



LENDINVEST SECURED INCOME PLC

£500,000,000

Euro Medium Term Note Programme

guaranteed by LendInvest Limited

This supplement (the "**Supplement**") is supplemental to, forms part of and must be read and construed in conjunction with, the Base Prospectus dated 19 July 2017 (together with the Supplement, the "**Base Prospectus**") prepared by LendInvest Secured Income plc (the "**Issuer**") in connection with its Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to £500,000,000 in aggregate nominal amount of notes (the "**Notes**"). The Notes will be guaranteed by LendInvest Limited (the "**Guarantor**"). Terms given a defined meaning in the Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

This Supplement has been approved by the United Kingdom Financial Conduct Authority (the "**FCA**"), which is the United Kingdom competent authority for the purposes of Directive 2003/71/EC, as amended (the "**Prospectus Directive**") and relevant implementing measures in the United Kingdom, as a base prospectus supplement issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom.

The purpose of this Supplement is to:

- (i) incorporate by reference into the Base Prospectus the Issuer's and Guarantor's unaudited interim consolidated financial statements for the six-month period ended 30 September 2017;
- (ii) update the definition of "Funding Entities" in the Base Prospectus to include LendInvest Finance No. 6 Limited and LendInvest BTL Limited;
- (iii) update Part XIII (the "Additional Information" section) of the Base Prospectus in relation to (a) significant change in the financial or trading position of the Guarantor or the Group; and (b) significant change in the financial or trading position of the Issuer;
- (iv) update references in the Base Prospectus and the Summary of the Programme to refer to MiFID II (Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments) in place of MiFID (the Markets in Financial Instruments Directive (Directive 2004/39/EC));
- (v) update Elements A.2, B.5 (B.19) and B.12 (B.19) of the Summary section of the Base Prospectus to reflect the amendments in (i), (ii), (iii) and (iv) above;
- (vi) supplement Part VII (the "Business of the Guarantor and the Group" section) of the Base Prospectus following the Group's launch of its buy-to-let product range in October 2017;
- (vii) update page 4 of the Base Prospectus to include relevant MiFID II and PRIIPs Regulation legends; and
- (viii) update Part X (the "Form of Final Terms" section) of the Base Prospectus to include relevant MiFID II and PRIIPs Regulation legends and the Legal Entity Identifier ("**LEI**") of the Issuer.

IMPORTANT NOTICES

Each of the Issuer and the Guarantor accepts responsibility for the information contained in this Supplement and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in, or incorporated by reference into, the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, no significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus which is capable of affecting the assessment of Notes issued under the Programme has arisen or been noted, as the case may be, since the publication of the Base Prospectus.

Investors should be aware of their rights under section 87Q(4) of the Financial Services and Markets Act 2000, which allows them to withdraw their agreement to buy or subscribe for Notes issued under the Programme within 2 working days after the publication of this Supplement.

A copy of this Supplement has been filed with the National Storage Mechanism and will be available for inspection at www.morningstar.co.uk/uk/NSM.

SUPPLEMENTS TO THE BASE PROSPECTUS

With effect from the date of this Supplement the information appearing in, or incorporated by reference into, the Base Prospectus shall be supplemented in the manner described below.

1. INFORMATION INCORPORATED BY REFERENCE

On 13 December 2017, the Issuer and the Guarantor published their respective unaudited interim consolidated financial statements in respect of the six-month period ended 30 September 2017 (the “**September 2017 Interim Financial Statements**”). A copy of the September 2017 Interim Financial Statements of each of the Issuer and the Guarantor has been filed with the FCA and, by virtue of this Supplement, shall be deemed to be incorporated by reference in, and form part of, this Supplement and the Base Prospectus.

The September 2017 Interim Financial Statements of each of the Issuer and the Guarantor have been filed with Morningstar plc (appointed by the Financial Conduct Authority to act as the National Storage Mechanism) and are available for viewing at <http://www.morningstar.co.uk/uk/NSM> and have been announced via the Regulatory News Service operated by the London Stock Exchange plc.

Copies of all documents incorporated by reference in this Supplement and the Base Prospectus may be inspected, free of charge, at Two Fitzroy Place, 8 Mortimer Street, London, W1T 3JJ, United Kingdom or on the Issuer's website at <https://www.lendinvest.com/invest/bonds/>. Any information contained in any of the documents specified above which is not incorporated by reference in the Base Prospectus is either not relevant to investors or is covered elsewhere in the Base Prospectus.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Supplement shall not form part of this Supplement.

2. FUNDING ENTITIES

The list of entities that are “Funding Entities” pursuant to the definition thereof in the Base Prospectus is hereby amended to include LendInvest BTL Limited and LendInvest Finance No. 6 Limited (“**LF6**”).

LF6 is a wholly-owned subsidiary of the Guarantor, established in connection with a £11.2 million financing obtained in February 2018 from GCP Asset Backed Income Fund (UK) for real estate purposes; this financing is secured by a first ranking fixed charge over the Guarantor's assets that are held by LF6.

LF6 will not itself originate mortgages but can fund other Funding Entities through intercompany loans for the purposes of real estate lending only, subject to the existing investment criteria of the relevant Funding Entity. As at the date of this Supplement, £3 million had been transferred by LF6 to LendInvest Finance No. 1, and £8.2 million had been transferred by LF6 to LendInvest Finance No. 4.

LendInvest BTL Limited is a wholly-owned direct subsidiary of the Guarantor, established for the purposes of originating buy-to-let mortgages. In October 2017, the Guarantor agreed a long-term financing facility with Citibank, N.A., London Branch for the purpose of financing the origination of such buy-to-let mortgages through LendInvest BTL Limited.

3. PART XIII: ADDITIONAL INFORMATION

The paragraph entitled “Significant or material change statement” on page 151 of the Base Prospectus is hereby replaced with the following:

There has been no significant change in the financial or trading position of the Guarantor or the Guarantor and its consolidated subsidiaries (including the Issuer) taken as a whole (the “**Group**”) since 30 September 2017 (being the date to which the last published unaudited financial information of the Guarantor was prepared). There has been no material adverse change in the prospects of the Guarantor since 31 March 2017 (being the date to which the last published audited financial information of the Guarantor was prepared).

There has been no significant change in the financial or trading position of the Issuer since 30 September 2017 (being the date to which the last published unaudited financial information of the Guarantor was prepared). There has been no material adverse change in the prospects of the Issuer since its date of incorporation.

4. MiFID II

All references in the Base Prospectus (including the Summary of the Programme included in the Base Prospectus) to the Markets in Financial Instruments Directive (Directive 2004/39/EC) are hereby replaced by references to Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments.

5. PART I: SUMMARY OF THE PROGRAMME

Elements A.2, B.5 (B.19) and B.12 (B.19) of the Summary of the Programme included in the Base Prospectus are updated as per Appendix 1 to this Supplement to reflect the amendments referred to in 1, 2, 3 and 4 above. Where such amendments have been made to the Summary of the Programme, these have been flagged in the relevant Elements by virtue of a footnote.

6. PART VII: BUSINESS OF THE GUARANTOR AND THE GROUP

The following wording is hereby added to the paragraph entitled 'Buy-to-let loans' in Part VII: Business of the Guarantor and the Group on page 69 of the Base Prospectus:

The Group commenced offering buy-to-let loans in October 2017, backed by a £50 million committed facility from Citibank, N.A., London Branch.

7. MiFID II AND PRIIPs REGULATION LEGENDS

The legend entitled "EEA Retail Investors" which appears on page 4 of the Base Prospectus is hereby replaced with the following wording:

PRIIPs / IMPORTANT - EEA Retail Investors

If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended, to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "EEA"). For these purposes, a retail investor means a person who is one (or more) of:

- (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended ("**MiFID II**");
- (ii) a customer within the meaning of Directive 2002/92/EC, as amended where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
- (iii) not a qualified investor as defined in the Prospectus Directive.

Consequently, in respect of any such Notes, no key information document required by Regulation (EU) No 1286/2014, as amended (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the European Economic Area will be prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its

own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

8. PART X: FORM OF FINAL TERMS

Part X (entitled “Form of Final Terms”) of the Base Prospectus is hereby updated for each Tranche of Notes to be issued under the Programme as follows:

- (a) by replacing the legends which appear in capital letters on the first page of each of the Form of Final Terms on page 125 and page 136 with the following wording:

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS:

THE NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EUROPEAN ECONOMIC AREA (THE “EEA”). FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF:

- (A) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU (“MIFID II”), AS AMENDED;**
- (B) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2002/92/EC, AS AMENDED, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR**
- (C) NOT A QUALIFIED INVESTOR AS DEFINED IN DIRECTIVE 2003/71/EC, AS AMENDED.**

CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014, AS AMENDED (THE “PRIIPS REGULATION”) FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.]

[MIFID II PRODUCT GOVERNANCE / [RETAIL INVESTORS, PROFESSIONAL INVESTORS AND ECPS] ONLY TARGET MARKET:

SOLELY FOR THE PURPOSES OF [THE/EACH] MANUFACTURER’S PRODUCT APPROVAL PROCESS, THE TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES HAS LED TO THE CONCLUSION THAT:

- (A) THE TARGET MARKET FOR THE NOTES IS ELIGIBLE COUNTERPARTIES, PROFESSIONAL CLIENTS [AND RETAIL CLIENTS], EACH AS DEFINED IN MIFID II; [AND]
- (B) [ALL CHANNELS FOR DISTRIBUTION OF THE NOTES ARE APPROPRIATE[, INCLUDING INVESTMENT ADVICE, PORTFOLIO MANAGEMENT, NON-ADVISED SALES AND PURE EXECUTION SERVICES];] [OR] [ALL CHANNELS FOR DISTRIBUTION TO ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ARE APPROPRIATE; AND THE FOLLOWING CHANNELS FOR DISTRIBUTION OF THE NOTES TO RETAIL CLIENTS ARE APPROPRIATE – INVESTMENT ADVICE[,/ AND] PORTFOLIO MANAGEMENT[,/ AND][NON-ADVISED SALES][AND PURE EXECUTION SERVICES][, SUBJECT TO THE DISTRIBUTOR’S

SUITABILITY AND APPROPRIATENESS OBLIGATIONS UNDER MIFID II, AS APPLICABLE][*TO CONSIDER IF ANY NEGATIVE TARGET MARKET TO BE SPECIFIED*].]

ANY PERSON SUBSEQUENTLY OFFERING, SELLING OR RECOMMENDING THE NOTES (A **DISTRIBUTOR**) SHOULD TAKE INTO CONSIDERATION THE MANUFACTURER['S/S'] TARGET MARKET ASSESSMENT; HOWEVER, A DISTRIBUTOR SUBJECT TO MIFID II IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES (BY EITHER ADOPTING OR REFINING THE MANUFACTURER['S/S'] TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS[, SUBJECT TO THE DISTRIBUTOR'S SUITABILITY AND APPROPRIATENESS OBLIGATIONS UNDER MIFID II, AS APPLICABLE].]

- (b) by inserting the LEI of the Issuer "Legal Entity Identifier 21380049JKJ3391V6560" below the wording "Final Terms dated [•]" on the first page of each of the form of Final Terms on page 125 and page 136.

ANNEX 1

PART I: SUMMARY

Summaries are made up of disclosure requirements known as “**Elements**”. These Elements are numbered in Sections A–E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities, issuer and guarantor. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element might be required to be inserted in the summary because of the type of securities, issuer and guarantor, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of the words “not applicable”.

Section A – Introduction and warnings		
A.1	Introduction	<p>This summary must be read as an introduction to this document. Any decision to invest in the securities should be based on consideration of this document as a whole by the investor. Where a claim relating to the information contained in this document is brought before a court, the plaintiff investor might, under the national legislation of the EU Member States, have to bear the costs of translating this document before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary (including any translation thereof), but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this document or it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in such securities.</p>
A.2	Any consents to and conditions regarding use of this document	<p>[Not Applicable. The Notes are issued in denominations of at least €100,000 (or its equivalent in any other currency).]</p> <p>[Each of LendInvest Secured Income plc (the “Issuer”) and LendInvest Limited (the “Guarantor”) consents to the use of the Base Prospectus in connection with any offer of Notes which is not made within an exemption from the requirement to publish a prospectus under the Prospectus Directive (Directive 2003/71/EC, as amended) (a “Public Offer”) of the Notes by any financial intermediary which is authorised to make such offers (an “Authorised Offeror”) under Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments¹ on the following basis:</p> <ul style="list-style-type: none">(i) the relevant Public Offer must occur during the period from (and including) [•] to (but excluding) [•] (the “Offer Period”); and(ii) the relevant Authorised Offeror must satisfy the following

¹ By virtue of the Supplement dated 13 March 2018, references to the Markets in Financial Instruments Directive (Directive 2004/39/EC) were replaced by references to Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments.

		<p>conditions: [•].]</p> <p>Authorised Offerors will provide information to any persons (“Investors”) on the terms and conditions of the Public Offer of the relevant Notes at the time such Public Offer is made by the Authorised Offeror to the Investor.</p> <p>ANY UNNAMED OFFEROR MUST STATE ON ITS WEBSITE THAT IT IS USING THE BASE PROSPECTUS IN ACCORDANCE WITH THIS CONSENT AND THE CONDITIONS ATTACHED HERETO.</p>
Section B – Issuer and Guarantor		
B.1 (B.19)	Legal and commercial names	<p>The Issuer’s legal and commercial name is LendInvest Secured Income plc.</p> <p>The Guarantor’s legal name is LendInvest Limited and its commercial name is LendInvest.</p>
B.2 (B.19)	Domicile/legal form/ legislation/country of incorporation	<p>The Issuer is a public limited company, incorporated on 3 October 2016 under the Companies Act 2006 in England and Wales with registered number 10408072 and its registered office situated at 8 Mortimer Street, London W1T 3JJ, United Kingdom.</p> <p>The Guarantor is a private limited company, incorporated on 17 July 2012 under the Companies Act 2006 in England and Wales with registered number 08146929 and its registered office situated at 8 Mortimer Street, London W1T 3JJ, United Kingdom.</p>
B.4b (B.19)	Known trends affecting the Issuer and the Guarantor and the industries in which they operates	<p>The economic recovery after the global financial crisis, coupled with a favourable interest rate environment and the imbalance of supply and demand for properties caused UK housing prices and the mortgage market to recover. Rising house prices have further supported the market by driving investor appetite, increasing the volume and value of new mortgages and raising the level of available equity within properties. According to Bank of England figures, the value of all outstanding residential loans in the UK amounted to £1.33 trillion (as at 31 December 2016), and gross advances for the year ended 31 December 2016 were approximately £249 billion. According to Association of Short Term Lenders (“ASTL”) figures, in the year to 31 December 2016, ASTL members (including the Guarantor and the Funding Entities (as defined in “Description of the Group” below) extended more than £2.59 billion worth of bridging loans, in the year to 31 December 2016. According to Investment Property Forum figures published in 2015, £10 billion worth of development loans were originated during 2015 (a three-fold increase since 2012). According to Council of Mortgage Lenders (“CML”) figures, the market for buy-to-let mortgages has grown from 836,000 buy-to-let mortgages outstanding, with a total balance of £93.2 billion, at the end of 2006 to 1.8 million buy-to-let mortgages outstanding, with a total balance of £229 billion, at the end of 2016. Buy-to-let mortgages represented 17 per cent. of outstanding mortgage balances at the end of 2016, according to CML figures. In addition, according to CML figures, gross advances for buy-to-let loans for the three months ended 31 December 2016 was £9 billion.</p> <p>As a consequence of the significant growth experienced in the buy-to-let loan market, the UK Government recently announced a range of measures affecting the buy-to-let loan market, such as the 3 per cent.</p>

		<p>stamp duty land tax surcharge on second homes introduced in April 2016 and the restrictions of tax relief on mortgage interest payments to the basic rate of tax, to be phased in between 2017 and 2020. Furthermore, the Bank of England has recently introduced new guidelines for mortgage lenders on stress testing buy-to-let mortgages and in assessing affordability which may limit the availability of such mortgages. The full impact of recent and forthcoming initiatives remains unknown and these initiatives may constrain growth in the buy-to-let loan market.</p> <p>In addition, according to Bank of England statistics, mortgage approval figures for the month ended 31 March 2017 were 2.3 per cent. lower than for the month ended 31 March 2016. Furthermore the number of mortgage approvals for the purchase of residential properties fell to 64,645 in March 2017 which is the lowest level of mortgage approvals since September 2016. There may be a number of causes for this slowdown in the mortgage market, although it should be noted that mortgage approval rates were higher than expected in the first four months of 2016 as borrowers sought to complete property purchases ahead of the introduction of the 3 per cent. stamp duty land tax surcharge on second homes introduced in April 2016. In October 2016, the UK Government established a £5 billion fund for the purposes of (i) providing short-term loans to businesses in an effort to encourage new homebuilders into the market and (ii) accelerating the development of publicly-owned “brownfield” land (i.e. land which was previously used for industrial or commercial purposes) to help address the UK shortage of housing. It is anticipated that this fund will reinvigorate confidence and market liquidity in the UK property market, which will help support asset prices.</p>
B.5 (B.19)	Description of the Group	<p>The Guarantor, together with its subsidiaries (including the Issuer) and together with the Funding Entities (as defined below), taken as a whole (the “Group”), is a specialist mortgage provider. The Guarantor is the ultimate holding company of the Group (with the exception of its affiliates LendInvest Income LP, LendInvest Capital S.à.r.l, LendInvest Capital investments Ltd) and is responsible for the overall business strategy and performance of the Group (other than such affiliates). The Group’s lending business is operated through the Funding Entities.</p> <p>References in the Base Prospectus to “Funding Entities” are to any subsidiary of the Guarantor which grants or makes loans to third party borrowers and any corporation, partnership, limited liability company or other entity which is affiliated to the Group and for which a member of the Group acts as investment adviser or manager. As at the date of the Base Prospectus, LendInvest Finance No. 1 Limited, LendInvest Finance No. 2 Limited, LendInvest Finance No. 3 Hold Co. Limited, LendInvest Finance No. 4 Limited, LendInvest Finance No. 5 Limited, LendInvest Finance No. 6 Limited, LendInvest Income LP (acting via its General Partner, LendInvest Private Finance General Partners Limited), LendInvest Capital S.à.r.l, LendInvest Capital Investments Limited, LendInvest Trading Partners LLP and LendInvest BTL Limited were Funding Entities. It is the intention that the Issuer becomes a Funding Entity.²</p> <p>The Issuer’s activities are limited by the Terms and Conditions of the</p>

² By virtue of the Supplement dated 13 March 2018, LendInvest Finance No. 6 Limited and LendInvest BTL Limited were added to the list of Funding Entities.

		Notes to (i) issuing Notes under this Programme (and undertaking various related activities to the issuance of Notes), and (ii) originating loans and purchasing loans from other Funding Entities which fulfil certain specified eligibility criteria set out in the Base Prospectus (“ Eligible Loans ”) (and management of its portfolio of Eligible Loans and any business ancillary or complementary thereto).																								
B.9 (B.19)	Profit forecasts/estimates	Not applicable: neither the Issuer nor the Guarantor has made any public profit forecasts or estimates.																								
B.10 (B.19)	Audit report — qualifications	<p>Not applicable: The audit reports on the historical financial information with respect to the Guarantor contained in this document do not include any qualifications.</p> <p>The Issuer was incorporated on 3 October 2016 and, having not yet commenced trading, there is no historical financial information available with respect to the Issuer.</p>																								
B.12 (B.19)	Selected historical key financial information	<p>LENDINVEST LIMITED</p> <p>The following tables set out the summary audited consolidated balance sheet, summary audited consolidated income statement and summary audited statements of cash flows of the Guarantor as at and for the financial years ended 31 March 2016 and 31 March 2017 together with the summary unaudited interim balance sheet, summary unaudited interim income statement and summary unaudited statements of cash flows of the Guarantor as at and for the six months ended 30 September 2017 (together, where applicable, with comparative information from the previous financial year or period). Such information is extracted from the historical financial information on the Guarantor for the financial years ended 31 March 2016 and 31 March 2017 set out in Section B of Part XV (<i>Historical Financial Information on the Guarantor</i>) of the Base Prospectus or from the unaudited interim financial statements for the six months ended 30 September 2017.³</p> <p>Consolidated Balance Sheet</p> <p><i>(in £ thousands)</i></p> <table border="1"> <thead> <tr> <th></th> <th>31 March 2016 Audited</th> <th>31 March 2017 Audited</th> <th>30 September 2017 Unaudited</th> </tr> </thead> <tbody> <tr> <td>Assets</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Cash at bank and in hand</td> <td>17,447</td> <td>12,714</td> <td>49,947</td> </tr> <tr> <td>Trade and other receivables</td> <td>4,304</td> <td>5,518</td> <td>4,736</td> </tr> <tr> <td>Loans and advances</td> <td>93,724</td> <td>92,847</td> <td>119,348</td> </tr> <tr> <td>Property, plant and equipment</td> <td>980</td> <td>1,034</td> <td>983</td> </tr> </tbody> </table>		31 March 2016 Audited	31 March 2017 Audited	30 September 2017 Unaudited	Assets				Cash at bank and in hand	17,447	12,714	49,947	Trade and other receivables	4,304	5,518	4,736	Loans and advances	93,724	92,847	119,348	Property, plant and equipment	980	1,034	983
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³ By virtue of the Supplement dated 13 March 2018, selected key information of the Guarantor for the six months ending 30 September 2017 accompanied (where applicable) by comparative data from the same period in the prior financial year has been included.

Intangible assets		-	377
Deferred taxation	-	37	-
Total assets	116,455	112,150	175,391
Liabilities			
Trade and other payables	(9,241)	(12,269)	(16,891)
Interest bearing liabilities	(97,774)	(91,504)	(149,081)
Deferred taxation	(36)	-	(97)
Total liabilities	(107,051)	(103,773)	(166,069)
Net assets	9,404	8,377	9,322
Equity			
Employee share reserve	27	50	66
Share capital	-	-	-
Share premium	6,414	6,441	6,441
Retained earnings	2,963	1,886	2,815
Total equity	9,404	8,377	9,322

Consolidated Income Statement

<i>(in £ thousands)</i>				
	31 March 2016 Audited	31 March 2017 Audited	30 September 2016 Unaudited	30 September 2017 Unaudited
Revenue	18,691	22,111	10,290	14,966
Cost of sales	(6,812)	(8,685)	(4,241)	(7,056)
Gross profit	11,879	13,426	6,049	7,910
Administrative expenses	(8,485)	(13,374)	(7,064)	(6,858)
Profit/(loss) from operations	3,394	52	(1,015)	1,052
Finance income	12	35	9	12
Finance expense	(932)	(1,102)	(632)	-
Profit/(loss) before tax	2,474	(1,015)	(1,638)	1,064
Tax expense	(479)	(45)	(73)	(135)
Profit/(loss) for the year	1,995	(1,060)	(1,711)	929
Other comprehensive income:				

There were no items that will or may be reclassified subsequently to profit or loss				
Other comprehensive income for the year/period, net of tax	-	-	-	-
Total comprehensive income/(loss) for the year/period	1,995	(1,060)	(1,711)	929

Consolidated Cashflow Statement

<i>(in £ thousands)</i>				
	31 March 2016 Audited	31 March 2017 Audited	30 September 2016 Unaudited	30 September 2017 Unaudited
Cash flows from operating activities				
Profit/(loss) for the year/period	1,995	(1,060)	(1,638)	1,064
Adjusted for:				
Depreciation of property, plant and equipment	174	134	161	121
Amortisation of intangible fixed assets	-	-	-	22
Enterprise Management Incentive scheme / share option schemes	27	50	6	16
Finance income	(12)	(35)	(9)	(12)
Income tax expense	479	45	(73)	(135)
Distribution of profits	(136)	(17)	-	-
Change in working capital				
(Increase)/decrease in gross loans and advances	(47,524)	877	(499)	(25,472)
Decrease/(Increase) in trade and other receivables	(2,020)	(1,133)	632	(134)
Increase in trade and other payables	6,450	3,248	1,372	7,259
Income taxes paid	(578)	(419)	-	-
Increase in interest bearing liabilities	-	-	6,107	54,961

		Cash (used in)/generated from activities	(41,145)	1,690	6,059	37,690
		Cash flow from investing activities				
		(Purchase) of property, plant and equipment	(1,139)	(187)	(156)	(70)
		Capitalisation of internally developed software	-	-	-	(399)
		Interest received	12	35	9	12
		Net cash (used in) investing activities	(1,127)	(152)	(147)	(457)
		Cash flow from financing activities				
		Issues of shares	6,414	-	-	-
		(Repaying)/ Proceeds from raising interest bearing liabilities	50,049	(6,270)	-	-
		Net cash from financing activities	56,463	(6,270)	-	-
		Net increase/ (decrease) in cash and cash equivalents	14,190	(4,733)	5,912	37,233
		Cash and cash equivalents at beginning of year/period	3,257	17,447	17,447	12,714
		Cash and cash equivalents at end of year/period	17,447	12,714	23,359	49,947

There has been no significant change in the financial or trading position of the Guarantor or the Group and its consolidated subsidiaries taken as a whole since 30 September 2017.⁴ There has been no material adverse change in the prospects of the Guarantor since 31 March 2017.

LENDINVEST SECURED INCOME PLC

The following tables set out the summary unaudited interim balance sheet, summary unaudited interim income statement and summary

⁴ By virtue of the Supplement dated 13 March 2018, the date since which there has been no significant change in the financial or trading position of the Guarantor or the Group has been updated from 31 March 2017 to 30 September 2017.

unaudited interim statements of cash flows of the Issuer as at and for the six months ended 30 September 2017.⁵

Unaudited Interim Balance Sheet

<i>(in £ thousands)</i>	
	30 September 2017 Unaudited
Assets	
Cash and cash equivalents	11,238
Trade and other receivables	38
Loans and advances	37,927
Deferred taxation	8
Total assets	49,211
Liabilities	
Trade and other payables	368
Interest bearing liabilities	48,826
Total liabilities	49,194
Net assets	17
Equity	
Share capital	50
Share premium	-
Retained earnings	(33)
Total equity	17

Unaudited Interim Income Statement

<i>(in £ thousands)</i>	
	30 September 2017 Unaudited
Finance income	360
Finance expense	(401)
Net finance cost	(41)
Administrative expenses	-
Loss from operations and before tax	(41)
Tax credit	8
Loss for the period	(33)

⁵ By virtue of the Supplement dated 13 March 2018, selected key information of the Issuer for the six months ending 30 September 2017 has been included.

Other comprehensive income:	
There were no items that will or may be reclassified subsequently to profit or loss	
Other comprehensive income for the period, net of tax	-
Total comprehensive loss for the period	(33)

Unaudited Interim Cashflow Statement

<i>(in £ thousands)</i>	
	30 September 2017 Unaudited
Cash flows from operating activities	
Loss before taxation for the period	(41)
Income tax expense	8
Change in working capital	
(Increase) in loans and advances	(37,927)
(Increase) in trade and other receivables	(8)
Increase in trade and other payables	368
Cash generated from activities	11,226
Cash flow from investing activities	
Interest received	-
Net cash from investing activities	-
Cash flow from financing activities	
Proceeds from issue of ordinary shares	12
Net cash from financing activities	12
Net increase in cash and cash equivalents	11,238
Cash and cash equivalents at beginning of period	-
Cash and cash equivalents at end of period	11,238

The Issuer was incorporated on 3 October 2016 and is a wholly owned subsidiary of the Guarantor.

There has been no significant change in the financial or trading position of the Issuer since 30 September 2017,⁶ and there has been no material adverse change in the prospects of the Issuer since the date of its incorporation. The Issuer has no subsidiaries.

⁶ By virtue of the Supplement dated 13 March 2018, the date since which there has been no significant change in the financial or trading position of the Issuer has been updated from its date of incorporation to 30 September 2017.

Recent Developments in relation to the Guarantor

The Guarantor uses an online investment platform to allow investors (“**Platform Investors**”) to invest in the proceeds derived from loans made by LendInvest Finance No.1 Limited.

Prior to 9 May 2017, Platform Investors could invest directly in the proceeds of loans and these investments took the form of receivables participation, effected by way of a receivables participation agreement made between (among others) the investor and the relevant Funding Entity, which entitled the investor to certain payments from the relevant Funding Entity. These payments were made to Platform Investors in amounts connected to payments that the relevant Funding Entity received from the borrower of a specific underlying loan.

Since 9 May 2017, whilst the Platform Investor still invests ultimately in receivables derived from a specific underlying loan, the Platform Investor participates in these underlying receivables by investing in one of a number of alternative investment funds managed by LendInvest Funds Management Limited (authorised and regulated by the FCA as a “Small Authorised UK AIFM (Sub-Threshold)” under reference number 624223). LendInvest Funds Management Limited establishes a new alternative investment fund to allow participation by Platform Investors in receivables from each new loan made by LendInvest Finance No.1 Limited. Platform Investors invest in the alternative investment fund of their choosing (which relates to the relevant underlying loan) by executing collective investment management agreements and paying the appropriate investment amount. LendInvest Funds Management Limited, as alternative investment fund manager of each alternative investment fund, will then deploy the sums raised from subscription to the alternative investment fund in acquiring for the Platform Investors the relevant receivables participation from LendInvest Funds Management Limited in respect of the underlying loan to which the relevant alternative investment fund is linked (i.e. Platform Investors invest indirectly, via the relevant alternative investment fund and receivables participation, in mortgage loans made by LendInvest Finance No.1 Limited).

In addition, since 9 May 2017, Platform Investors must satisfy certain eligibility requirements. In summary, a Platform Investor must be (1) a high net worth investor, (2) a self-certified sophisticated investor, (3) an investment professional or (4) a corporate investor. These eligibility requirements did not apply prior to 9 May 2017.

For Platform Investors that invested in the Guarantor’s online investment platform prior to 9 May 2017, their investments will continue in their existing form until such time as the relevant loans are repaid or enforced. The pre-9 May 2017 version of the Guarantor’s online investment platform is closed to new investments.

As at the date of the Base Prospectus, the changes to the online investment platform had not had, and were not expected to have, a significant effect on the Group’s business, financial condition or results of operations. The costs associated with changing the structure of the online investment platform were not material and were incurred in the financial year ended 31 March 2017. LendInvest Funds Management Limited is a wholly-owned subsidiary of the Guarantor. Consequently, all profits made by LendInvest Fund Management Limited will be retained by the Group for so long as LendInvest Fund Management Limited remains as manager of the alternative investment funds

		<p>established for the Guarantor's online investment platform.</p> <p>Bondholders will not be directly or indirectly investing via the Guarantor's online investment platform by virtue of their holding of any Bonds.</p>
B.13 (B.19)	Recent events particular to the Issuer or the Guarantor which are to a material extent relevant to the evaluation of the Issuer's and/or the Guarantor's solvency	Not applicable; there have been no recent events particular to the Issuer or the Guarantor which are to a material extent relevant to the evaluation of the Issuer's and/or the Guarantor's solvency.
B.14 (B.19)	Dependence of the Issuer/Guarantor on other entities within the Group	<p>Please see Element B.5 above. The Guarantor is the ultimate holding company of the Group (with the exception of its affiliates LendInvest Income LP, LendInvest Capital S.à.r.l, LendInvest Capital investments Ltd) and is responsible for the overall business strategy and performance of the Group (other than such affiliates). As the Guarantor's lending business is conducted through the Group, the Guarantor is, accordingly, dependent on the Funding Entities generating income for the Group.</p> <p>The Issuer is not dependent on any other member of the Group, save that (i) it is a wholly owned subsidiary of the Guarantor, and (ii) the obligations of the Issuer under the Programme are guaranteed by the Guarantor (the "Guarantee"). In addition, if the surplus proceeds from the sale of assets following an enforcement event proved to be insufficient to cover all amounts due and payable to holders of Notes ("Noteholders") in respect of the Notes, then Noteholders would be dependent on being able to receive any shortfall in money from the Guarantor (pursuant to the Guarantee) for satisfaction of any outstanding amounts.</p>
B.15 (B.19)	Description of the Issuer's and Guarantor's principal activities	<p>The Group is a specialist mortgage provider. The Guarantor is the ultimate holding company of the Group (with the exception of its affiliates LendInvest Income LP, LendInvest Capital S.à.r.l, LendInvest Capital investments Ltd) and is responsible for the overall business strategy and performance of the Group (other than such affiliates).</p> <p>The Issuer is a newly incorporated wholly owned subsidiary of the Guarantor. The Issuer's activities are limited by the Terms and Conditions of the Notes to (i) issuing Notes under this Programme (and undertaking various related activities to the issuance of Notes), and (ii) originating Eligible Loans and purchasing Eligible Loans from other Funding Entities (and management of its portfolio of Eligible Loans and any business ancillary or complementary thereto).</p>
B.16 (B.19)	Control of the Issuer/Guarantor	<p>The Issuer is a wholly owned subsidiary of the Guarantor.</p> <p>The Guarantor is not directly or indirectly owned or controlled by any one party.</p>
B.17 (B.19)	Credit ratings	<p>None of the Issuer, the Guarantor its debt securities or the Programme have been assigned a credit rating by a credit rating agency.</p> <p>Programme summary:</p>

		<p>A Series of Notes issued under the Programme may be rated by a credit rating agency or may be unrated. Such ratings will not necessarily be the same as the rating assigned to the Issuer, the Guarantor or to any other Series of Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p> <p>Issue specific summary:</p> <p>[The Notes to be issued [are not/have been/are expected to be] rated]/[The following ratings reflect credit ratings assigned to Notes of this type issued under the Programme generally]:</p> <p>[Name of rating agency: [•]]</p>
B.18	Guarantee	<p>The Guarantor will guarantee the payment of all sums payable by the Issuer in respect of the Notes. Therefore, if the Issuer fails to make payment due to the Noteholders in respect of the Notes, the Guarantor will be legally bound to make such payment.</p>

Section C – Securities		
C.1	Type and class of securities	<p>Programme summary:</p> <p>The Notes described in this summary are debt securities which may be issued under the £500,000,000 Euro Medium Term Note Programme of the Issuer arranged by Peel Hunt LLP as arranger and dealer under the programme.</p> <p>The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme.</p> <p>The Notes will be issued on a non-syndicated basis (i.e. sold through one Dealer) or a syndicated basis (i.e. sold through more than one Dealer). The Notes will be issued in series (each a “Series”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest (if any)), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “Tranche”) on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, the date and amount of the first payment of interest (if any) and/or nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the Final Terms (the “Final Terms”).</p> <p>The Notes may be “Fixed Rate Notes”, “Floating Rate Notes” or “Zero Coupon Notes” (or a combination thereof), as specified below (see Element C.9 for more details). Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. The Issue Price of the relevant Notes will be determined by the Issuer before filing of the applicable Final Terms of each Tranche based on</p>

		<p>the prevailing market conditions. Notes will be in such denominations as may be specified below.</p> <p>The Notes may be issued in bearer form (“Bearer Notes”) (i.e. where physical possession of the Note is the sole evidence of legal ownership) or in registered form (“Registered Notes”) (i.e. where legal ownership is evidenced by the name of the holder being registered on the register of Noteholders) only.</p> <p>Issue specific summary:</p> <p>Series Number: [•]</p> <p>Tranche Number: [•]</p> <p>Aggregate Nominal Amount: [•]</p> <p>Series: [•]</p> <p>Tranche: [•]</p> <p>Issue Price: [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [•]]</p> <p>Specified Denomination: [•]</p> <p>Form of Notes: [Bearer Notes:] [Temporary Global Note]./[Permanent Global Note].] [Registered Notes:] [Global Certificate]</p> <p>ISIN: [•]</p> <p>Common Code: [•]</p>
C.2	Currency of issue	<p>Programme summary:</p> <p>Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealer or Dealers.</p> <p>Issue specific summary:</p> <p>The Specified Currency or Currencies of the Notes to be issued [is/are] [•].</p>
C.5	Restrictions on transfer	<p>Programme summary:</p> <p>The Notes will be freely transferable. However, the primary offering of any Notes will be subject to offer restrictions in the United States, Japan, the European Economic Area (including the United Kingdom), Jersey, Guernsey and the Isle of Man and to any applicable offer</p>

		<p>restrictions in any other jurisdiction in which such Notes are offered or sold. The Issuer is Category 2 for the purposes of Regulation S under the United States Securities Act 1933.</p> <p>Issue specific summary:</p> <p>U.S. selling restrictions: Regulation S Compliance Category 2: [C Rules/D Rules/TEFRA not applicable]</p>
C.8	Rights attaching to the securities	<p>Programme summary:</p> <p><i>Status of the Notes and the Guarantee</i></p> <p>The Notes constitute secured debt obligations of the Issuer. The Notes will rank <i>pari passu</i> (i.e. equally in right of payment), without any preference among themselves.</p> <p>The obligations of the Guarantor under the Guarantee constitute direct, unconditional and (subject to the negative pledge given by the Guarantor (described below)) unsecured obligations of the Guarantor. The payment obligations of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable law and subject to the negative pledge given by the Guarantor, at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of the Guarantor. For this purpose “unsubordinated” denotes senior debt obligations (i.e. debt obligations that contain no provisions which serve to subordinate them to any other debt obligations).</p> <p><i>Security</i></p> <p>The Issuer will grant security for the Notes on the date of issue of the relevant Notes. The benefit of the security will be held on trust by U.S. Bank Trustees Limited (in its role as the “Security Trustee”) for and behalf of itself and the paying agents, the transfer agents, the calculation agent(s) for the relevant Notes and the Noteholders (the “Secured Creditors”). The security will take the form of a first floating charge over the whole of the undertaking and all property, assets and rights, both present and future, of the Issuer.</p> <p>A “floating charge” enables a chargee (i.e. the Security Trustee) to take security over assets whilst at the same time enabling the chargor (i.e. the Issuer) to continue to operate its business without the restrictions that would follow from granting fixed charges over those assets and/or interests in them. The assets subject to a floating charge can generally be dealt with by the chargor companies in the ordinary course of their respective businesses (including sale of such assets and/or interests in them from time to time as they wish). A floating charge effectively “hovers” over a shifting pool of assets. However, on the occurrence of certain events (notably if a receiver or an administrator is appointed to take enforcement action against the chargor company or companies or if there is a default in the Issuer’s obligations in relation to the Notes) the floating charge “crystallises” and will effectively be converted into a fixed charge with respect to the assets and/or interests in them which are at that point in time owned by the Issuer, and will prohibit the Issuer from disposing of any assets and/or interests in them going forwards without the Security Trustee’s prior consent.</p>

The Issuer's assets are only likely to be the Eligible Loans it originates or purchases and the net proceeds from any issuances of Notes (less such sums which are lent as Eligible Loans) and there can be no assurance that (i) the Issuer will be able to originate Eligible Loans or purchase Eligible Loans from other Funding Entities, (ii) borrowers will not default on Eligible Loans or (iii) the Issuer will be able to recover sufficient sums following enforcement of the security relating to a defaulted Eligible Loan to satisfy, on a timely basis, the obligations of the borrower. As a result, there can be no assurance that the Security Trustee (on behalf of the Noteholders and the other Secured Creditors) will be able to recover sufficient sums to satisfy the claims of Noteholders on the enforcement of the Security. **For the avoidance of doubt, the Security Trustee will have no rights to enforce security over any property or properties in respect of which an Eligible Loan has been granted.**

Negative pledge of the Guarantor

The Terms and Conditions of the Notes contain a negative pledge provision in respect of the Guarantor. In general terms, a negative pledge provision provides the Noteholders with the right to benefit from equivalent or similar security rights granted to the holders of any future issues of Notes or other debt securities which are issued by the Guarantor. Under the negative pledge provision set out in the Terms and Conditions of the Notes, the Guarantor may not create or have outstanding any security interest over any of its present or future undertakings, assets or revenues to secure any guarantee or indemnity in respect of bonds, notes, debentures, loan stock or other securities which are listed on a stock exchange or other securities market without securing the Notes equally and rateably, subject to certain exceptions.

The negative pledge does not prevent the Guarantor entering into loan agreements or issuing unlisted bonds, notes, debentures, loan stock or other securities which are secured over the assets of the Guarantor and/or other members of the Group. As at the date of the Base Prospectus, the secured creditors of the Group were Macquarie Bank, London Branch, GCP Asset Backed Income (UK) Limited and One Savings Bank PLC. Charges were granted in favour of Macquarie Bank Limited, London Branch in connection with a £40 million warehouse financing facility obtained in April 2016. Separate charges were granted in favour of GCP Asset Backed Income (UK) Limited in connection with £38.8 million of financing obtained in February and March 2017 and One Savings Bank PLC in connection with a £80 million revolving credit facility obtained in August 2015.

Events of Default

An event of default is a breach by the Issuer or Guarantor of certain provisions in the Terms and Conditions of the Notes. Events of default under the Notes include, subject to certain exceptions: (a) non-payment of principal or interest for 14 days, (b) breach of the financial covenants described in "*— Financial Covenants*" below and certain other covenants (which breach is not remedied within 30 days), (c) breach of other obligations under the Notes, the Trust Deed or the Security Deed (which breach is not remedied within 30 days), (d) defaults under other debt agreements for borrowed money of the Issuer, the Guarantor or any Material Subsidiary subject to an aggregate threshold of £1,000,000, (e) enforcement proceedings against the Issuer, the Guarantor or any Material Subsidiary, (f) certain

events related to insolvency or winding-up of the Issuer, the Guarantor or any Material Subsidiary; (g) the Issuer ceasing to be wholly-owned and controlled by the Guarantor, (h) the Security Deed not being in full force and effect or not creating the Security which it is expressed to create with the ranking and priority that it is expressed to have created, and (i) the Guarantee not being in full force and effect. In addition, Trustee certification that certain of the events described above would be materially prejudicial to the interests of the Noteholders is required before such events will be deemed to constitute Events of Default.

For the purposes of the foregoing, a “**Material Subsidiary**” is a subsidiary of the Guarantor (other than the Issuer and those subsidiaries which have entered into finance arrangements where the recourse of the lender(s) is limited to the assets of that subsidiary) whose gross assets represent not less than 10 per cent. of the Group’s gross assets.

As at the date of the Base Prospectus, the only Material Subsidiary was LendInvest Capital Advisors Limited.

Financial Covenants

The Issuer and the Guarantor have, pursuant to covenants set out in the Terms and Conditions of the Notes, undertaken to ensure that they maintain certain ratios and comply with certain limitations in respect of the Eligible Loans they originate and purchase using the net proceeds of issuance of any Notes.

These include:

- (i) an undertaking that the “Weighted Average LTV Ratio” of the total Eligible Loans held by the Issuer at any time does not exceed 75 per cent. The “Weighted Average LTV Ratio” is a financial measure calculated by reference to the relative size of each Eligible Loan, the valuation of the property in respect of which the Eligible Loan is granted at or around the time it is granted, and the total principal balance of all Eligible Loans held by the Issuer at the time the ratio is calculated. The broad purpose of this covenant is to prevent the Issuer originating or purchasing too many Eligible Loans which are too large relative to the value of the property to which they relate;
- (ii) an undertaking that the total value of the assets which together make up the security underlying the Notes (i.e. the value of Eligible Loans originated or purchased from other Funding Entities by the Issuer, and the cash held by the Issuer (such as cash received from the issue of Notes)) will be at least equal to a certain percentage of the nominal amount of all Notes which are outstanding. This percentage will be between 97.5 per cent. and 100 per cent. of the nominal amount of all Notes which are outstanding; the exact percentage will be determined based on the issue date of the Notes of each Series and the total amount of Notes issued, reflecting the requirement that for the first 15 months after a Series of Notes is issued the value of the notional underlying assets should correspond to at least 97.5 per cent. of the nominal amount of that Series, increasing to at least 100 per cent. thereafter. The purpose of this covenant is to ensure that, if ever the security underlying the Notes had to be enforced, the value of the security will be sufficient to ensure that Noteholders are repaid as much as possible (though this covenant does not

mean that Noteholders are guaranteed to receive repayment in full in such a scenario as the Noteholders will have the right to be paid amounts due to them only after payment of, firstly, the remuneration, costs, expenses and liabilities due and payable to the Security Trustee and the Trustee, including costs incurred by them (or any receiver appointed by them) in the enforcement of the Security and, secondly, remuneration, costs, expenses and liabilities due and payable to the paying agents, transfer agents and calculation agents appointed in respect of the Notes); and

- (iii) an undertaking that the interest receivable by the Issuer on Eligible Loans (other than certain loans which are in arrears – meaning that the borrower has not kept up the payments it is required to make over a certain period), when combined with certain income (or earnings) of the Issuer exceeds the amount of interest payable to Noteholders (and holders of other Notes issued under the Programme) by a ratio of at least 1.2 : 1.0. This covenant will be tested every three months, starting from the first Quarter Date (a Quarter Date being 31 March, 30 June, 30 September and 31 December in each year) after the first anniversary of the Issue Date of any Notes. The purpose of this covenant is to ensure that the Issuer is in receipt of more interest on the Eligible Loans in its portfolio than the amount of interest it has to pay out to Noteholders (and holders of other Notes issued under the Programme).

Worked example of the undertaking described in (ii) above:

The worked example presented below is for illustrative purposes only and is in no way representative of the Issuer's issuance plans. The worked example is intended to demonstrate how the undertaking described in paragraph (ii) above is designed to work.

On 31 July 2017, the Issuer issues £50 million in nominal amount of Notes ("Series 1 Notes"). On 1 October 2017, the Issuer issues a further £50 million in nominal amount of Notes ("Series 2 Notes"). On 31 March 2018, the Issuer issues a further £100 million in nominal amount of Notes ("Series 3 Notes").

Up until 15 months after the issue date of the Series 1 Notes (being 31 October 2018), the total value of the assets which make up the security underlying the Notes must be at least equal to 97.5 per cent. of the £200 million in nominal amount of Notes issued (£195 million).

Between 1 November 2018 and the date falling 15 months after the issue date of the Series 2 Notes (being 1 January 2019), the total value of the assets which make up the security underlying the Notes must be at least equal to 98.125 per cent. of the nominal amount of the Notes issued (this figure is calculated as 100 per cent. of £50 million plus 97.5 per cent. of £50 million plus 97.5 per cent. of £100 million which equals £196.25 million – this represents 98.125 per cent. of the £200 million in nominal amount of Notes issued).

Between 2 January 2019 and the date falling 15 months after the issue date of the Series 3 Notes (being 30 June 2019), the total value of the assets which make up the security underlying the Notes must be at least equal to 98.75 per cent. of the nominal amount of the Notes issued (this figure is calculated as 100 per cent. of £50 million plus 100 per cent. of £50 million plus 97.5 per cent. of £100 million which equals

		<p>£197.50 million – this represents 98.75 per cent. of the £200 million in nominal amount of Notes issued).</p> <p>From 1 July 2019 (assuming no other Notes have been issued since 31 March 2018), the total value of the assets which make up the security underlying the Notes must be at least equal to 100 per cent. of the £200 million in nominal amount of Notes issued.</p> <p><i>Withholding tax</i></p> <p>All payments of interest and principal in respect of Notes will be made free and clear of withholding taxes of the United Kingdom unless the withholding is required by law. In such event, the Issuer or the Guarantor will, save in certain limited circumstances, be required to pay additional amounts as shall result in receipt by the Noteholders of such amount as would have been received by them had such withholding or deduction not been required.</p> <p><i>Meetings of Noteholders</i></p> <p>The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting the interests of the Noteholders. These provisions permit certain majorities to bind all Noteholders including Noteholders who did not vote on the relevant resolution and Noteholders who did not vote in the same way as the majority did on the relevant resolution.</p> <p><i>Governing law</i></p> <p>The Notes will be governed by, and construed in accordance with, English law.</p>
C.9	Rights attaching to the securities	<p>Interest</p> <p><i>Interest rates, interest accrual and payment dates</i></p> <p>Notes may or may not bear interest. Interest-bearing Notes will either bear interest payable at a fixed rate or a floating rate. Interest will be payable on such date or dates as may be specified below.</p> <p><i>Fixed Rate Notes</i></p> <p>Fixed interest will be payable in arrear on the date or dates in each year specified below.</p> <p>Issue specific summary:</p> <p>[The Notes to be issued are not Fixed Rate Notes.]</p> <p>[Rate(s) of Interest: [•] per cent. per annum</p> <p>Interest Payment Date(s): [•] in each year]</p> <p><i>Floating Rate Notes</i></p> <p>Floating Rate Notes will bear interest determined separately for each Series as follows:</p>

		<p>(i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.; or</p> <p>(ii) by reference to LIBOR or EURIBOR as adjusted for any applicable margin,</p> <p>all as specified below. Applicable accrual periods will be as specified below.</p> <p>Issue specific summary:</p> <p>[The Notes to be issued are not Floating Rate Notes.]</p> <p>[The key features of the Floating Rate Notes are: [•]]</p> <p><i>Zero Coupon Notes:</i></p> <p>Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.</p> <p>Issue specific summary:</p> <p>[The Notes to be issued are not Zero Coupon Notes.]</p> <p>[Amortisation Yield: [•] per cent. per annum]</p> <p>Redemption</p> <p><i>Maturity</i></p> <p>The relevant Maturity Date for a Tranche of Notes is specified below. Unless repaid or purchased and cancelled earlier, the Issuer, or the Guarantor, will repay the Notes on the Maturity Date at 100 per cent. of their nominal amount.</p> <p>Issue specific summary:</p> <p>The Maturity Date for the Notes shall be [[•]/the Interest Payment Date falling in or nearest to [•]].</p> <p><i>Early redemption and optional redemption</i></p> <p>The Issuer may elect to repay the Notes prior to their maturity date in certain circumstances for tax reasons. In addition, if so specified below, the Notes (or some only of them) may be redeemed prior to their maturity date in certain circumstances, including pursuant to an Issuer call option and/or an investor put option.</p> <p>Issue specific summary:</p> <p>Call Option [Applicable/Not Applicable]</p> <p>[The details of the call option are: [•]]</p>
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		<p>Put Option [Applicable/Not Applicable]</p> <p>[The details of the put option are: [•]]</p> <p>Final Redemption Amount of [•] per Calculation Amount each Note:</p> <p>Early Redemption Amount: [[•] per Calculation Amount]</p> <p>Indication of yield</p> <p>The yield in respect of each issue of Fixed Rate Notes will be calculated on the basis of the Issue Price and is set out below.</p> <p><i>Issue specific summary:</i></p> <p>Yield: [•]</p> <p>Trustee and Security Trustee</p> <p>The Issue has appointed U.S. Bank Trustees Limited to act as trustee for the holders of Notes and also as security trustee to hold the benefit of the Security in respect of the Notes.</p>
C.10	Description of derivative component in interest payments	Not applicable; there is no derivative component in the interest payments made in respect of any Notes issued under the Programme.
C.11	Application for admission to trading	<p>Programme summary:</p> <p>Application has been made to admit Notes issued during the period of 12 months from the date of this document to the Official List of the UK Listing Authority and to admit them to trading on the London Stock Exchange plc's regulated market, including through its order book for retail bonds (in the case of Notes where the authorised denominations are less than €100,000 (or its equivalent in other currencies)).</p> <p>Issue specific summary:</p> <p>[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange plc's regulated market [through its order book for retail bonds] with effect from [•].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange plc's regulated market [through its order book for retail bonds] with effect from [•].]</p>
C.21	Market where the securities will be traded	<p>Programme summary:</p> <p>Application has been made to admit Notes issued during the period of 12 months from the date of this document to the Official List of the UK Listing Authority and to admit them to trading on the London Stock Exchange plc's regulated market, including through its order book for retail bonds (in the case of Notes where the authorised denominations are less than €100,000 (or its equivalent in other currencies)).</p>

		<p>Issue specific summary:</p> <p>[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange plc's regulated market [through its order book for retail bonds] with effect from [•].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange plc's regulated market [through its order book for retail bonds] with effect from [•].]</p>
<p>Section D – Risks</p>		
<p>D.2</p>	<p>Key information on the key risks that are specific to the Issuer and the Guarantor</p>	<p>Factors that may affect the Issuer's ability to fulfil its obligations under or in connection with the Notes, include the following key risks:</p> <ul style="list-style-type: none"> • The Issuer will only be able to originate Eligible Loans or purchase Eligible Loans from other Funding Entities to the extent that prospective borrowers and the relevant loans satisfy the eligibility criteria described in the Base Prospectus. Failure to originate or purchase Eligible Loans may have a material adverse effect on the Issuer's ability to satisfy its obligations to make payments of interest and principal under Notes issued under the Programme. • The Notes will be secured by a first floating charge over the whole of the undertaking and all property, assets and rights, both present and future, of the Issuer. The existence of the Guarantee and the Security may not remove all risk of non-payment. The ability of the Guarantor to make payments under the Guarantee will depend upon resources being available to it to do so. The ability of the Security Trustee (on behalf of the Noteholders and the other Secured Creditors) to recover sufficient sums to satisfy payments to Noteholders upon enforcement of the Security will depend, among other things, on the quality of the Issuer's assets and any claims from preferential creditors. The Issuer's assets are only likely to be the Eligible Loans it originates or purchases from other Funding Entities and the net proceeds from any issuances of Notes (less such sums which are lent as Eligible Loans) and there can be no assurance that (i) the Issuer will be able to originate Eligible Loans or purchase Eligible Loans from other Funding Entities, (ii) borrowers will not default on Eligible Loans or (iii) the Issuer will be able to recover sufficient sums following enforcement of the security relating to a defaulted Eligible Loan to satisfy, on a timely basis, the obligations of the borrower. As a result, there can be no assurance that the Security Trustee (on behalf of the Noteholders and the other Secured Creditors) will be able to recover sufficient sums to satisfy the claims of Noteholders on the enforcement of the Security. For the avoidance of doubt, the Security Trustee will have no rights to enforce security over any property or properties in respect of which an Eligible Loan has been granted. • In addition, upon an enforcement of the Security by the Security Trustee pursuant to the Terms and Conditions of the Notes, the Noteholders will have the right to be paid amounts due to them only after payment of certain costs and expenses (such as the remuneration, costs, expenses and liabilities due

and payable to the Security Trustee, the Trustee, the paying agents, transfer agents and calculation agents appointed in respect of the Notes) meaning that Noteholders may not receive all amounts outstanding under the Notes, in the event that the Issuer has insufficient remaining cash and assets to satisfy their claims.

As a member of the Group whose activities are (i) the issuance of Notes (and undertaking various related activities to the issuance of Notes) and (ii) the origination of Eligible Loans and purchase of Eligible Loans from other Funding Entities (and management of its portfolio of Eligible Loans and any business ancillary or complementary thereto), the Issuer faces the same risks as the Guarantor and the Group, including the following key risks:

A. Macro-economic risks

- A downturn in business condition or the general economy in the UK may adversely affect all aspects of the Group's business.
- The Group is exposed to changes in the economic position of its borrowers, which may adversely impact their ability to make loan payments (credit risk).
- Adverse economic conditions affecting the United Kingdom may have a negative impact on the mortgage market. Continued deterioration or a slowness of recovery in the mortgage market may reduce the number of new bridging, development and buy-to-let loans originated by the Group and increase delinquency rates, default rates and losses under those loans, which could materially adversely affect the Group's business, results of operations and financial condition.

B. Commercial risks

- Increased competition may lead to an increased exposure to credit risk, reduction in the Group's margins and decrease in lending activity, all of which could have a material adverse effect on the Group's business, results of operations and financial condition.
- The Group's loan origination business is almost entirely conducted with customers in the UK, in particular in England and, to a lesser extent, Wales and Scotland. This concentration of credit risk could cause the Group to experience significant losses.
- Loans made by Funding Entities are secured over the property to which the relevant loan relates and typically also benefit from security taken over the relevant borrower's other assets and guarantees. Insufficient sums to satisfy the obligations of the relevant borrower may be recovered following enforcement of the security or any guarantees, which may have a material adverse effect on the Group's business, results of operations and financial condition.

C. Operational risks

		<ul style="list-style-type: none"> • Operational risk refers to the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events. The failure by the Guarantor to minimise operational risk may have a material adverse effect on the Group’s business, financial condition, results of operations or prospects. • As an originator of loans, the Group is exposed to possible fraud by borrowers, purported borrowers, investors, their professional advisers such as solicitors, accountants or valuers as well as by employees. It is possible that large scale fraud could adversely affect the Group’s business, financial condition, results of operations or prospects. • The Group relies heavily on its operational processes and on its IT and related communication systems to conduct its business. Any failure of the IT systems, failure to integrate new platforms or breach in security of the Group’s systems could lead to significant costs and disruptions that could adversely affect the overall operational or financial performance of the business, as well as harm the Group’s reputation and/or attract increased regulatory scrutiny. • The Group is subject to regulatory requirements currently and may be subject to additional regulatory requirements both in its current areas of activity and any future areas of activity. Changes in laws and regulations, fines and other penalties could have an adverse effect on the Group’s business, financial condition, results of operations or prospects. <p>D. Reputational risks</p> <ul style="list-style-type: none"> • Failure to protect the Group’s reputation and brand could lead to a loss of trust and confidence. This could result in a decline in the client base and affect the Group’s ability to recruit and retain good people, which could have a material adverse effect on the Group’s financial performance.
D.3	Key information on the key risks that are specific to the securities	<p>Programme summary:</p> <ul style="list-style-type: none"> • The Notes are not protected by the Financial Services Compensation Scheme (the “FSCS”). As a result, neither the FSCS nor anyone else will pay compensation to you upon the failure of the Issuer or the Guarantor. If the Issuer or the Guarantor goes out of business or becomes insolvent, you may lose all or part of your investment in the Notes. • The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. • Holders of CREST depository interests will hold or have an interest in a separate legal instrument and will not be the legal owners of the Notes in respect of which the CDIs are issued. • Notes may have no established trading market when issued,

		<p>and one may never develop. If a market does develop, it may not be liquid. Therefore, you may not be able to sell your Notes easily or at prices that will provide you with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors.</p> <p>Issue specific summary:</p> <ul style="list-style-type: none"> • [The Notes are subject to optional redemption by the Issuer. The Issuer may be expected to repay Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, you generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being repaid and may only be able to do so at a significantly lower rate.] • [Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes.] • [The market price of Notes issued at a substantial [discount/premium] may experience greater fluctuations in certain circumstances.] • [If the Issuer converts from a fixed rate to a floating rate, the difference between the interest rates on the Fixed/Floating Rate Notes may be less favourable than then prevailing interest rates on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.]]
Section E – Offer		
E.2b	Reasons for the offer and use of proceeds	<p>Programme summary:</p> <p>The net proceeds from each issue of Notes will be applied by the Issuer for the purpose of originating or purchasing Eligible Loans (i.e. loans which meet the “Eligibility Criteria” described in the Base Prospectus).</p> <p>The key eligibility criteria are that the Issuer’s loans:</p> <ul style="list-style-type: none"> (i) must be secured by a first-ranking or second-ranking legal charge over the property of the relevant borrower (with no more than 10 per cent. of the Issuer’s loan portfolio being secured by second-ranking legal charges); (ii) must have a maximum loan-to-value of 82.5 per cent. (where the loan is secured by a first-ranking legal charge) and 70 per cent. (where the loan is secured by a second-ranking legal charge); (iii) must comply with certain loan size requirements (each loan must

		<p>not be more than £3 million (in the case of loans secured over a single family home, house or dwelling (i.e. a building which can only be occupied by one household or family, and consists of just one dwelling unit or suite)) or not more than 10 per cent. of the nominal amount of Notes outstanding from time to time (in the case of loans secured over more than one property), provided that the value of any one property over which any loan is secured does not exceed £3 million);</p> <p>(iv) must be bridging loans or buy-to-let loans (and will not include development loans), and buy-to-let loans must not make up more than 10 per cent. of the Issuer’s loan portfolio at any time;</p> <p>(v) must not constitute: (a) “regulated mortgage contracts” as defined by Article 61 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (the “RAO”); (b) “regulated credit agreements” as defined by Article 60B of the RAO; (c) “consumer buy-to-let mortgages contracts” as defined by Article 4 of the Mortgage Credit Directive Order 2015 (as amended or substituted from time to time); or (d) credit agreements or other loans subject to regulation by the UK Financial Conduct Authority (or any successor or replacement thereto or such other authority in the United Kingdom) or other competent regulatory authority having supervisory oversight and/or responsibility for the lending activities of the Issuer, in each case, as applied and in effect as at the date of the Base Prospectus; and</p> <p>(vi) must be made in respect of (and secured on) property located in England or Wales.</p> <p>If, in respect of any particular issue there is a particular identified use of proceeds, this will be stated below.</p> <p>Issue specific summary:</p> <p>Reasons for the offer: [•]</p> <p>Use of proceeds: [•]</p> <p>Estimate of expenses: [•]</p>
E.3	Terms and conditions of the offer	<p>Programme summary:</p> <p>The terms and conditions of each offer of Notes will be determined by agreement between the Issuer, the Guarantor and the relevant Dealer(s) at the time of issue and specified in the applicable Final Terms. If you intend to acquire or acquiring any Notes in a Public Offer from an offeror other than the Issuer or Guarantor, you will do so and offers and sales of such Notes to you by such offeror will be made in accordance with any terms and other arrangements in place between such offeror and you including as to price, allocations, expenses, payment and delivery arrangements. You must look to the relevant Authorised Offeror for the provision of such information and the Authorised Offeror will be responsible for such information. The Issuer and the Guarantor have no responsibility or liability to you in respect of such information.</p> <p>Issue specific summary:</p>

		<p>[(a) Offer Price: [•];</p> <p>(b) Conditions to which the offer is subject: [•];</p> <p>(c) Description of the application process: [•];</p> <p>(d) Details of the minimum and/or maximum amount of application: [•];</p> <p>(e) Description of the possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [•];</p> <p>(f) Details of the method and time limits for paying up and delivering the Notes: [•];</p> <p>(g) Manner in and date on which results of the offer are to be made public: [•];</p> <p>(h) Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: [•];</p> <p>(i) Categories of potential investors to which the Notes are offered and whether tranches(s) have been reserved for certain countries: [•];</p> <p>(j) Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [•];</p> <p>(k) Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [•];</p> <p>(l) Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: [•]; and</p> <p>(m) Name(s) and address(es) of the entities which have a firm commitment to act as intermediaries in the secondary market trading, providing liquidity through bid and offer rates and description of the main terms of its/their commitment: [•].]</p>
E.4	Material interests	<p>Programme summary:</p> <p>The relevant Dealer(s) may be paid fees in relation to any issue of Notes under the Programme. Certain of the Dealer(s) and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer, the Guarantor and their affiliates in the ordinary course of business.</p> <p>Issue specific summary:</p> <p>[Save for [•],] so far as the Issuer and the Guarantor are aware, no person involved in the offer of the Notes has an interest material to the offer. [There are no conflicts of interest which are material to the offer</p>

		of the Notes.]
E.7	Estimated expenses charged to investor	<p>Programme summary:</p> <p>If you intend to acquire any Notes in a Public Offer from an offeror other than the Issuer, the Guarantor or a Dealer in its capacity as an Authorised Offeror, you will do so (and offers and sales of such Notes to you by such offeror will be made) in accordance with any terms and other arrangements in place between such offeror and you including as to price, allocations, expenses, payment and delivery arrangements. None of the Issuer, the Guarantor or any of the Dealer(s) are party to such terms or other arrangements.</p> <p>Issue specific summary:</p> <p>[The Issuer and the Guarantor will not charge you any expenses relating to an application for or purchase of any Notes./The following expenses are to be charged to you by the Issuer and the Guarantor: [•]]</p>