, 9 Castle Street, St Helier Jersey JE4 2QP (telephone number: +44 (0) 1534 700000).

2 **Additional information in relation to The Housing Foundation Charitable Trust**

2.1 The Trustee of The Housing Foundation Charitable Trust holds 100% of the Ordinary Shares in the capital of the Company and 100% of the Founder Shares in the capital of the Cell. Accordingly, the Trustee of The Housing Foundation Charitable Trust will be the sole and controlling shareholder for the purposes of general meetings of each of the Company and the Cell.

2.2 The Trustee, when acting in its capacity as the trustee of the Housing Foundation Charitable Trust (the "**Trust**"), has duties under the Trust Law to (amongst other things) carry out and administer the Trust in accordance with its terms and, so far as is reasonable, preserve the Trust's property. The trust instrument documenting and governing the Trust includes express provision that the Trustee shall not:

2.2.1 dispose of or otherwise deal with any shares in the Company or the Cell (i) as long as any borrowings or indebtedness in the nature of borrowings by the Company or the Company acting in respect of the Cell are outstanding, or (ii) until after the time that any redeemable preference shares in the issued share capital of the Company or the Cell have been redeemed in full; or

2.2.2 act in any way so as to prejudice or which may be inconsistent with the performance by the Company or the Company acting in respect of the Cell of their respective obligations under any agreements or arrangements to which they may be a party.

2.3 Under Article 21(1) of the Trust Law, the trustee of a Jersey law trust is required when executing its duties and exercising its powers to act with due diligence, as would a prudent person, to the best of its ability and skill and to observe the utmost good faith.

2.4 As an entity regulated under the Financial Services Law to undertake trust company business services, the Trustee must comply with the "Codes of Practice for Trust Company Business" published by the JFSC in exercise of its powers under that Law (the "**Codes**") for the purpose of establishing sound principles for the conduct of trust company business. A failure by a registered person to comply with the principles of the Codes represents grounds on which enforcement action may be taken by the JFSC.

2.5 As a result of the duties and obligations outlined above, it is not considered necessary to put in place further measures to ensure control of the Company is not abused by the Trustee.

PART XII

INFORMATION ON CASTLE TRUST CAPITAL MANAGEMENT LIMITED

1 Incorporation and general

1.1 CTCM was incorporated in England on 25 January 2011 under the name of Castle Trust Capital Management Limited with registered number 07504954 as a private company limited by shares under the 2006 Act. The liability of the members is limited.

1.2 CTCM's registered office is at 10 Norwich Street, London EC4A 1BD, and its principal place of business is at 41 Lothbury, London EC2R 7HG (telephone number: +44 (0)20 7166 6260).

2 Regulatory Status

2.1 CTCM is authorised and regulated by the FSA to provide investment management services to the Company.

3 Directors

The board of directors of CTCM currently comprises two executive directors and seven non-executive directors. The directors are as follows:

Name	Position	Date appointed to the Board
Sir Callum McCarthy	Non-executive chairman	28 January 2011
The Rt Hon The Lord Deben	Non-executive director	17 March 2011
Dame Deirdre Hutton	Non-executive director	17 March 2011
Dr. David Morgan	Non-executive director	28 January 2011
Patrick Gale	Non-executive director	17 March 2011
Tim Hanford	Non-executive director	28 January 2011
Richard Ramsay	Non-executive director	27 May 2011
Sean Oldfield	director	28 January 2011
Keith Abercromby	director	28 January 2011

The business address of the directors is currently 41 Lothbury, London EC2R 7HG. As the board of directors for CTCM is the same as for Castle Trust, please see Part X above for information in relation to the directorships of the directors of CTCM.

The directors of CTCM do not have any actual or potential conflicts of interests between their duties as directors of CTCM and their private interests or any other duties they might have (save for those already disclosed in their capacity as Castle Trust Directors).

PART XIII

INFORMATION ON CASTLE TRUST CAPITAL NOMINEES LIMITED

1 Incorporation and general

1.1 CTCN was incorporated in England on 7 October 2011 under the name of Castle Trust Capital Nominees Limited with registered number 7801931 as a private company limited by shares under the 2006 Act. The liability of the members is limited.

1.2 CTCN's registered office is at 10 Norwich Street, London EC4A 1BD, and its principal place of business is at 41 Lothbury, London EC2R 7HG (telephone number: +44 (0)20 7166 6260).

1.3 CTCN will hold the legal title for all shares issued by the Company on trust for the beneficial owner pursuant to a nominee agreement unless a Shareholder elects to take legal title to the Shares as well when he acquires them.

PART XIV

APPLICATION OF THE FINANCIAL SERVICES COMPENSATION SCHEME

The FSCS is a compensation fund of last resort for customers of firms authorised by the Financial Services Authority. The FSCS only applies to Shareholders who have purchased their Shares from Castle Trust, or have inherited their Shares from someone who purchased their Shares from Castle Trust and have not opted out of Castle Trust's buy-back obligations under the Terms and Conditions. The FSCS applies in this instance because Castle Trust will have an obligation to buy-back Shares bought from Castle Trust during the applicable Offer Period in accordance with the Terms and Conditions that govern that initial purchase. In the event that Castle Trust fail to repurchase the Shares for an amount equal to the Investment Return on the Maturity Date, just prior to the redemption of such Shares, then Castle Trust, as a company authorised by the FSA, will have breached its contractual obligation and therefore the Shareholder will be able to seek compensation of up to £50,000 from the FSCS. This right to compensation will only apply to Shareholders who have the benefit of this repurchase obligation, i.e. those who purchased their Shares from Castle Trust (or inherited them from someone who purchased them from Castle Trust) and have not opted out from Castle Trust's repurchase obligation. Shareholders who have opted out or who purchased their Shares on the secondary market (if one has developed) will not be able to apply to the FSCS in the event that Castle Trust fails to repurchase their Shares. For further information relating to the FSCS, including the amounts covered and eligibility to claim, please ask Castle Trust for more detail or refer to the FSCS website (www.fscs.org.uk).

PART XV

GLOSSARY OF TERMS AND DEFINITIONS

The following terms apply throughout this document unless the context otherwise requires

"2006 Act"	the Companies Act 2006, as amended
"Administrator"	JTC or such other person or persons as may from time to time be appointed by the Company or the Cell (as applicable) as its administrator or secretary
"Admission"	the admission of the Shares to the Official List of the CISX
"Articles of Association" or "Articles"	the articles of association of the Cell from time to time
"Auditors"	Ernst & Young LLP, or such other person or persons as may from time to time be appointed by the Company or the Cell (as applicable) as its auditors
"BIPRU"	the FSA prudential standards sourcebook for banks, building societies and investment firms
"Board"	the board of directors of the Company
"Business Day"	a day (excluding Saturdays, Sundays and public holidays) on which commercial banks in Jersey and London are normally open for business
"Castle Trust"	Castle Trust Capital plc (with registered number 07454474) whose registered office is at 10 Norwich Street, London EC4A 1BD
"Castle Trust Board"	the board of directors of Castle Trust
"Castle Trust Directors"	the directors of Castle Trust whose names are set out in Part X of this document (each a "Castle Trust Director")
"Cell"	Castle Trust Growth HouSA PC, a protected cell of the Company established by special resolution of the Company in accordance with the Law and the Company Articles for the purpose of segregating and protecting cellular assets and representing the assets of that cell in the manner provided by the Law (such term to include, where the context requires, the Company acting in respect of Castle Trust Growth HouSA PC)

"Cell Board"	the board of directors of the Cell
"Cell Meeting"	a meeting of the Shareholders of the Cell convened and held by the Cell in accordance with the Articles
"certificated" or "in certificated form"	recorded in the register of members of the Company or the Cell (as applicable) and evidenced by the issue of a share certificate
"CISX"	the Channel Islands Stock Exchange, LBG
"Company"	Castle Trust PCC, a closed-ended investment company incorporated as a protected cell company with limited liability in Jersey with registered number 108697
"Company Articles"	the articles of association of the Company
"Company Winding-up Date"	the date on which the Company is wound up
"CTCM"	Castle Trust Capital Management Limited (with registered number 07504954) whose registered office is at 10 Norwich Street, London EC4A 1BD
"CTCN"	Castle Trust Capital Nominees Limited (with registered number 7801931) whose registered office is at 10 Norwich Street, London EC4A 1BD
"Derivatives"	any transaction between the Cell and an Investment Provider which is a forward transaction, a term loan agreement governed by an ISDA master agreement, a swap transaction, an option, a futures transaction, a credit derivative or any other similar transaction or any combination of such transactions
"Directors"	the directors of the Cell and/or the Company (as the context requires) whose names are set out in Part V of this document (each a "Director")
"Early Payment Date"	In relation to the Shares issued in respect of a Share Class, any date prior to the Maturity Date on which the Shares will be repurchased or redeemed in accordance with the terms of the Relevant Securities Note.
"Executive Risk Management Committee"	the committee of management of Castle Trust established to monitor risk associated with matching the assets and liabilities of Castle Trust
"Final Index Level"	in relation to an Index, shall be as specified in the Relevant Securities Note

"Financial Services Law"	the Financial Services (Jersey) Law 1998, as amended
"Founder Shareholder"	holder of Founder Shares
"Founder Shares"	founder shares of no par value in the capital of the Cell held by the Trustee of the Housing Foundation Charitable Trust, or such other person from time to time
"FSA"	the Financial Services Authority, in its capacity as the competent authority for the purposes of Part VI FSMA
"FSCS"	the Financial Services Compensation Scheme as created under FSMA and is the UK's statutory fund of last resort for customers of authorised financial services firms
"FSMA"	the Financial Services and Markets Act 2000, as amended
"Growth HouSA"	a HouSA that takes the form of a Share issued by the Cell and delivers a multiple of any increase of the Index and a reduced factor of any decrease of the Index
"HMRC"	Her Majesty's Revenue and Customs
"HouSA"	fixed term investment marketed by CTCM offering returns linked to the value of the UK housing market by reference to the performance of the Index
"The Housing Foundation Charitable Trust"	The Housing Foundation Charitable Trust, a trust established by the Trustee on 12 August 2011 which has charitable purposes and is governed by the Trust Instrument and the Trust Law
"ICAAP"	internal capital adequacy process
"IFDS"	International Financial Data Services (UK) limited, a third party contracted to provide investment administration services
"Income HouSA"	a HouSA that takes the form of a loan note issued by CTIHL and whose capital returns match the Index and they pay a fixed quarterly coupon
"Index"	the relevant index by reference to which the Investment Return for each Share issued in respect of a Share Class will be determined, which shall be (unless otherwise stated in the Relevant Securities Note) the Halifax House Price Index of the UK national housing market which includes all houses, all buyers, non-

	seasonally adjusted, monthly data
"Index Disruption Event"	an event described as such under the section entitled "Adjustments" in Part VI of this document
"Index Sponsor"	shall have the meaning set out in the Relevant Securities Note in relation to the relevant Index
"Initial Index Level"	in relation to an Index, shall be as specified in the Relevant Securities Note
"Investment Amount"	the price paid for each Share by a Shareholder whether the Share is acquired pursuant to the relevant Issue or subsequent to the relevant Issue
"Investment Date"	in relation to each Share Class, the date specified in the Relevant Securities Note relating to such Share Class
"Investment Manager"	CTCM or such other person or persons from time to time appointed by the Cell as the Investment Manager of the Cell
"Investment Product"	an investment in a financial contract as specified in the Relevant Securities Note made or to be made by the Cell in respect of a Share Class which is intended to generate the funds required to pay the relevant Investment Return, a summary of which can be found on page 103
"Investment Provider"	the investment counterparty for the Investment Product in which the assets of that Cell are invested, being Castle Trust and/or any other person approved by the Cell, the Administrator and, if required by applicable law and regulation, the JFSC
"Investment Return" and "Investment Return per Share"	in relation to the Shares in each Share Class, the amount payable on the redemption or repurchase of each Share in that Share Class at the Maturity Date for such Share Class in accordance with, and subject to, the Articles, as set out in the Relevant Securities Note for that Share Class
"Investment Term"	in respect of Shares issued in respect of each Share Class, the period from the Investment Date to the Maturity Date for the relevant Shares
"Issue"	the issue of Shares pursuant to an offer for subscription for such Shares
"Issue Price"	in relation to each Share Class, the issue price per Share set out in the Relevant

	Securities Note
"ISA"	an account within the meaning of (and which satisfies the requirements set out in) the ISA Regulations
"ISA Regulations"	the Individual Savings Account Regulations 1998 (SI 1998/1870), as amended from time to time
"JFSC"	the Jersey Financial Services Commission
"JTC"	JTC (Jersey) Limited (incorporated in Jersey with registered number 37293) whose registered office is at Elizabeth House, 9 Castle Street, St Helier, Jersey JE4 2QP Channel Islands
"Law"	the Companies (Jersey) Law 1991, as amended
"Listing Rules"	the listing rules of the CISX
"Listing Sponsor"	JTC Listing Services Limited (incorporated in Jersey with registered number 85517) whose registered office is at Elizabeth House, 9 Castle Street, St Helier, Jersey JE4 2QP Channel Islands
"Listing Sponsorship Agreement"	the agreement between the Cell and the Listing Sponsor, under which the Listing Sponsor has agreed to provide CISX listing sponsor services to the Cell
"Management Agreement"	the agreement between the Cell and CTCM (and any amendment thereto) or, in the event that some other person is or persons are appointed by the Cell as the Investment Manager in relation to the management of each Share Class, the agreement or agreements between such person or persons and the Cell, a summary of which is set out in paragraph 11.1 of Part IX of this document or in the Relevant Securities Note
"Marketing Agreement"	the agreement between the Cell and CTCM (and any amendment thereto) or, in the event that some other person is or persons are appointed by the Cell as the Marketing Manager in relation to the marketing of Shares, the agreement or agreements between such person or persons and the Cell, a summary of which is set out in paragraph 11.2 of Part IX of this document or in the Relevant Securities Note
"Marketing Manager"	CTCM, or such other person as may be appointed from time to time by the Cell with, if required, the approval of the JFSC and the

	FSA, to act as marketing manager to the Shares issued in respect of a Share Class, as set out in this document or in the Relevant Securities Note
"Material Contracts"	means the contracts and agreements set out in Part IX of this document
"Maturity Date"	in relation to the Shares issued in respect of a Share Class, the date on which such Shares will be compulsorily redeemed or repurchased as specified in the Relevant Securities Note
"Nominee"	the nominee, being CTCN, who holds shares on behalf of Shareholders (unless the Shareholder requests otherwise)
"Notes"	Any other bonds, notes, securities or other debt instruments offered by the Investment Provider
"Observation"	means, in respect of any day, an observation of the level of the relevant Index required for that day: (i) for the purposes of comparing such level or prices against a pre-determined level of the Index; or (ii) for the purposes of determining on such day whether the highest or lowest level of the Index over a particular period is reached on such day, by comparing such level against other levels observed over that particular period
"Offer"	the offer for the purchase of Shares issued in respect of the relevant Share Class, on the terms set out in the Relevant Securities Note
"Offer Period"	the offer period for the purchase of Shares issued in respect of the relevant Share Class, as set out in the Relevant Securities Note
"OFT"	the Office of Fair Trading
"Ordinary Shareholder"	holder of Ordinary Shares
"Ordinary Shares"	ordinary shares of no par value in the capital of the Company held by the Trustee of the Housing Foundation Charitable Trust, or such other person from time to time
"Partnership Mortgage"	a mortgage advanced by Castle Trust for 20% of the value of a property, advanced alongside a 60% (or less) capital and interest mortgage from a traditional lender; and the homebuyer must provide a minimum 20% deposit (or retain 20% equity if using a Partnership

	Mortgage and not purchasing a property)
"Proceeds"	in relation to a Share Class, as specified in the Relevant Securities Note
"Prohibited Person"	any person who by virtue of his holding of Shares might, in the opinion of the Directors, cause or be likely to cause the Company or the Cell, as the case may be: (i) some pecuniary, tax or regulatory disadvantage; or (ii) to be in breach of the law or requirements of any country or governmental authority applicable to the Company or the Cell, as the case may be, including, without limitation, any exchange control regulations applicable thereto
"Prospectus"	together this Registration Document, the Relevant Summary and the Relevant Securities Note, including any supplement published from time to time by the Cell
"Rebased Index"	means a revalued Index in accordance with the section entitled "Adjustments" in Part VI of this document
"Reference Date"	the date by reference to which the Investment Return is determined as specified in the Relevant Securities Note
"Register"	the register of members of the Cell
"Registrar"	JTC or such other person as the Cell appoints as its registrar to maintain the Register
"Registrar and Administration Agreement"	the agreement between JTC, the Company and the Cell (a summary of which can be found in paragraph 11.3 of Part XI of this document)
"Registration Document"	this document issued by the Cell giving information relating to the Cell and the Company and general information about the offer and issue of Shares issued in respect of Share Classes in the Cell as the same is amended and/or supplemented from time to time
"Relevant Securities Note"	in relation to any Share Class, the securities note document issued by the Cell describing the rights attaching to the Shares issued in respect of that Share Class, the terms and conditions of the relevant Shares, the basis on which the relevant Shares are offered, risk factors and other information specific to the

	relevant Shares
"Relevant Summary"	in relation to any Share Class, the summary document describing the key information relating to the Shares issued in respect of that Share Class issued by the Cell in connection with the Offer of such Shares
"Settlement Date"	the date on which the Investment Return is paid to Shareholders as specified in the Relevant Securities Note
"Share Class"	a class of Shares that is linked to the relevant Investment Product created by the Directors of the Cell in accordance with the Articles
"Share Class Meeting"	a meeting of the Shareholders of a given Share Class convened and held by the relevant Share Class in accordance with the Articles and the Law
"Shareholders"	in relation to a Share Class, the holders of Shares issued in respect of that Share Class
"Shares"	redeemable preference shares of no par value in the capital of the Cell
"SIPP"	self-invested personal pension plan
"Special Resolution"	a resolution of the Cell or the relevant Share Class, as the case may be, which is passed by a majority of not less than two-thirds of the votes cast by Shareholders who (being entitled to do so) vote in person, or by proxy, at the relevant meeting
"Target Group"	Target Group Limited, a third party contracted to provide mortgage administration services
"Terms and Conditions"	the terms and conditions on which investors will purchase their Shares from Castle Trust on their investment in Shares
"Trust Instrument"	the instrument of trust dated 11 August 2011 made by the Trustee, documenting and governing the terms of the Housing Foundation Charitable Trust
"Trust Law"	the Trusts (Jersey) Law 1984, as amended
"Trustee"	JTC Trustees Limited (incorporated in Jersey with registered number 37295) whose registered office is at Elizabeth House, 9 Castle Street, St Helier, Jersey JE4 2QP Channel Islands, such term to include, where the context requires, the Trustee acting in its capacity as the trustee of the Housing Foundation Charitable Trust

"Umbrella Agreement"	the agreement governing the offset of equal payments to be made by the Cell to Castle Trust and vice versa under the Investment Product and the paying up of and redemption of Shares, further details of which can be found on page 104
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland
"United States" or "US"	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
"US Person"	means, unless otherwise determined by the Directors: (i) a natural person who is a resident of the United States, (ii) a corporation, partnership or other entity other than an entity organised principally for passive investment, organised under the laws of the United States and which has its principal place of business in the United States; (iii) an estate or trust, the income of which is subject to United States income tax regardless of the source; (iv) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business in the United States; (v) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided that units of participation in the entity held by persons who qualify as US persons or otherwise as qualified eligible persons represent in the aggregate 10 per cent. or more of the beneficial interests in the entity and that such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the US Commodity Futures Trading Commission's regulations by virtue of its participants being non-US Persons; or (vi) any other US Person as such term may be defined in Regulation S under the US Securities Act of 1933, as amended, or in regulations adopted under the US Commodity Exchange Act of 1922, as amended

PART XVI

DOCUMENTS AVAILABLE FOR INSPECTION

1 Documents available for inspection

Copies of the following documents will be available for inspection at the offices of Macfarlanes LLP, 20 Cursitor Street, London EC4A 1LT and Carey Olsen 47 Esplanade, St Helier, Jersey JE1 0BD during usual business hours on any weekday (Saturdays and public holidays excepted) for a period of 12 months from the date of this document:

1.1 the memorandum and articles of association of each of the Company and the Cell and Castle Trust;

1.2 the Directors' letters of appointments;

1.3 the audited financial statements of Castle Trust for the financial period ended 30 September 2011 and the unaudited interim accounts for the six months ended 31 March 2012;

1.4 the written consent of Castle Trust, CTCM, JTC and the Listing Sponsor referred to in paragraph 1 of Part III;

1.5 each of the material contracts referred to in paragraph 11 of Part IX and paragraph 9 of Part X (including, amongst others, each Investment Product made between the Issuer and CTC);

1.6 the audited financial statements of the Company and of the Cell and the unaudited interim reports of the Cell, when published;

1.7 the Relevant Securities Note;

1.8 the Growth HouSA Terms and Conditions; and

1.9 this document.

Potential investors may obtain and inspect the documents referred to above. Potential investors should seek independent professional advice before making any decision to invest and carefully consider such an investment decision in the light of the information contained in the Registration Document, Summary and Securities Note and the prospective investor's personal circumstances.

Dated: 3 October 2012