



BlueZest

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# Retail Bond Information Booklet

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## BlueZest Secured Retail Bond PLC

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### Series 1:

5.25% Fixed Rate Secured Bonds  
due 2022

BlueZest Secured Retail Bond  
PLC (the “Issuer”)

First date of the Offer Period  
27 November 2017

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The information contained herein may only be released or distributed in the UK, Jersey, the Bailiwick of Guernsey and the Isle of Man; in each case in accordance with applicable regulatory requirements.

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### Lead Manager

Monsas Ltd

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### Authorised Offerors

- AJ Bell Securities Limited
  - Alliance Trust Savings Limited
  - Equiniti Financial Services Limited
  - Redmayne-Bentley LLP
  - RIA Capital Markets (institutional clients only)
  - Syndicate Room Limited
  - Zenzic Partners Limited
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This is an advertisement and not a prospectus. Any decision to purchase or sell the Bonds should be made solely on the basis of a careful review of the Prospectus dated 22 November 2017 and the Final Terms dated 27 November. This Information Booklet was published on 23 November 2017. You should be aware that you could get back less than you invested or lose your entire initial investment.



# BlueZest

# Contents

Important Information	4
BlueZest Secured Retail Bond PLC	5
How it Works	7
Security Package	8
Structure of the Bond	9
Key Features of the Bond	11
Key Risks of Investing in the Bond	13
The Business	16
Leadership Team	19
An Innovative Mortgage Lender	20
Types of Mortgage Loans	23
Further Information	24

# Important Information

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

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

This Information Booklet relates to the proposed issue by BlueZest Secured Retail Bond PLC (the “Issuer”) of 5.25% Fixed Rate Secured Bonds due 2022 (the “Bonds”). A base prospectus dated 22 November 2017 (the “Prospectus”) which comprises a base prospectus for the purposes of Article 5.4 of the Directive and the final terms relating to the Bonds dated 27 November (the “Final Terms”) has been prepared and made available to the public in accordance with the Directive. Copies of the Prospectus and the Final Terms are available from the website of the Issuer ([bluezest.com/bond-investors/](http://bluezest.com/bond-investors/)). Your Authorised Offeror should provide you with a copy of the Prospectus and the Final Terms.

This Information Booklet should not be relied on for making any investment decision in relation to the purchase of the Bonds.

**Any investment decision should be made solely on the basis of a careful review of the Prospectus and the Final Terms. Please read the Prospectus and Final Terms carefully before you invest.**

This Information Booklet is a financial promotion prepared by the Issuer and approved by Thornbridge Investment Management LLP (“Thornbridge”) solely for the purposes of section 21(2)(b) of the FSMA. Thornbridge (incorporated in England No. OC398922) whose office is at 1 Fore Street, London EC2Y 9DT, is authorised and regulated by the Financial Conduct Authority (FRN: 713859).

No reliance may be placed on the Lead Manager or Thornbridge for advice or recommendations of any sort. Neither the Lead Manager nor Thornbridge makes any representation or warranty to you with regard to the information contained in the Prospectus or the Final Terms. This Information Booklet contains information derived from the Prospectus and the Final Terms and is believed to be reliable but, insofar as it may do so under applicable law, neither the Lead Manager nor Thornbridge warrants or makes any representation as to its completeness, reliability or accuracy.

Any circulation in Jersey of any offer for subscription, sale or exchange of the Bonds may only be made by a person or persons authorised to conduct investment business under the Financial Services (Jersey) Law 1998, as amended. The Bonds may be marketed, offered or sold in Guernsey only in compliance with the provisions of the Protection of Investors (Bailiwick of Guernsey) Law 1987. The Bonds may be sold in the Isle of Man only in compliance with the provisions of the Isle of Man Financial Services Act 2008 and the Regulated Activities Order 2011.

This Information Booklet is not for distribution in the United States of America or to U.S. persons (as defined in the United States Securities Act of 1933, as amended (the “Securities Act”). The Bonds have not been and will not be registered under the Securities Act. The Bonds may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons.

The distribution of this Information Booklet and the offering, sale and delivery of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Information Booklet comes are required to inform themselves about and to observe any such restrictions. This Information Booklet does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

For a description of certain restrictions on offers, sales and deliveries of Bonds and on distribution of this Information Booklet and other offering material relating to the Bonds, see Section 14 ‘Subscription and Sale’ starting on page 132 of the Prospectus and paragraphs 8 and 9 of Part B of the Final Terms.

# BlueZest Secured Retail Bond PLC 5.25% Fixed Rate Secured Bonds due 2022

## Information about the Programme and the Bonds

The Issuer established a programme for the issuance of bonds on 22 November 2017 (the "Programme"). The Issuer will lend the proceeds of the bonds issued from time to time under the Programme to BlueZest Mortgages and Loans Limited (the "Business", "BlueZest Mortgages") via a loan agreement (the "Loan Agreement") entered into between the Issuer and BlueZest Mortgages on 22 November 2017. BlueZest Mortgages will use amounts borrowed under the Loan Agreement to grant mortgage loans ("Mortgage Loans") to borrowers which satisfy its lending criteria from time to time and to pay fees, costs and expenses incurred by the Issuer under the Programme. Please refer to the section headed 'The Business' on page 16 of this Information Booklet for further information regarding the Business.

The Programme is governed by a set of master documents containing terms and conditions and other contractual provisions that can be used by the Issuer to undertake issues of bonds, known as series (each a "Series"), from time to time in the future, subject to a maximum limit of £1,500,000,000 in principal amount of bonds outstanding at any time under the Programme. Subject to both investor demand and favourable market conditions, the Issuer intends to issue £250,000,000 in principal amount of bonds in the period of 12 months immediately following the date of the Prospectus.

The proposed issue by BlueZest Secured Retail Bond PLC of 5.25% fixed rate secured bonds due 2022 (the "Bonds") is the first Series to be issued under the Programme. Payments in respect of the Bonds will be made by BlueZest Secured Retail Bond PLC and will not be guaranteed by any other party. Please refer to the sections headed 'Key features of the Bonds' on page 11 and 'Key risks of investing in the Bonds' on page 13 of this Information Booklet for further information.

The level of interest payable on the Bonds is fixed when the Bonds are issued. The Bonds pay interest of 5.25% per annum on the face value of £100 per Bond until the scheduled maturity date in December 2022 (the "Maturity Date"). Therefore, for every £1,000 of Bonds held (i.e. the minimum initial amount of Bonds you may buy), the Issuer will pay interest of £52.50 every year until the Maturity Date. The first coupon payment will be paid on 15 June 2018 and thereafter coupon payments will be made quarterly on or around 15 September, 15 December, 15 March and 15 June every year until the Maturity Date. For every £1,000 of Bonds held, the Issuer will pay interest of £26.25 on 15 June 2018 and, thereafter, £13.125 every quarter on or around 15 September, 15 December, 15 March and 15 June every year until the Maturity Date.

On the Maturity Date (i.e. 15 December 2022), the Issuer is required to repay an amount equal to the face value of the Bonds (i.e. £100 for each Bond) unless the Bonds have previously been redeemed or purchased and cancelled.

If the Issuer goes out of business or becomes insolvent before the Maturity Date, you may still lose some or all of your investment, even after the security granted under the Programme has been enforced. Please see the 'Key features of the Bonds' and 'Key risks of investing in the Bonds' sections of this Information Booklet on pages 11 and 13 for further information.

BlueZest Mortgages is a UK mortgage lender whose business model is based on the provision of loans to owners of property and small-and-medium sized businesses. Each "Mortgage Loan" granted by BlueZest Mortgages will be secured by: (i) the grant of a legal mortgage (a "Mortgage") by the relevant borrower or, as the case may be, one of its directors, over the residential property in respect of which the Mortgage Loan has been granted or, as the case may be, another residential property owned by the directors (such property being, the "Mortgaged Property"), and (ii) as required, personal guarantees given by the directors of the borrowing company (the "Related Security").

As a further protection and in order to reduce its exposure (and correspondingly the exposure of holders of Bonds) to a potential future decline in property values, which could affect the amounts recoverable by BlueZest Mortgages if an underlying borrower defaults under a Mortgage Loan and the related Mortgaged Property is sold. BlueZest Mortgages has entered into a mortgage indemnity guarantee policy (the "MIG Policy") with AmTrust Europe Limited (the "MIG Provider"), which insures BlueZest Mortgages against a decline in the value of such Mortgaged Property by 35% or 40% (depending on the type of Mortgage Loan).

BlueZest Mortgages has granted security over its interests in the MIG Policy to Link Corporate Trustees (UK) Limited (the "Security Trustee") for the benefit of bondholders and certain other secured creditors. AmTrust Europe Limited is the UK regulated insurance company of the AmTrust Group and is rated "A" (Excellent) by A.M. Best as at the date of this Information Booklet (source: AmTrust's website (<https://www.amtrusteurope.com/en-GB/about>)). Please refer to the section headed 'Security Package' on page 8 of this Information Booklet for further information about the security that has been granted under the Programme for the benefit of bondholders.

The only way to purchase these Bonds during the offer period is through a stockbroker or other financial intermediary which has been granted consent by the Issuer to use the Prospectus and the Final Terms (an "Authorised Offeror") for the purposes of making offers of the Bonds. Contact your stockbroker or other financial intermediary, or any of those listed in the 'Authorised Offerors' section of this Information Booklet on page 28, if you wish to purchase these Bonds. The minimum initial amount of Bonds you may buy is £1,000. Purchases of greater than £1,000 must be in multiples of £100. After the initial purchase of Bonds, the Bonds can be bought and sold in multiples of £100. Your Authorised Offeror will provide you with a copy of the Prospectus. You are referred to the section headed "Important Information" on page 4 of this document.

The Bonds will be available from 27 November 2017 until 12 noon (London time) on 12 December 2017 or such earlier time and date as may be announced by the Issuer during the offer period.



# How it works

## What is a fixed rate Bond?

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

A Bond is a tradable instrument meaning that you do not have to keep the Bonds until the date when they mature. The market price of a Bond will vary between the date when it is issued and the date when it matures.

As with any investment there is a risk that a bondholder could get back less than their initial investment or lose all their initial investment, including if they sell their Bonds at a price lower than that which they paid for them. The Bonds will benefit from security granted by BlueZest Mortgages and the Issuer which is intended to mitigate this risk; the primary security, being the transfer of equitable interests in all Mortgage Loans originated by BlueZest Mortgages (using the net proceeds of Bonds issued under the Programme) and the associated security interests over the underlying UK residential properties) to the Security Trustee. However, if the security is enforced following a default under the Bonds, there can be no guarantee that the proceeds of enforcement against the Issuer's or BlueZest Mortgages' assets would be sufficient to cover all amounts owing in respect of the Bonds.

Please see the sections headed 'Security package', 'Key risks of investing in the Bonds' and 'Further Information - How to trade the Bonds' on pages 8, 13 and 24 of this Information Booklet for more information.

## Interest on the Bonds

The level of interest payable on the Bonds is fixed when the Bonds are issued. The rate of interest on the Bonds is 5.25% per annum. Therefore, for every £1,000 of Bonds held (i.e. the minimum initial amount of Bonds you may buy), the Issuer will pay interest of £52.50 every year until the Maturity Date. The first coupon payment will be paid on 15 June 2018 and thereafter coupon payments will be made quarterly on or around 15 September, 15 December, 15 March and 15 June every year until the Maturity Date. For every £1,000 of Bonds held, the Issuer will pay interest of £26.25 on 15 June 2018 and thereafter, £13.125 every quarter on or around 15 September, 15 December, 15 March and 15 June every year until the Maturity Date.

You should refer to the section headed 'Key risks of investing in the Bonds' on page 13 of this Information Booklet for information on the risks relating to an investment in the Bonds.

## Redemption of the Bonds on the maturity date

Provided that the Issuer does not go out of business or become insolvent, and provided that the Bonds have not been redeemed or purchased or cancelled early, the Bonds will be redeemed at 100% of their face value (i.e. £100) on the Maturity Date (i.e. 15 December 2022). The Bonds may be redeemed early for certain reasons, as described under 'Key Features of the Bonds' on page 11.

# Security package

The Bonds, once issued, will benefit from a number of security interests granted by BlueZest Mortgages and the Issuer and held on behalf of bondholders and other creditors by Link Corporate Trustees (UK) Limited (formerly Capita Trust Company Limited) as Security Trustee. Assets forming part of the security include:

- each UK residential (non-development) property-backed Mortgage Loan that BlueZest Mortgages originates using the proceeds of Bonds;
- the MIG Policy, arranged by BlueZest Mortgages with AmTrust Europe Limited ("AmTrust"), to be taken out against each Mortgage Loan that BlueZest Mortgages originates using the proceeds of Bonds; and
- the bank accounts which have been opened with the Account Bank (as referred to and defined in Section B21 and pages 126 to 127 of the Prospectus, "Account Bank") into which the net proceeds of the issue of Bonds under the Programme will be held (pending being used for mortgage loan completions) and collections will be received from end-borrowers and held until they are used to pay amounts due on the Bonds.

Each Mortgage Loan made by BlueZest Mortgages will be secured against one or more UK residential properties and every Mortgage Loan will be insured by AmTrust for a potential decline in the market value of the underlying property (ranging from 35% to 40%) of such residential property under the MIG Policy. AmTrust is the UK regulated insurance company of the AmTrust Group and is rated "A" (Excellent) by A.M. Best as at the date of this Information Booklet.

In the ordinary course, BlueZest Mortgages will use amounts received from the Mortgage Loans, residential property security and the MIG Policy to pay interest on and repay each advance under the Loan Agreement to the Issuer. Payments of interest and principal made by the Issuer in respect of the Bonds will be funded by the interest and principal which the Issuer receives from BlueZest Mortgages under the Loan Agreement. In the event that BlueZest Mortgages is unable to pay amounts due under the Loan and a default is triggered, the Security Trustee will be able to exercise the security described above in order to make payments to bondholders and certain other creditors of the Issuer. The order in which payments are made by the Security Trustee in a default scenario are set out in the terms and conditions of the Bonds.

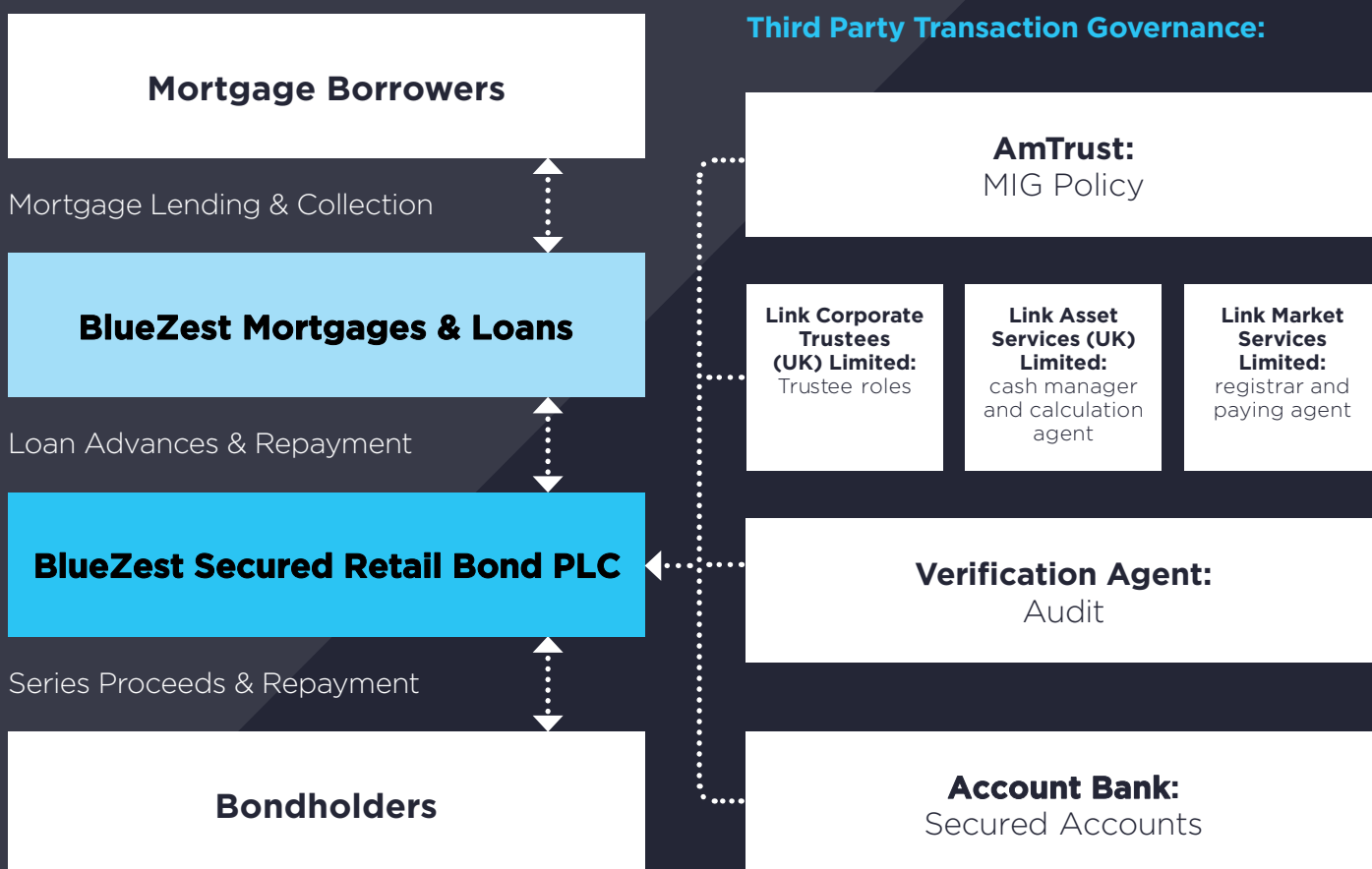
Link Corporate Trustees (UK) Limited has been appointed as bond trustee and Security Trustee. The appointment of independent transaction parties has been made so that all the cash and security belonging to the Issuer may continue to be used in the event that BlueZest Mortgages is unable perform on its obligations.

Link Corporate Trustees (UK) Limited's principal place of business is 65 Gresham Street, London, EC2V 7NQ. Link Corporate Trustees (UK) Limited's registered office is The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.



# Structure of the Bond

The Bonds will be issued by the Issuer (BlueZest Secured Retail Bond PLC) and the proceeds of the Bonds will be lent to BlueZest Mortgages via the Loan Agreement that was entered into between the Issuer and BlueZest Mortgages on 22 November 2017. BlueZest Mortgages will use each advance received under the Loan to provide mortgage loans (each a "Mortgage Loan") to owners of property and small-and-medium sized businesses. Each Mortgage Loan granted by BlueZest Mortgages will be secured by: (i) the grant of a legal mortgage (the "Mortgage") by the relevant borrower or, as the case may be, one of its directors, over the property in respect of which the Mortgage Loan has been granted or, as the case may be, another property owned by the directors (such property being, the "Mortgaged Property"), and (ii) as required, personal guarantees given by the directors of the borrowing company (the "Related Security").



Each Mortgage Loan made by BlueZest Mortgages will be secured against one or more UK residential properties and will be insured by AmTrust Europe Limited ("AmTrust") for a potential decline in the market value (ranging from 35% to 40%) of such residential property under the MIG Policy. AmTrust is the UK regulated insurance company of the AmTrust Group and is rated "A" (Excellent) by A.M. Best as at the date of this Information Booklet.

BlueZest Mortgages will use amounts received from the Mortgage Loans, residential property security and MIG Policy to pay interest on and repay each advance under the Loan Agreement to the Issuer. Payments of interest and principal made by the Issuer in respect of the Bonds will be funded by the interest and principal which the Issuer receives from BlueZest Mortgages under the Loan Agreement.

The obligations of BlueZest Mortgages to the Issuer under the Loan Agreement are secured by BlueZest Mortgages' interests in the Mortgage Loans, underlying residential properties and MIG Policy in favour of the Security Trustee via security documents entered into on 22 November 2017. Likewise the obligations of the Issuer to bondholders and other creditors under the Bonds are secured by the Issuer's assets from time to time in favour of the Security Trustee via security documents entered into on 22 November 2017.

The net proceeds of the issue of Bonds will be retained in an Issuer account held at the Account Bank until they are used for mortgage completions or the payment of fees, costs and expenses of the Issuer. Similarly, all payments of interest and principal made by borrowers are received into a collections account of BlueZest Mortgages also held at the Account Bank. Amounts held in both accounts are secured by BlueZest Mortgages or the Issuer (as applicable) in favour of the Security Trustee, for the benefit of bondholders and other creditors under the Bonds.

Link Asset Services (UK) Limited has been appointed as cash manager and calculation agent and Link Market Services Limited has been appointed as registrar and paying agent in respect of the Programme, to calculate and pay amounts of interest and principal owing to bondholders on the due dates. The appointment of independent transaction parties has been made so that all the cash and security belonging to the Issuer may continue to operate in the event that the Issuer is unable perform on its obligations.

The Loan Agreement contains certain financial covenants with which BlueZest Mortgages has agreed to comply on an ongoing basis, including before each new issue of Bonds. The financial covenants are intended (a) to restrict BlueZest Mortgages' scope for getting into financial difficulties, (b) to provide an early warning if BlueZest Mortgages does in fact get into difficulty and (c) if necessary, to trigger an event of default under the Loan Agreement.

BlueZest Mortgages is required to calculate and comply with the "Asset Coverage Ratio" and "Interest Coverage Ratio". The terms of these financial covenants are set out in detail in section 3 ("Information about the Programme") starting on page 46 of the Prospectus.

BlueZest Mortgages is required to supply a compliance certificate to the Issuer on each covenant testing date (being the date falling 15 Business Days prior to a proposed issue date) in which it confirms that it is in compliance with the relevant financial covenants.

BlueZest Mortgages has appointed an international accounting firm to act as its verification agent ("Verification Agent") under the Programme with responsibility for verifying BlueZest Mortgages' calculations of, and compliance with, the financial covenants in the Loan Agreement.



# Key Features of the Bonds

<b>The Issuer :</b>	BlueZest Secured Retail Bond PLC
<b>The Business :</b>	BlueZest Mortgages and Loans Limited (BlueZest Mortgages)
<b>Use of proceeds :</b>	The proceeds from the issue of the Bonds will be loaned by the Issuer to the Business by way of a loan on the terms of the Loan Agreement.
<b>Interest Rate :</b>	5.25% per annum
<b>Offer Period :</b>	The Bonds are available for purchase through your stockbroker or other financial intermediary in the period from 27 November 2017 until 12 noon (London time) on 12 December 2017 or such earlier time and date as agreed by the Issuer and the Lead Manager and announced by the Issuer via the Regulatory News Service (RNS) operated by the London Stock Exchange (the "End of Offer Date").
<b>Interest Payments :</b>	<p>The rate of interest on the Bonds is 5.25% per annum. Therefore, for every £1,000 of Bonds held (i.e. the minimum initial amount of Bonds you may buy), the Issuer will pay interest of £52.50 every year until the Maturity Date. The first coupon payment will be paid on 15 June 2018 and thereafter coupon payments will be made quarterly on or around 15 September, 15 December, 15 March and 15 June every year until the Maturity Date. For every £100 of Bonds (i.e. the face value) held, the Issuer will pay interest of £2.625 on 15 June 2018 and thereafter, £1.3125 every quarter on or around 15 September, 15 December, 15 March and 15 June every year until the Maturity Date.</p> <p>Your actual return will depend on the price at which you purchase the Bonds and, if you do not hold the Bonds until maturity, the price at which you sell your Bonds.</p>
<b>Term of the Bonds :</b>	5 years.
<b>Maturity Date (i.e., when the Bonds mature and are repayable) :</b>	15 December 2022 (unless the Bonds are redeemed or purchased and cancelled earlier).
<b>Face value of each Bond :</b>	£100. Although the face value of each Bond is £100, it is not possible to purchase less than £1,000 during the Offer Period. In the secondary market (i.e. after the issue date of the Bonds), it should be possible to purchase and sell the Bonds in multiples of £100.
<b>Issue price :</b>	£100 per Bond (i.e. 100 per cent of the face value of each Bond)
<b>Bond ISIN :</b>	GB00BF18QS72
<b>Lead Manager :</b>	Monsas Ltd
<b>Security :</b>	The Bonds benefit from security granted by both BlueZest Mortgages and the Issuer. Security granted by BlueZest Mortgages includes that over its rights and interests in the Mortgage Loans, Mortgaged Properties and Related Security as well as the MIG Policy and certain of its bank accounts. Security granted by the Issuer includes that over its rights and interests under the Loan Agreement and its bank accounts.
<b>Financial Covenants :</b>	<p>The Loan Agreement contains certain financial covenants with which BlueZest Mortgages has agreed to comply on an ongoing basis, including before each new issue of Bonds.</p> <p>BlueZest Mortgages is required to calculate and comply with the "Asset Coverage Ratio" and "Interest Coverage Ratio". The terms of these financial covenants are set out in detail in section 3 ("Information about the Programme") starting on page 46 of the Prospectus.</p> <p>BlueZest Mortgages is required to supply a compliance certificate to the Issuer on each covenant testing date (being the date falling 15 Business Days prior to a proposed issue date) in which it confirms that it is in compliance with the relevant financial covenants.</p>

BlueZest Mortgages has appointed an international accounting firm to act as its verification agent (“**Verification Agent**”) under the Programme with responsibility for verifying BlueZest Mortgages’ calculations of, and compliance with, the financial covenants in the Loan Agreement.

If BlueZest Mortgages fails to deliver a compliance certificate to the Issuer on the covenant testing date, BlueZest Mortgages is required to send a breach notice (“**Breach Notice**”) to the Issuer within 2 Business Days of the covenant testing date. For so long as a Breach Notice has been delivered and not been revoked, the Issuer will not be permitted to issue any further Bonds under the Programme and BlueZest Mortgages will not be permitted to borrow any further amounts from the Issuer under the Loan Agreement.

**Cash Reserve Account :**

The Issuer will establish a Cash Reserve Account in which all of the Issuer’s excess cash will be held for the first twelve months of the Programme. The Cash Reserve Account will be available to fund any payment shortfalls the Issuer may have during the first twelve months of the Programme.

**Redemption at Maturity Date :**

Provided that the Issuer does not go out of business or become insolvent, and provided that the Bonds have not been redeemed or purchased and cancelled early by BlueZest Secured Retail Bond PLC, the Bonds will be redeemed at 100 per cent. of their face value on the Maturity Date (i.e. 15 December 2022).

**Early redemption following prepayment of the Loan :**

The Loan may be prepaid early by the Business (subject to certain conditions outlined in the terms and conditions of the Bonds) if BlueZest Mortgages decides that it would be in its best interests to do so. If the Loan is prepaid early, the Issuer will redeem the Bonds early (in whole but not in part) at the “**Make-Whole Amount**”. The Make-Whole Amount is an amount which is calculated to ensure that the redemption price produces a sum that, if reinvested in a reference bond (usually a UK gilt), would continue to give the bondholders the same yield on the money that was originally invested as they would have received had the Bonds not been redeemed.

**Early redemption following a Maturity Mismatch :**

If a Maturity Mismatch is determined to have occurred on a determination date falling 8 business days before an interest payment date, the Issuer shall redeem such amount of Bonds, at the outstanding principal amount of such Bond (together with interest accrued), on a following interest payment date, as will cure the Maturity Mismatch. The Bonds to be redeemed shall be determined by BlueZest Funding Limited in order of the Bonds that have the shortest remaining scheduled maturities.

Each Bond so redeemed will be redeemed in sterling by the Issuer

“**Maturity Mismatch**” means that the average life of all Series of bonds issued under the Programme, exceeds (b) the weighted average life of all outstanding Mortgage Loans.

**Trading :**

Investors will, subject to market conditions, be able to buy Bonds or sell their Bonds during the term of the Bonds. You are referred to the section headed “**Key Risks of Investing in the Bonds**” and “**Further Information - How to trade the Bonds**” on pages 13 and 24 of this Information Booklet for more details.

**ISA and SIPP eligibility :**

At the time of issue, and provided that the Bonds are listed on a “**recognised stock exchange**” (within the meaning of section 1005 of the Income Tax Act 2007), the Bonds should be eligible for investing in a Stocks & Shares ISA or SIPP.

**Authorised Offerors :**

A number of Authorised Offerors (listed on page 28 of this Information Booklet) have been approved by the Issuer to provide this Information Booklet, the Prospectus and the Final Terms to potential investors in the Bonds until the End of Offer Date. The Issuer has also granted its consent for other financial intermediaries to use this Information Booklet, the Prospectus and the Final Terms for the purposes of making offers of the Bonds to potential investors in the United Kingdom. The conditions attached to this consent are set out in the section headed ‘**Important Legal Information**’ on page 148 of the Prospectus and in paragraphs 8 and 9 of Part B of the Final Terms.

**Any offer to sell the Bonds made or received from any other party, or by any party after the End of Offer Date, may not have been approved by the Issuer and you should check with such party whether or not such party is so approved.**

**Amount of Bonds to be issued :**

The total amount of the Bonds to be issued will depend on the number of applications to purchase the Bonds received before the End of Offer Date. You should refer to the ‘**Important Information**’ and ‘**Key risks of investing in the Bonds**’ sections on pages 4 and 13 of this Information Booklet and the Prospectus and the Final Terms. A copy of the Prospectus and the Final Terms should have been provided to you by your stockbroker or financial adviser.

# Key Risks of Investing in the Bonds

## This is an advertisement and not a prospectus.

A number of particularly important risks relating to an investment in the Bonds, the Issuer (BlueZest Secured Retail Bond PLC) and BlueZest Mortgages are set out below. The risks set out below are not intended to be a comprehensive list of all the risks that may apply to an investment in the Bonds. You should seek your own independent professional investment, legal and tax advice as to whether an investment in the Bonds is suitable for you.

You should be aware that you could get back less than you invest or lose your entire initial investment.

You must ensure that you understand the risks inherent in the Bonds and any decision to purchase the Bonds should be made solely on the basis of a careful review of the Prospectus dated 22 November 2017 and the Final Terms dated 27 November 2017 relating to the Bonds which are available for viewing at [bluezest.com/bond-investors/](http://bluezest.com/bond-investors/). Full risk factors relating to the Issuer, BlueZest Mortgages and the Bonds are set out in the section headed 'Risk Factors' starting on page 23 of the Prospectus dated 22 November 2017 and Section D the Final Terms dated 27 November 2017. Please read them carefully.

If you choose to sell your Bonds at any time prior to the Maturity Date, the price you receive from a purchaser could be less than your original investment.

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

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

If you invest at a price other than the face value of the Bonds, the overall return or 'yield' on the investment will be different from the headline yield on the Bonds. The headline indication of yield applies only to investments made at (rather than above or below) the face value of the Bonds.

There is no guarantee of what the market price for selling or buying the Bonds will be at any time. If prevailing market conditions reduce market demand for the Bonds, you may not be able to sell your Bonds as easily, or at the price you paid for them. Also, it is possible that there may be no market-maker for the life of the Bonds. Without any market-maker, in such circumstances this could have an adverse impact on your ability to sell the Bonds. There is no guarantee of a secondary market throughout the life of the Bonds. See 'Further Information - How to trade the Bonds' at page 24 of this Information Booklet for further information.

**The Issuer is a special purpose vehicle with no revenue generating operations of its own** - The Issuer is a special purpose vehicle with no business operations other than the issuance of the Bonds under the Programme and entering into the Loan Agreement in its capacity as Lender and the transactions ancillary thereto. Since the Issuer does not have any general income-producing business, its ability to make payments under the Bonds will depend on the receipt by it of funds from BlueZest Mortgages under the Loan Agreement.

**Credit risk on BlueZest Mortgages** - Prospective investors in the Bonds will take credit risk on BlueZest Mortgages. If BlueZest Mortgages becomes unable to pay amounts as they fall due under the Loan Agreement, an investor in the Bonds could lose some or the entire amount of its investment. Accordingly, prospective investors should have regard to the detailed information contained in this the Prospectus in relation to BlueZest Mortgages to assess the credit risk of an investment in the Bonds.

**The Issuer's reliance on third parties** - The Issuer is a party to contracts with a number of third parties, including a corporate services provider, an account bank, a cash manager, a calculation agent, a registrar and paying agent and a servicer, that have agreed to provide services to the Issuer in connection with the Loan Agreement and the Bonds. The ability of the Issuer to make payments on the Bonds will depend to a significant extent upon the due performance by the third-party providers of their respective services, duties, obligations and undertakings under the transaction documents to which they are a party.

**BlueZest Mortgages as a newly established business** - BlueZest Mortgages is a newly established business which will only begin active trading once it receives the first advance under the Loan Agreement. BlueZest Mortgages' business will involve it lending money to eligible borrowers secured against property situated in England and Wales and other assets.

BlueZest Mortgages will be subject to all of the business risks and uncertainties associated with any new business, including the risk that it will not achieve its business objectives. If the development of BlueZest Mortgages' mortgage lending business does not achieve anticipated levels, this could adversely affect BlueZest Mortgages' ability to fulfil its obligations under the Loan Agreement, which in turn could adversely affect the Issuer's ability to fulfil its obligations under the Bonds.

**Risk of losing key personnel** - The ability to successfully operate and grow BlueZest Mortgages' business is largely dependent on the efforts, abilities and services of senior management and other key employees. BlueZest Mortgages' 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. An inability to attract and retain key employees could materially adversely affect BlueZest Mortgages' business, operating results or financial condition.

**Exposure to macroeconomic factors** - BlueZest Mortgages' performance depends to a certain extent on a number of macroeconomic factors outside the control of BlueZest Mortgages 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. Macroeconomic factors such as these could result in an increased risk that borrowers may face personal financial difficulties which impact their ability to service the required repayments on their mortgage loans. There can be no assurance as to levels of future economic growth and any deterioration in the UK's economy could have an adverse impact on the future results of operations of BlueZest Mortgages.

**Credit risk on underlying borrowers** - As a mortgage lender, BlueZest Mortgages is exposed to the risk of borrowers defaulting on their payment obligations under their mortgage loans. Systemic default by many borrowers would, if it occurred, have a significant impact on BlueZest Mortgages' business. Adverse changes in credit quality of borrowers and loan recoverability could result from a general deterioration in UK economic conditions or increases in the interest rates and borrowing costs within the UK economy.

**Asset and liability matching risk** - Asset and liability matching is core to BlueZest Mortgages' business model. BlueZest Mortgages will seek to match its balance sheet liabilities, being for the most part its payment obligations under the Loan Agreement, with its balance sheet assets, being for the most part the Mortgage Loans advanced to borrowers together with related security granted by such borrowers. Successful asset and liability management will enable BlueZest Mortgages to have sufficient assets available to satisfy its liabilities as they fall due. To mitigate asset and liability matching risk, being the risk that BlueZest Mortgages does not have sufficient assets available to satisfy its liabilities as they fall due, the Issuer will hold a cash reserve in the Cash Reserve Account during the period of 12 months from the first issuance of Bonds under the Programme, over which the Issuer will grant security in favour of the Security Trustee pursuant to security documents entered into on 22 November 2017.

**Competition in BlueZest Mortgages' markets** - The UK financial services market is highly competitive. Competitors in the buy-to-let, business and property development loan markets range from large multi-product high street banks to small and highly specialised operations. BlueZest Mortgages' mortgage operations exist in areas of the market that are at present unregulated. This limits barriers to entry to the market which creates the potential for an increase in the number of new competitors, or speed with which existing competitors can launch new products. The market is expected to remain highly competitive in all of BlueZest Mortgages' business areas, which could adversely affect BlueZest Mortgages' business, results of operations and financial condition.

**Investors' capital is at risk** - Investors may lose up to the entire value of their investment in the Bonds as a result of the occurrence of the insolvency of the Issuer or BlueZest Mortgages.

**The Bonds are not protected by the Financial Services Compensation Scheme ("FSCS")** - Unlike a bank deposit, the Bonds are not protected by the FSCS or any other government savings or deposit protection scheme. As a result, the FSCS will not pay compensation to an investor in the Bonds upon the failure of the Issuer. If the Issuer goes out of business or becomes insolvent, bondholders may lose all or part of their investment in the Bonds.

**U.S. Foreign Account Tax Compliance Withholding -**

If the Bonds are in global form and held by one of the international central securities depositories (“ICSDs”), it is expected that the Foreign Account Tax Compliance Act (“FATCA”, being withholding tax imposed by sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (or any amended or successor provisions), pursuant to any inter-governmental agreement or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service (“FATCA”)) will not affect the amount of any payments made under, or in respect of, the Bonds and received by the ICSDs. Payments made to the participants in the ICSDs and thereafter to any other intermediary “foreign financial institution” in the custodial chain through to the ultimate investors may constitute in whole or part foreign passthru payments which are subject to FATCA withholding. If Bonds are exchanged into definitive form and are taken out of the ICSDs, a non-FATCA compliant holder or Recalcitrant Holder (being a non-U.S. entity with substantial U.S. owners) of such a definitive bond could be subject to FATCA withholding under certain circumstances. There is no obligation on the Issuer to gross-up any deduction for FATCA withholding made anywhere in the payment chain.

**Withholding tax on the Bonds and on payments under the Loan Agreement -**

Neither the Bonds nor the Loan Agreement contain any gross-up provisions requiring the Issuer or BlueZest Mortgages to pay any additional amounts to bondholders or (in the case of the Loan Agreement) the Issuer, to reimburse them for any tax, assessment or charge required to be withheld or deducted from payments in respect of the Bonds or the Loan Agreement. Accordingly, bondholders may not receive payment of the full amount due in respect of the Bonds as a result of amounts being deducted or withheld by the Issuer or BlueZest Mortgages in order to comply with applicable law.

**The secondary market generally -** The Bonds do not have an established trading market when issued, and one may never develop. Whilst the Issuer will make an application for the Bonds to be admitted to the London Stock Exchange’s order book for fixed income securities (“OFIS”) in respect of the Bonds, there can be no guarantee that a significant market in the Bonds will develop. If a market does develop, it may not be very liquid. Therefore, bondholders may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

**Interest rate, inflation and exchange rate risk -** The Bonds will pay interest at a fixed rate and the Issuer will pay principal and interest on the Bonds in sterling, which potentially exposes bondholders to interest rate risk, inflation risk and exchange rate risk.



# The Business

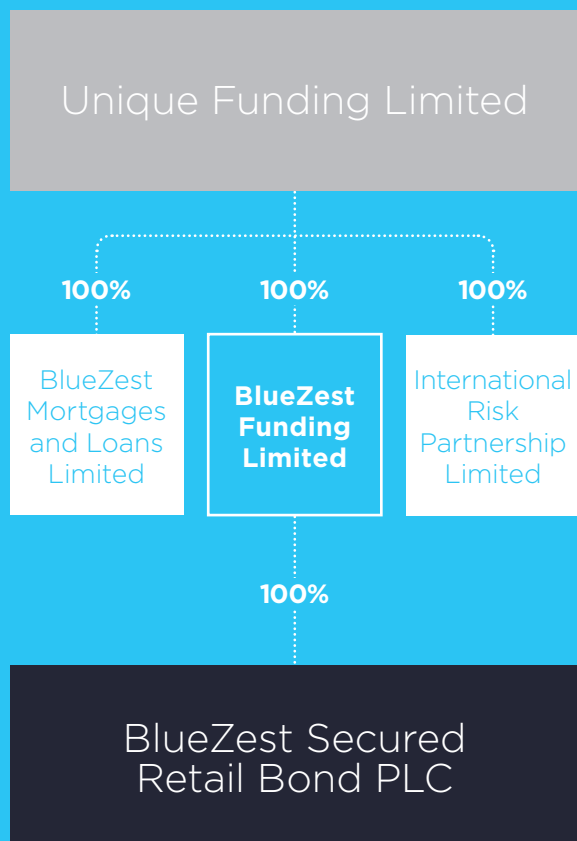
## Incorporation and Regulatory

BlueZest Mortgages and Loans Limited is a private limited company which was incorporated in England and Wales on 22 March 2017 under the Companies Act 2006 with registered number 10685117. The registered address of BlueZest Mortgages and Loans Limited is 16 Castle Boulevard, Nottingham, England, NG7 1FL.

Unique Funding Limited ("Unique Funding"), BlueZest Mortgages' parent company was established in 2017 with the intent of creating a new and innovative mortgage lender. It established BlueZest Mortgages for the principal purpose of originating mortgage loans and secured business loans to borrowers in England and Wales.



## The corporate structure of the BlueZest Group



On the date of this Information Booklet, the “BlueZest Group” consists of Unique Funding and its following subsidiaries:

**BlueZest Mortgages and Loans Limited**, registered number 10685117, is the mortgage lending business and includes all mortgage related operational functions;

**BlueZest Funding Limited**, registered number 10686177, is the company responsible for fund raising, analytics and reporting;

**International Risk Partnership Limited (“IRP”)**, registered number 06835887, is a software company specialising in credit risk analytics software which was acquired by Unique Funding in June 2017; and

**BlueZest Secured Retail Bond PLC**, registered number 10396732, a wholly owned subsidiary of BlueZest Funding Limited, as Issuer of the Bonds, which was acquired by BlueZest Funding Limited in June 2017.

The BlueZest Group has been built using seed capital from private investors. Three of the seed capital investors sit on the board of Unique Funding as either executive or nonexecutive directors. Further capital will be raised as required by the business. BlueZest Mortgages is led by its own Chief Executive Officer and independently employs, Chief Risk Officer, Chief Technology Officer and all operational staff. Unique Funding and BlueZest Mortgages share office space at the same registered address.

Unique Funding is responsible for the treasury, funding and compliance functions of BlueZest Mortgages. Unique Funding together with BlueZest Funding Limited and its employees manage the drawdown and repayment of advances of the Loan under the Loan Agreement and the origination and servicing of mortgage loans to borrowers. The board of Unique Funding also has three standing committees (relating to (1) remuneration, (2) nominations and (3) audit, risk and compliance) which serve both Unique Funding and BlueZest Mortgages..

## Business Description and Principal Activities

BlueZest Mortgages is a newly-established UK mortgage lender. The core of BlueZest Mortgage's business is the provision of mortgage loans to UK-resident borrowers, secured against residential property situated in England and Wales and, as required, personal guarantees given by directors of the borrowing company. BlueZest Mortgages will fund its origination of mortgage loans through the amounts borrowed from the Issuer under the Loan Agreement. The Issuer will itself fund such amounts through the issue of the Bonds. BlueZest Mortgages generates its margins on mortgage loans through charging product fees (between 1.7 and 3%) and the accrual of interest. Each mortgage loan represents a proportion of the value of each mortgaged property and/or portfolio of mortgaged properties. These individual granular exposures are pooled to achieve broad diversification.

BlueZest Mortgages manages the interest rate risk on its balance sheet through matching the interest rates applicable to its outstanding assets (being for the most part the mortgage loans advanced to borrowers) with the interest rates applicable to its outstanding liabilities (being in the most part its payment obligations under the Loan Agreement) within approved mismatch limits. The tenor (or duration) of outstanding asset and liability exposures will also be appropriately matched.

## The Zest Engine

BlueZest Mortgages has developed its own decision-making software solution called the Zest Engine ("Zest Engine"). The Zest Engine interprets data from its own digital platform to deliver credit assessments in relation to Mortgage Loans. BlueZest Mortgages' Chief Technology Officer, was responsible for the development and delivery of Experian's decision-engine, (Strategy Management), and has brought this experience and expertise to BlueZest Mortgages in the development of the Zest Engine.

At the heart of the Zest Engine lies decision making technology developed by International Risk Partnership, which was acquired by Unique Funding in June 2017. International Risk Partnership continues to trade on software licences from Australia and New Zealand, however its business operations have been fully integrated into the BlueZest Group. It has no independently employed staff or infrastructure.

While the processing of applications for many credit products such as credit cards have been automated, BlueZest Mortgages believes that its development of 'straight through' mortgage application processing distinguishes it from other mortgage providers. In a typical application, the Zest Engine considers over 3,000 data points from up to 30 data sources, including multiple credit bureaus, property valuation models and the Land Registry to deliver credit decisions which relate to the specific lending criteria for the relevant product and applicant. Where computer models are unable to provide data of sufficient accuracy, there are digital connections to platforms that instruct surveyors and the conveyancing team. Every aspect of the application process is digitally captured and this ensures fast, accurate decisions. This means that BlueZest Mortgages has a very sophisticated decision engine, similar to that deployed by some of the world's largest credit bureaus and analytics companies. The Zest Engine is configurable and the BlueZest Mortgages team can implement changes to product rules and criteria in minutes ready for deployment after thorough testing has been done. This allows the business to be very responsive to the market. It also has a 'Plug and Play' capability, which allows new relevant data sources to be rapidly added to the digital platform in order to further enhance the credit decision making process.

# The Leadership Team

The BlueZest Group's founding investors and senior management team has deep experience of the UK mortgage market, having been responsible for the establishment of mortgage lenders and the leadership of mortgage funding divisions at major banks over the last 25 years.

The investors and senior management team's roles and summary experience is set out below. Please refer to page 78 of the Prospectus for full biographies.

## Founding Investors

### Steve Simpson

*Non-Executive Director*

Steve is an experienced investor in financial services and mortgage lending, having been an investor and board member of Pepper Home Loans during their successful UK launch.

### Jonathan Laredo

*Director*

Jonathan was a senior executive at companies such as Bankers Trust, UBS, Bear Stearns, Rabobank, JP Morgan, Solent Capital Partners. He was an investor and board member of Pepper Home Loans during their successful UK launch.

### Andy Clapham

*Board Observer*

Andy brings his experience as a senior executive at several leading banks and mortgage companies including Investec, Kensington Mortgages, Rooftop Mortgages, Bear Stearns, NatWest.

### Mark Moffat

*Director*

Mark brings his experience in the structured finance market where he was a senior executive at companies like Blackstone, Harbourmaster Capital, Bear Stearns, ABN AMRO, NatWest.

## Senior Management Team

### Chris Slater

*Chief Executive Officer*

Chris has over 20 years' experience on the use of marketing, credit and property risk data in driving lending decision making processes and delivering business efficiency.

### Simon Baum

*Chief Risk Officer*

Simon has over 25 years' experience as a credit risk officer and was Director of Credit & Risk for the Retail Bank at Alliance & Leicester until its acquisition by Santander, where he was Mortgage Risk Director.

### Robert Ainscow

*Director of Funding*

Robert has over 15 years' experience in financing mortgages and loans during his career at regulated Investment Banks including Morgan Stanley, Bear Stearns and Investec.

### Sue Colquhoun

*Head of Compliance*

Sue has over 20 years' experience in mortgage compliance gained at several UK lenders including Kensington Mortgages, Bradford & Bingley, Lapithus.

### John Robinson

*Chief Technology Officer*

John has over 30 years' experience in building credit risk decision software and application processing solutions with Experian, and the International Risk Partnership.

# An innovative mortgage lender

## Use of Agile Technology

The BlueZest Mortgages platform uses a range of modern and market leading agile technologies to:

- create and rapidly deploy relevant and intelligent digital forms for data collection;
- manage the workflow process and allow applicants to:
  - stop and resume mortgage loan applications at any stage;
  - switching between devices (PC, tablet or phone); and
  - managing intermediary and customer dialogs; provide digital infrastructure for regulatory reporting; and
- add and remove data sets plus instantly assess and enhance lending strategies.

To the best of the BlueZest Group's knowledge, the BlueZest Mortgages application processing platform, driven by the Zest Engine, is a unique configuration of technology which creates advanced risk measurement and decision-making capability within the mortgage market.

## Competitors and Distinguishing Factors

BlueZest Mortgages' key competitors vary across its product lines. Lenders providing traditional mortgage loans, specialist buy-to-let mortgage lenders, residential development mortgage lenders and secured and unsecured business lenders may all compete with BlueZest Mortgages on specific products.

The buy-to-let market is currently served by a large amount of lenders. There may be less competition currently in terms of the business loan and property development loan products, however a number of specialist residential bridging lenders, alternative lenders and peer-to-peer lenders do provide similar products, as well as banks. There are also less barriers to entry in the unregulated lending market, which means that other competitors may enter the market or launch new products within a short timeframe.

To differentiate itself, BlueZest Mortgages will use the following 3 attributes when it markets itself to the mortgage intermediaries:

- **Speed** – BlueZest Mortgages will aim to respond to intermediaries quickly
- **Flexibility** – BlueZest Mortgages' products have flexibility of purpose
- **Certainty** – BlueZest Mortgages will honour its commitments to intermediaries



# BlueZest Mortgages Product Benefits



## Price

BlueZest Mortgages expects to be able to offer competitive rates compared to prime alternative lenders due to the mortgage security taken and ability to better price for risk using the Zest Engine.



## Cost

BlueZest Mortgages does not charge early redemption fees or exit fees, both of which are often charged by lenders in the market. Additionally, BlueZest Mortgages simply applies a minimum term to its mortgage loans of no more than 12 months. BlueZest Mortgages charges no valuation fee if a computer modelled valuation is sufficient for the property.



## Speed

BlueZest Mortgages' believes that its proprietary technology platform enables rapid decisions without compromising credit risk measurement. The Zest Engine, the decision-making software that drives the application process, handles over 3,000 data points from over 30 data sources to deliver the credit risk decisions. This speed of delivery is expected to prove attractive to applicants and brokers alike.



## Access to support

BlueZest Mortgages offers direct access to its mortgage support team via email, phones and live chat. Packagers and brokers have access to underwriters via email to discuss special cases.



## Transparency

Unlike some lenders, all fees and progress through the application processes are transparent to the borrower.



## Efficiency

Every application can be done online. There is no need to provide business case documents, marketing plans or have face-to-face meetings.



## No restrictions

Some lenders require borrowers to move all primary banking arrangements to them or restructure existing arrangements as a condition of the loan, which is not the case with BlueZest Mortgages.



## Low ongoing costs

BlueZest Mortgages' transparent approach means that the borrower will know exactly what the cost is at the outset with no surprises or extras during the loan term.

## Strategy for Growth

BlueZest Mortgages' long-term strategy is to develop a range of leading products for its target UK customers. The technology platform that BlueZest Mortgages has developed should allow the company to execute on this plan with rapid deployment of new products, features and criteria.

BlueZest Mortgages will launch by offering unregulated mortgage loans, being buy-to-let loans, business loans and property development loans. Going forward, BlueZest Mortgages intends to grow and diversify its mortgage business through professional and responsible lending across existing and new lending segments (including refining the marketing and/or branding of new and existing products) and the introduction of new distribution partners. BlueZest Mortgages intends to develop further solutions for borrowers in the UK residential property market including variations of its current mortgage product for different types of borrower.

The directors of BlueZest Mortgages believe that its use of the Zest Engine should provide it with a competitive advantage and enable it to quickly implement adjustments to its business strategy, if required, in line with future market and competitor landscape. Market projections will be reviewed weekly and appropriate adjustments to business strategy will be implemented as required and approved by the executive committee.

The directors of BlueZest Mortgages envisage a diversification of its funding sources (by way of institutional funding) in the medium term and the potential for additional equity investment at the appropriate stages of growth, whilst maintaining and strengthening its retail funding offering.

For the avoidance of doubt, any new mortgage product offered by BlueZest Mortgages would not be offered in connection with the Prospectus.

## Lending Policy

BlueZest Mortgages has in place a lending policy ("Lending Policy") which articulates the policy principles and boundaries that apply to its origination and subsequent management of mortgage loans. The Lending Policy should ensure that credit and other risks are managed appropriately.

The Lending Policy applies to all mortgage loans originated by BlueZest Mortgages, including Buy-to-Let Loans, Business Loans and Property Development Loans (each as defined below).

The Lending Policy is maintained by BlueZest Mortgages' Chief Risk Officer and may be updated from time to time with approved policy changes. Where material changes are required, these will require approval by the Chief Risk Officer at a meeting of the Audit, Risk and Compliance Committee.



# Types of Mortgage Loans

BlueZest Mortgages will use the amount of each advance of the Loan received from the Issuer under the Loan Agreement to originate three types of Mortgage Loans to prospective borrowers), as outlined below.

## Product 1: Buy-to-Let Loans for properties available for immediate rental

A type of mortgage loan (being a "Buy-to-Let Loan"): granted to individuals or limited companies; for the purpose of purchasing a property for letting or re-mortgaging a property being let; and secured by non-owner occupied freehold or leasehold property or properties and, where the borrower is a limited company, a personal guarantee from each director of the borrowing company, in each case securing all of the obligations of the borrowing company under the Buy-to-Let Loan. The target market for the Buy-to-Let Loan is first time landlords, individual property investors and/or small companies set up specifically to operate buy-to-let property portfolios. Buy-to-let loans which are regulated by the UK's Financial Conduct Authority are outside of the Lending Policy.

## Product 2: Buy-to-Let Loans for properties requiring structural development

A type of mortgage loan (being a "Property Development Loan"): granted to UK resident limited companies for the purposes of acquiring and developing a property. The loan is secured against the residential property of one or more of the directors of the borrowing company and the development property, and a personal guarantee from each director of the borrowing company, in each case securing all of the obligations of the borrowing company under the Property Development Loan.

The target market for Property Development Loans is small property development companies that wish to buy and develop property for the principal purpose of leasing the property after the development. Upon completion of the development, the borrower can transfer the loan to the standard Buy-to-Let Loan secured only against the developed property, provided that the relevant lending criteria are met, or may sell the property and repay the loan.

## Product 3: Business Loans secured against residential property

A type of mortgage loan (being a "Business Loan"): granted to UK resident limited companies to fund its existing business. The loan is secured against residential property of one or more of the directors of the borrowing company and a personal guarantee from each director of the borrowing company, in each case securing all of the obligations of the borrowing company under the Business Loan. The target market for Business Loans is small and medium-sized limited companies with at least two years' trading that wish to raise capital to develop the business.

You are referred to the section headed "Mortgage Lending" starting on page 88 of the Prospectus.

# Further Information

## Holding the Bonds

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

## How to trade the Bonds

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

The Bonds are also expected to be eligible for the London Stock Exchange's electronic Order Book for Fixed Income Securities ("OFIS"). OFIS was launched in response to private investor demand for easier access to trading Bonds with the aim of providing a transparent and efficient mechanism for retail and institutional investors to access the Bond markets. The Bonds are tradable instruments and prices are expected to be quoted in the market during trading hours (8.00am to 4.30pm London time).

Whilst the Issuer will make an application for the Bonds to be admitted to the London Stock Exchange's OFIS, and one or more market makers may be appointed in respect of the Bonds, there can be no guarantee that a significant market in the Bonds will develop. If a market does develop, it may not be very liquid. Further, whilst the market maker(s) in respect of the Bonds will be required to quote buy and sell prices during normal business hours, there is no restriction on the prices which they can quote. If the secondary market in the Bonds is not liquid, the prices quoted may be unfavourable to investors, and the prices quoted over time may be volatile. Therefore, investors may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. There is no guarantee of what the market price for selling or buying the Bonds will be at any time. Any actual or perceived weaknesses in the creditworthiness of the Issuer or BlueZest Mortgages, the absence of a liquid market in the Bonds and prevailing market conditions generally can all affect the market price of the Bonds and, accordingly, if an investor elects or is required to sell its Bonds in the market, it may achieve a price for its Bonds which is significantly lower than the price it paid for them.

## Fees

The Issuer will pay certain fees and commissions in connection with the offer of the Bonds. The Lead Manager will receive a fee of 1.5% of the aggregate nominal amount of the Bonds issued of which up to 0.5% will constitute distribution fees available to Authorised Offerors as follows:

- Each initial Authorised Offeror (as defined in the Prospectus and the Final Terms) will be entitled to receive a fee of up to 0.5% of the total face value of the Bonds issued and allotted to such initial Authorised Offeror; and
- Each additional Authorised Offeror will be entitled to receive a fee of up to 0.5% of the total face value of the Bonds issued and allotted to such additional Authorised Offeror.

Authorised Offerors may charge expenses to you in respect of any Bonds purchased and/or held. These expenses are beyond the control of the Lead Manager is responsible for the level or payment of any of these expenses.

## Taxation of the Bonds

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

If you make an investment in the Bonds, the tax treatment which will apply to you will depend on your individual circumstances and taxation law and practice at the relevant time (and so may be subject to change in the future including during the life of the Bond).

Please also refer to the section starting on page 63 of the Prospectus entitled 'Taxation' for information regarding certain aspects of United Kingdom taxation of payments of interest on the Bonds. All amounts, yields and returns described herein are shown before any tax impact. It is the responsibility of every investor to comply with the tax obligations operative in their country of residence.



## ISA and SIPP eligibility of the Bonds

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

You should refer to the sections headed ‘Subscription and Sale’ on page 132 of the Prospectus, ‘Taxation’ on page 62 of the Prospectus, ‘Important Legal Information’ on page 147 of the Prospectus, and ‘Additional Information’ on page 137 of the Prospectus.

## Disclaimer

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

This Information Booklet is a financial promotion prepared by the Issuer and approved by Thornbridge Investment Management LLP ("Thornbridge") solely for the purposes of section 21(2)(b) of the FSMA. Thornbridge (incorporated in England No. OC398922) whose office is 1 Fore Street, London EC2Y 9DT, is authorised and regulated by the Financial Conduct Authority, (FRN: 713859).

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

The contents of this Information Booklet are indicative and are subject to change without notice. This Information Booklet should not be relied on for making any investment decision in relation to the purchase of Bonds. Any decision to purchase or sell the Bonds should be made by you solely on the basis of a careful review of the Prospectus and the Final Terms. Please therefore read the Prospectus and the Final Terms carefully before you invest. Before buying or selling any Bonds you should ensure that you fully understand and accept the risks relating to an investment in the Bonds, otherwise you should seek professional independent advice.

None of Monsas Ltd, Thornbridge or the Issuer is responsible for any advice or service you may receive from a third party in relation to the Bonds.

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

Thornbridge is acting for BlueZest and is acting for no-one else in connection with any offer of Bonds and will not be responsible to anyone other than BlueZest for providing the protections afforded to clients of Thornbridge or for providing advice in connection with any offer of Bonds or any other matter referred to herein.

No reliance may be placed on Monsas Ltd or Thornbridge or the Issuer for advice or recommendations of any sort. Neither Monsas Ltd or Thornbridge makes any representation or warranty to you with regard to the information contained in the Prospectus and the Final Terms. This Information Booklet contains information derived from the Prospectus and the Final Terms and is believed to be reliable but, insofar as each of them may do so under applicable law, neither Monsas Ltd nor Thornbridge warrants or makes any representation as to its completeness, reliability or accuracy. None of Monsas Ltd, Thornbridge or the Issuer is responsible for any advice or service you may receive from a third party in relation to the Bonds.

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

# BlueZest





## Authorised Offerors

### **AJ Bell Securities Limited**

4 Exchange Quay  
Salford Quays  
Manchester  
M5 3EE  
[www.ajbellsecurities.co.uk](http://www.ajbellsecurities.co.uk)

### **Alliance Trust Savings Limited**

PO Box 164  
8 West Marketgait  
Dundee  
DD1 9YP  
[www.alliancetrustsavings.co.uk](http://www.alliancetrustsavings.co.uk)

### **Equiniti Financial Services Limited**

Aspect House  
Spencer Road  
Lancing  
West Sussex  
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