



4.5% FIXED RATE BONDS DUE 2024

Information Booklet 18th July 2018

Manager

Peel Hunt LLP

Authorised Offerors

AJ Bell Securities Limited
Equiniti Financial Services Limited
iDealing Limited
Redmayne-Bentley LLP
Interactive Investor

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 18 July 2018 relating to the Bonds which, when published, will be available at www.regionalreit.com.

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

Important Information



Tay House, Glasgow

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

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 Regional REIT Limited 4.5% Bonds due 2024 (the “Bonds”). A prospectus dated 18 July 2018 (the “Prospectus”), which comprises a prospectus for the purposes of the Directive, has been prepared and made available to the public in accordance with the Directive. Copies of the Prospectus are available from the website of Regional REIT Limited (www.regionalreit.com) and the website of the London Stock Exchange plc (www.londonstockexchange.com/newissues). Your Authorised Offeror will provide you with a copy of the Prospectus.

This Information Booklet should not be relied on for making any investment decision in relation to

the purchase of the Bonds. Any investment decision should be made solely on the basis of a careful review of the Prospectus. Please therefore read the Prospectus carefully before you invest. You should ensure that you understand and accept the risks relating to an investment in the Bonds before making such an investment. You should seek your own professional investment, accounting, legal and tax advice as to whether an investment in the Bonds is suitable for you.

This Information Booklet is a financial promotion approved, for the purposes of section 21 (2) (b) of FSMA, by Peel Hunt LLP (the “Manager”) and made by Regional REIT Limited (the “Issuer”). Peel Hunt LLP (incorporated in England and Wales with registered number OC357088) whose registered office is Moor House, 120 London Wall, London EC2Y 5ET, is authorised and regulated by the Financial Conduct Authority.

MIFID II product governance / Retail investors, professional investors and ECPs target market

Solely for the purposes of the manufacturer’s product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, “MiFID II”) and (ii) all channels for distribution of

the Bonds are appropriate. Any person subsequently offering, selling or recommending the Bonds (a **“distributor”**) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.

PRIIPs Regulation

The Bonds have a fixed rate of interest and the redemption amounts are fixed as described in the Prospectus. Accordingly, no key information document pursuant to Regulation (EU) No 1286/2014 (as amended, the **“PRIIPs Regulation”**) has been prepared by the Issuer.

No reliance may be placed on the Manager for advice or recommendations of any sort. The Manager makes no representation or warranty to you with regard to the information contained in the Prospectus. This Information Booklet contains information derived from the Prospectus and is believed to be reliable but, in so far as it may do so under applicable law, the Manager does not warrant or make any representation as to its completeness, reliability or accuracy.

Regional REIT Limited is the legal entity that will issue the Bonds (the meaning of that term is explained below).

No offer for subscription, sale or exchange of any of the Bonds has or may be circulated in Jersey unless such offer is circulated in Jersey by a person or persons authorised to conduct investment business under the Financial Services (Jersey) Law 1998, as amended and (a) such offer does not for the purposes of Article 8 of the Control of Borrowing (Jersey) Order 1958, as amended, constitute an offer to the public; or (b) an identical offer is for the time being circulated in the United Kingdom without contravening the FSMA and is, *mutatis mutandis*, circulated in Jersey only to persons similar to those to whom, and in a manner similar to that in which it is for the time being circulated in the United Kingdom.

The Bonds cannot be promoted, marketed, offered or sold in or from within the Bailiwick of Guernsey other than in compliance with the licencing requirements of the Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended, (the **“POI Law”**) and the regulations enacted thereunder, or any exemption

therefrom. Neither this Information Booklet nor the Prospectus may be distributed or circulated, directly or indirectly, to any persons in the Bailiwick of Guernsey other than (i) by a person licensed to do so under the POI Law; or (ii) to those persons regulated by the Guernsey Financial Services Commission as licensees under the POI Law, the Banking Supervision (Bailiwick of Guernsey) Law, 1994, as amended, the Insurance Business (Bailiwick of Guernsey) Law, 2002, as amended, the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002, as amended, or the Regulation of Fiduciaries, Administration Business and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000, as amended, and provided that the requirements set out in section 29(1)(cc) of the POI Law have been complied with.

The Bonds cannot be marketed, offered or sold in, or to persons resident in, the Isle of Man, other than in compliance with the licensing requirements of the Isle of Man Financial Services Act 2008 or in accordance with any relevant exclusion contained in the Isle of Man Regulated Activities Order 2011 or in accordance with any relevant exemption contained in the Isle of Man Financial Services (Exemptions) Regulations 2011.

The Bonds cannot be offered to the public in any Member State of the European Economic Area other than the U.K. For this purpose, the expression an **“offer of Bonds to the public”** in relation to any Bonds in any Member State of the European Economic Area means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds.

The Bonds have not been and will not be registered under the U.S. Securities Act 1933, as amended (the **“Securities Act”**) or the securities laws of any state or other jurisdiction of the U.S. and the Bonds are subject to U.S. tax law requirements. The Bonds may not be offered, sold or delivered within the U.S. or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. The Bonds may not be offered, sold or delivered within the U.S. or to, or for the account or benefit of U.S. persons, or in a manner which would require the Issuer to register under the U.S. Investment Company Act of 1940, as amended.

For additional information, see the “Subscription and Sale” section in the Prospectus.

Arena Point, Leeds



Regional REIT Ltd.

4.5% Bond due 2024

The Regional REIT Limited 4.5% Bonds due 6 August 2024 pay interest of 4.5% per annum, payable semi-annually in arrear on 6 February and 6 August (each an **“Interest Payment Date”**) in each year until and including 6 August 2024 (the **“Maturity Date”**) unless the Bonds have previously been redeemed or purchased and cancelled. Accordingly, the amount of interest payable on each Interest Payment Date shall be £2.25 per £100 in principal amount of the Bonds.

The Issuer is required to redeem the Bonds at their principal amount (i.e. £100 for each Bond) on the Maturity Date unless the Bonds have been previously redeemed or purchased and cancelled. **If Regional REIT Limited goes out of business or becomes insolvent before the Maturity Date, you may lose some or all of your investment.** Please see the **“Key Risks of Investing in the Bonds”** and **“Key Features of the Bonds”** sections of this Information Booklet on pages 8 and 6.

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 Regional REIT Limited to use the Prospectus (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 17 if you wish to purchase these Bonds. The Bonds will be available from 18 July 2018 until 12 noon London time on 1 August 2018 or such earlier time and date as may be agreed between the Issuer and the Manager and announced by Regional

REIT Limited via a regulatory information service (which is expected to be the Regulatory News Service operated by the London Stock Exchange plc). The minimum initial amount of Bonds you can buy is £2,000. Purchases of greater than £2,000 must be in multiples of £100. After the initial purchase of Bonds during the Offer Period, the Bonds can be bought and sold in multiples of £100. Your Authorised Offeror will provide you with a copy of the Prospectus. You should read the **“Important Information”** section of this Information Booklet on page 1.

What is a Bond?

A fixed rate bond is a form of borrowing by a company seeking to raise funds from investors. The Bonds have a fixed life 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.

Please see the **“Key Risks of Investing in the Bonds”** and **“Further Information - How to trade the Bonds”** sections of this Information Booklet on pages 8 and 15.

Interest on the Bonds

The level of interest payable on the Bonds is fixed when the Bonds are issued. The Bonds pay interest of 4.5% per annum, payable semi-annually in arrears on each Interest Payment Date in each year until and including the Maturity Date unless the Bonds have previously been redeemed or purchased and cancelled. Accordingly, the amount of interest payable on each

Interest Payment Date shall be £2.25 per £100 in principal amount of the Bonds.

You should refer to the sections headed **“Key Risks of Investing in the Bonds”** and **“Key Features of the Bonds”** on pages 8 and 6 of this Information Booklet for information on the risks relating to an investment in the Bonds and the key features of the Bonds, respectively.

Redemption of the Bonds on maturity

Provided that Regional REIT Limited does not go out of business or become insolvent, and provided that the Bonds have not previously been redeemed or purchased and cancelled early, the Issuer will redeem all of the Bonds on the Maturity Date at an amount equal to 100% of their principal amount.

Early redemption due to change in relevant taxation laws

In the event of any change in, or amendment to, the laws or regulations of the U.K. or any other relevant jurisdiction, or any change in the application or official interpretation of the laws or regulations of the U.K. or

any other relevant jurisdiction (in each case, which becomes effective after the Issue Date) that would result in Regional REIT Limited being required to pay additional amounts in respect of the Bonds, the Issuer may, provided that such requirement cannot be avoided by Regional REIT Limited taking reasonable measures available to it, redeem all the Bonds (but not only some) at any time at 100% of their principal amount together with interest accrued to (but excluding) the date of redemption.

Please see the section headed **“Redemption for Taxation Reasons”** in the **“Terms and Conditions of the Bonds”** on page 133 of the Prospectus.

Please also see the **“Key Features of the Bonds”** and **“Key Risks of Investing in the Bonds”** sections of this Information Booklet on pages 6 and 8.

Hampshire Corporate Park, Eastleigh



Key features of the Bonds



Columbus House, Coventry

Defined terms which are used in this section of the Information Booklet shall have the meaning given to them in the terms and conditions of the Bonds which are set out at Appendix 2 of the Prospectus (the **“Terms and Conditions of the Bonds”**) unless they are otherwise defined in this section or elsewhere in this Information Booklet.

- **Issuer:** Regional REIT Limited.
- **Credit rating of the Bonds:** The Bonds will not be rated at issue.

Interest rate: 4.5% per annum. Your actual return will depend on the price at which you purchase the Bonds (if different from the face value) and, if you do not hold the Bonds until maturity, the price at which you sell your Bonds.

- **Interest payments:** Interest will be paid in two instalments a year on 6 February and 6 August in each year, starting on 6 February 2019 up to and including the Maturity Date.
- **Offer Period:** The Bonds are available for purchase through your stockbroker or other

financial intermediary in the period from 18 July 2018 until 12 noon on 1 August 2018 (London time) or such earlier time and/or date agreed between Regional REIT Limited and the Manager and announced by Regional REIT Limited via a regulatory information service (which is expected to be the Regulatory News Service operated by the London Stock Exchange plc) (the **“End of Offer Date”**).

- **Authorised Offerors:** A number of authorised offerors (listed on page 17 of this Information Booklet) have been approved by Regional REIT Limited to provide this Information Booklet and the Prospectus to potential investors in the Bonds until the End of Offer Date. Regional REIT Limited has also granted its consent for other financial intermediaries to use the Prospectus for the purposes of making offers of the Bonds to potential investors in the United Kingdom. The conditions attached to this consent are set out in the section headed **“Important Legal Information – Consent”** on page 111 of the Prospectus.

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

Date on which the Bonds are issued and on which interest begins to accrue: 6 August 2018.

Term of the Bonds: 6 years.

Maturity Date (i.e. when the Bonds mature and are repayable): 6 August 2024.

- **Face value of each Bond:** £100. Although the face value of each Bond is £100, it is not possible to purchase less than £2,000 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.
- **Issue price:** 100% of the face value of each Bond (i.e. £100).
- **Redemption at Maturity Date:** Provided that Regional REIT Limited does not go out of business or become insolvent, and provided that the Bonds have not previously been redeemed or purchased and cancelled early, the Issuer will redeem all of the Bonds on the Maturity Date at an amount equal to 100% of their principal amount.
- **Early redemption due to change in relevant taxation laws:** In the event of any change in, or amendment to, the laws or regulations of the U.K. or any other relevant jurisdiction, or any change in the application or official interpretation of the laws or regulations of the U.K. or any other relevant jurisdiction (in each case, which becomes effective after the Issue Date) that would result in Regional REIT Limited being required to pay additional amounts in respect of the Bonds, the Issuer may, provided that such requirement cannot be avoided by Regional REIT Limited taking reasonable measures available to it, redeem all the Bonds (but not only some) at any time at 100% of their principal amount together with interest accrued to (but excluding) the date of redemption. Please see the section headed “Redemption for Taxation Reasons” in the “Terms and Conditions of the Bonds” on page 133 of the Prospectus.
- **Negative Pledge:** The Bonds contain a negative pledge provision with respect to the Issuer and Regional Commercial Midco Ltd. (“Midco”). In general terms, a negative pledge provision prohibits an entity from granting security over

certain of its indebtedness which diminishes the priority of the Bondholders’ claims against any of the entity’s other assets. Therefore, under the negative pledge provision set out in the Terms and Conditions of the Bonds, neither Regional REIT Limited nor Midco may create or at any time have outstanding, any security interest over any of its present or future business, undertakings, assets or revenues to secure certain financial indebtedness without securing the Bonds equally, subject to certain exemptions.

- **Covenants:** The Terms and Conditions of the Bonds also contain certain other covenants, including: (a) limitations on the incurrence of secured or unsecured financial indebtedness by Regional REIT Limited and its subsidiaries where such financial indebtedness would exceed limits specified in the Terms and Conditions of the Bonds; (b) a requirement for Regional REIT Limited to meet an interest cover test on each testing date; and (c) a requirement for Regional REIT Limited not to take any action that would directly result in it losing its status as a UK REIT.
- Further details can be found in the “Covenants” section in the Terms and Conditions of the Bonds on page 129 of the Prospectus.
- **Trading:** Investors will, subject to market conditions, be able to buy Bonds or sell their Bonds during the life of the Bonds. See the “Key Risks of Investing in the Bonds” and “Further Information - How to trade the Bonds” sections on pages 8 and 15 of this Information Booklet for more details.
- **SIPP eligibility:** At the time of issue, the Bonds should be eligible for investing in a Self-Invested Personal Pension (“SIPP”).
- **Bond ISIN:** XS1849479602.
- **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. There is no minimum total amount of Bonds that may be issued.
- **Manager:** Peel Hunt LLP.

You should refer to the “Important Information” and “Key Risks of Investing in the Bonds” sections on pages 1 and 8 of this Information Booklet and to the “Terms and Conditions of the Bonds” as set out at page 128 in the Prospectus. A copy of the Prospectus should have been provided to you by your stockbroker or financial adviser.

Key risks of investing in the Bonds

A number of particularly important risks relating to an investment in the Bonds are set out below. You must ensure that you understand the risks inherent in the Bonds. The risks set out below are not intended to be a comprehensive list of all the risks that may apply to an investment in the Bonds. **You should seek your own independent professional investment, legal and tax advice as to whether an investment in the Bonds is suitable for you. You should be aware that you could get back less than you invest or lose your entire initial investment.**

Full details regarding the risk factors relating to Regional REIT Limited and the Bonds are set out in the section headed “Risk Factors” on pages 24 to 38 of the Prospectus. Please read them carefully.

Defined terms which are used in this section of the Information Booklet shall have the meaning given to them in the Prospectus unless they are otherwise defined in this section or elsewhere in this Information Booklet.

- All obligations arising out of or in connection with the Bonds will, on the Issue Date, be the sole responsibility of Regional REIT Limited. **If Regional REIT Limited goes out of business or becomes insolvent, you may lose some or, in the worst case scenario, all of your investment in the Bonds.**
- The Issuer is a holding company of the Group and its main activity is to act as a holding company for asset owning entities within the Group. Accordingly, the Issuer’s income is dependent on other members of the Group.

The net proceeds from the issue of the Bonds (after deduction of expenses incurred in connection with the issue) will be made available by the Issuer to other members of the Group by way of one or more loan agreements (together the “**Loan Agreements**” and each a “**Loan Agreement**”). Each Loan Agreement will be made between the Issuer and one other member of the Group (each such member of the Group being a “**Borrower**”) under which the Issuer agrees to make advances to that

Borrower and, accordingly, the Bondholders will take credit risk on each Borrower. Under each Loan Agreement, the Issuer will advance a portion of the proceeds from the issue of the Bonds (after the deduction of expenses incurred in connection with the issue) to the relevant Borrower which will be used to repay certain of the Group’s external debt facilities which are described in the Prospectus. Under each Loan Agreement, the relevant Borrower agrees (i) to pay to the Issuer interest on the loan calculated at a rate of interest that is no less than the rate of interest used to calculate the interest payable in respect of the Bonds; (ii) to pay to the Issuer interest on the loan on the date on which interest is payable in respect of the Bonds; and (iii) to repay the principal of the loan on the date on which the Bonds are to be redeemed. Each Borrower’s obligations to make payments to the Issuer are unsecured. The Issuer is dependent on payments being made by the members of the Group under the Loan Agreements and otherwise to make payments on the Bonds. The Issuer’s ability to make payments on the Bonds is accordingly subject to the risks to which the group is subject.

- In the event the Issuer fails to make payments on the Bonds, the Bondholders will have no direct recourse to the assets of the Issuer.
- Members of the Group are not legally committed to making any payments to the Issuer aside from under the contractual obligations set out above. If the income of the Group is negatively affected by any of the risks outlined below, this could reduce the payments made to the Issuer and the subsequent ability of the Issuer to make payments on the Bonds.
- The Issuer is the ultimate holding company of the Group and its only assets are its shares in Midco, which itself owns shares in subsidiaries within the Group. The Issuer’s income is therefore dependent on the financial position of other subsidiaries within the Group to fulfil its obligations in respect of the Bonds

- The Group's financial position and performance will depend on the general economic environment and general property and investment market conditions – variations of which may affect the value of property investments and the rental income of the Group and therefore the subsequent ability of the members of the Group to make payments under the Loan Agreements and otherwise fund the Issuer so that it can make payments on the Bonds.
- Market conditions of the UK property market will affect the Group's ability to adjust its portfolio strategically, i.e. the Group may not be able to buy or sell properties in its portfolio easily if market conditions are unfavourable or at an ideal price. This could reduce the value of the Group's portfolio and its income which may impact on payments made on the Bonds.
- The valuation of the Group's Property Portfolio is inherently uncertain due to, amongst other things, the individual nature of each property and the subjective assumptions and estimations made by valuers. There is no assurance that the valuation of the Property Portfolio will be reflected in actual transaction prices. In the event the Group is unable to realise the book value of a property on sale, this would negatively affect the value of the Group and its income and may impact on payments made on the Bonds.
- Bondholders should be aware that borrowing exposes the Group to potential risks involved in the cost of maintaining the debt created. In particular the cost of any such debt to the Group will be adversely impacted by increases in interest rates. This may limit the ability of the Group to make investments in the future and/or may increase the cost of the debt to the Group which could, as a consequence, have an adverse impact on the financial position of the Group and its income which may impact on payments made on the Bonds.
- The Issuer has no employees and is reliant on the performance of specialised third party service providers (such as the Asset Manager and the Investment Manager). Material failure by any such service provider to carry out its obligations could cause disruptions in the operation of the Group that could lead to Bondholders incurring losses on the Bonds.
- The Group is, as at the date of the Prospectus, a group UK REIT. If the Group does not maintain this status or if the rules regarding maintenance of this status change, this could have an impact on the current tax treatment of the Group which could have a material impact on the financial condition of the Group and may affect the ability of the Issuer to fulfil its obligations in respect of the Bonds.
- The Bonds are unsecured obligations of the Issuer and accordingly the Bondholders will not have a direct claim on any of the Issuer's assets.
- **The Bonds are not protected by the Financial Services Compensation Scheme.** Therefore (unlike in the case of a bank deposit), if the Issuer or the Group as a whole were to become insolvent or go out of business, the Bondholders may lose all or part of their investment in the Bonds and no governmental body would be required to compensate them for such loss.
- The Bonds may be repaid early at the Issuer's option in certain circumstances which may mean Bondholders are unable to reinvest amounts repaid by the Issuer in investments that generate similar amounts of interest
- Defined majorities may be permitted to bind all the Bondholders with respect to modification and waivers of the terms and conditions of the Bonds. Therefore, for instance, if a significant majority of Bondholders were to vote to amend the Terms and Conditions of the Bonds (for example, to change the final maturity date of the Bonds) then that amendment would be binding on all other Bondholders.
- A market for the Bonds may not develop, or may not be very liquid (i.e. the Bonds may not be easily tradable) and such illiquidity may have a severely adverse effect on the market value of the Bonds. The realisation from a sale of the Bonds at any time prior to their maturity may be below the investment price paid by a Bondholder.
- The Bonds bear interest at a fixed rate and the Issuer will pay principal and interest on the Bonds in pounds sterling, which potentially exposes you to interest rate risk and inflation risk. If interest rates rise, then the rate of income payable on the Bonds may become less attractive to investors.
- **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 Regional REIT Limited. 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 expiry 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, the availability of a market price may be impaired. Moreover, notwithstanding that the Manager will be expected to act as market maker (See "Further Information - How to trade the Bonds" at page 15 of this Information Booklet) for the Bonds, if trading activity levels are low, this may severely and adversely impact the price that you would receive if you wish to sell your Bonds. Also, it is possible that the Manager will not act as market-maker for the life of the Bonds. If a replacement market-maker was not appointed in such circumstances this could have an adverse impact on your ability to sell the Bonds.



Ashby Park, Ashby De La Zouch

The Issuer and the Group

You should refer to the sections headed “Description of the Issuer” and “Description of the Group” in the Prospectus for full information on the Issuer and the Group.

Defined terms which are used in this section of the Information Booklet shall have the meaning given to them in the Prospectus unless they are otherwise defined in this section or elsewhere in this Information Booklet.

The Issuer

Regional REIT Limited (the “Issuer”) is a limited liability company, incorporated in Guernsey, Channel Islands under The Companies (Guernsey) Law 2008, as amended (the “Companies Law”) on 22 June 2015 with registered number 60527.

The Issuer’s registered office is at Mont Crevelt House, Bulwer Avenue, St. Sampson, Guernsey, GY2 4LH (telephone number: +44 (0) 871 664 0300) and its principal place of business is at 7th Floor, 90 Long Acre, London WC2E 9RA (telephone number: +44 (0) 20 7845 6100).

The principal legislation under which the Issuer operates is the Companies Law and the regulations made thereunder.

The Issuer does not have any employees and does not own any premises.

The Issuer’s issued and fully paid share capital as at the date of the Prospectus is expected to be as follows:

<i>Class</i>	<i>Number of issued shares</i>
<i>Ordinary Shares</i>	372,821,136

The Issuer is not an umbrella collective investment undertaking and as such there is no cross liability between classes or investment in another collective investment undertaking.

So far as the Issuer is aware by virtue of notifications to it pursuant to the Disclosure Guidance and Transparency Rules as at the last practicable date prior to the publication of the Prospectus the following persons hold, directly or indirectly, voting rights in respect of five% or more of the Issuer’s issued share capital:

<i>Shareholder</i>	<i>Number of Ordinary Shares</i>	<i>% of voting share capital</i>
<i>The Conygar Investment Company Plc</i>	26,326,644	7.06
<i>Toscafund Investments Limited</i>	27,154,198	7.28
<i>AXA</i>	18,778,679	5.04

Save as set out above the Issuer is not aware of any person who, at the last practicable date prior to the publication of the Prospectus holds voting rights, directly or indirectly, in respect of 5% or more of the issued share capital of the Issuer.

The Issuer is not aware of any person who, at the last practicable date prior to the publication of the Prospectus, directly or indirectly, jointly or severally, exercises or could exercise control over the Issuer.

The Shareholders referred to above do not have different voting rights from any other holder of Ordinary Shares.

No Director of the Issuer has or has had any interest in any transactions which are or were unusual in their nature or conditions, or significant to the business of the Group, and which:

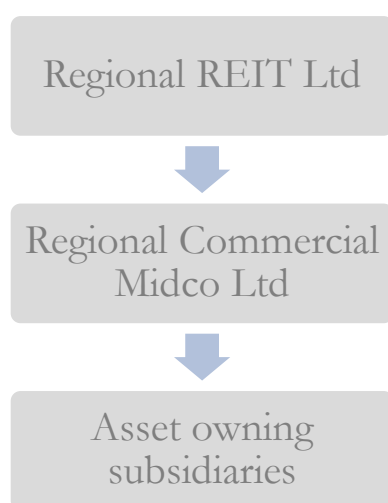
- were effected by the Issuer during the current or immediately preceding financial year; or
- were effected by the Issuer during an earlier financial year and remain in any respect outstanding or unperformed.

Net asset value of the Group

In the year to 31 December 2017, the Group's European Public Real Estate Association ("EPRA") net asset value rose from £293.25 million to £395.70 million.

Group ownership structure

The following diagram illustrates the ownership structure of the Group:



Introduction

The Issuer is a REIT externally managed by the Asset Manager and Investment Manager. The Issuer is an established UK real estate investor which is listed on the premium listing segment of the Official List of the UK Listing Authority, has its Ordinary Shares admitted to trading on the Main Market of the London Stock Exchange and is a constituent member of the FTSE All-Share and FTSE EPRA NAREIT UK Indices. The Issuer's commercial property portfolio is wholly in the UK and comprises, predominantly, offices and industrial units located in the regional centres of the UK outside of the M25 motorway. The Issuer is an active real estate investor and asset manager, producing a tailored business and asset development/management plan for each of the assets it acquires in order to be able to maximise returns.

The Group owns a portfolio of commercial property interests in the principal regional locations of the UK outside of the M25 motorway. These interests are comprised primarily of offices, with a smaller percentage of multi-let high industrial properties. As of 31 December 2017, the Group's investment portfolio was spread across 164 properties consisting of 1,368 individual units with a total of 1,026 tenants, which were valued at 31 December 2017 at £737.3 million in aggregate, with a combined contracted rent roll of £61.9 million per annum reflecting a net initial yield of 6.5% on a weighted average unexpired lease term of 5.4 years (3.5 years to first break). Further information on the Property Portfolio is set out below.

The Issuer is managed by the Asset Manager and the Investment Manager and has an investment objective to deliver an attractive total return to Shareholders, with a strong focus on income, from investing in UK commercial property, predominantly in the office and industrial sectors in major regional centres and urban areas outside of the M25 motorway. It intends to pursue this investment objective by following an investment strategy involving active property management and prudent use of debt finance, as detailed below. The Issuer is a limited company incorporated in Guernsey and tax resident in the United Kingdom.

Recent developments

On 20 June 2018, the Issuer announced the unconditional exchange of contracts to sell The Point Trade & Retail Park, Glasgow, for £14.1 million. Completion of the sale occurred on 5 July 2018.

On 26 June 2018, the Issuer announced the completion of the acquisition of five regional offices and one office/distribution property for £35.2 million.

On 2 July 2018, the Issuer announced the completion of the sale of a regionally diverse industrial portfolio, comprising of 15 properties for £39.1 million

Debt financing

Debt financing has been sourced from a number of providers and is constituted and hedged in a variety of ways to suit each circumstance. Further details of the debt financing structure are set out in Section 10 ("Additional Information") of the Prospectus.

Pipeline of Further Investment Opportunities

The Asset Manager has a strong pipeline of prospective investment opportunities that have been identified.

The market

An overview of the market, including investment activity in UK commercial property and rental growth in the Group's specific sectors can be found on pages 18 to 19 of the annual report for the year ended 31 December 2017 which are attached to the Prospectus at Appendix 4 (*"Issuer's annual report and accounts (including consolidated financial statements) for the years ended 31 December 2016 and 31 December 2017"*).

Asset Manager

The Issuer has appointed London & Scottish Investments Limited as Asset Manager. The Asset Manager has procured and shall, with the Issuer, in future procure, that London & Scottish Property Asset Management Limited or such other suitably qualified property manager as the Asset Manager may determine is appointed to act as property manager in respect of each Portfolio Interest.

The Asset Manager's relationships have enabled it to access both off-market and more widely marketed real estate transactions and to access debt financing packages in the various phases of the economic cycle. The Issuer believes that the Asset Manager's relationships and experience will continue to provide the Issuer with the access and ability to cultivate appropriate investment opportunities to meet the Issuer's investment criteria. Furthermore, the Issuer believes that the Asset Manager's distinct knowledge of, and competence within, the UK commercial property market will keep the Issuer well placed to capitalise on the opportunities presented by current and expected market conditions.

The Issuer believes that the Asset Manager's close relationships with existing and future tenants and its detailed due diligence and depth of knowledge in its chosen markets will continue to be relied on for the acquisition of properties where the market has mispriced the strength of the covenant or which offer value enhancing property management opportunities relating to lease re-gearing or upcoming rent reviews.

Overview of the Asset Manager

The Asset Manager is a privately-owned property investment management company established in 2012 and currently employs 65 people. It is managed by a multi-disciplinary team of executive directors, with the management team detailed below having over 100 years' experience in the real estate sector between them. Its executive directors have day to day involvement in all current and future projects of the Asset Manager and have a proven track record of adding value to property portfolios through intensive property management, focusing on income generation.

In its capacity as asset manager, the Asset Manager is responsible for the property management of the Property Portfolio, including identifying and evaluating investment opportunities in property for the Group, the collection of rent, negotiating longer leases and the removal of tenant break options, instructing agents to re-let the premises at lease expiry and, where appropriate, managing refurbishments to increase rental income or capital values, in each case, subject to the overall control and supervision of the Issuer.

The Investment Manager

The Issuer has appointed Toscafund Asset Management LLP as the Issuer's investment manager which, in addition to providing the extensive experience of its management team in creating value for shareholders, also procures access to significant property, finance and corporate experience.

Overview of the Investment Manager

The Investment Manager is part of a UK-based investment management group that was founded in 2000 by Martin Hughes, the Investment Manager's chief executive. The Investment Manager itself was incorporated in England and Wales on 13 June 2006 and was authorised by the Financial Services Authority, now the Financial Conduct Authority, to conduct investment business on 31 October 2006. The Investment Manager is currently authorised by the FCA for the purposes of the AIFM Directive and FCA rules as a "full-scope" UK AIFM with a Part 4A permission to manage AIFs such as the Issuer. The Investment Manager is also registered as an investment adviser with the U.S. Securities and Exchange Commission under the US Advisers Act.

The Investment Manager was incorporated in England and Wales on 13 June 2006 under the name of Toscafund Asset Management LLP, with registered number OC320318 as a limited liability partnership under the Limited Liability Partnerships Act 2000. The principal legislation under which the Investment Manager operates is the Limited Liability Partnerships Act 2000 and the regulations made thereunder. The Investment Manager's registered office and its principal place of business is at 7th Floor, 90 Long Acre, London WC2E 9RA (telephone number: +44 (0) 20 7845 6100). The Investment Manager is domiciled in the United Kingdom.

In its capacity as the AIFM, the Investment Manager is responsible for the provision of certain AIFM services to the Issuer and also provides certain other management services to the Issuer, Midco and the SPVs. In relation to the Issuer, the Investment Manager is responsible for discretionary portfolio management (including taking investment decisions on behalf of the Issuer, identifying and evaluating and negotiating investment opportunities and realisations and, where applicable, participating in the management and control of the businesses or assets acquired), risk management (as required to identify, manage, measure and monitor, as appropriate, all risks to the Issuer's investment strategy and to which the Issuer may be exposed) and valuation services relating to the Issuer's Property Portfolio, in each case pursuant to the AIFM Directive. In relation to Midco and the SPVs, the Investment Manager is responsible for, amongst other things, the provision of treasury services (in relation to hedging, borrowing and cash management) and ensuring regulatory compliance.

Quality of the Property Portfolio

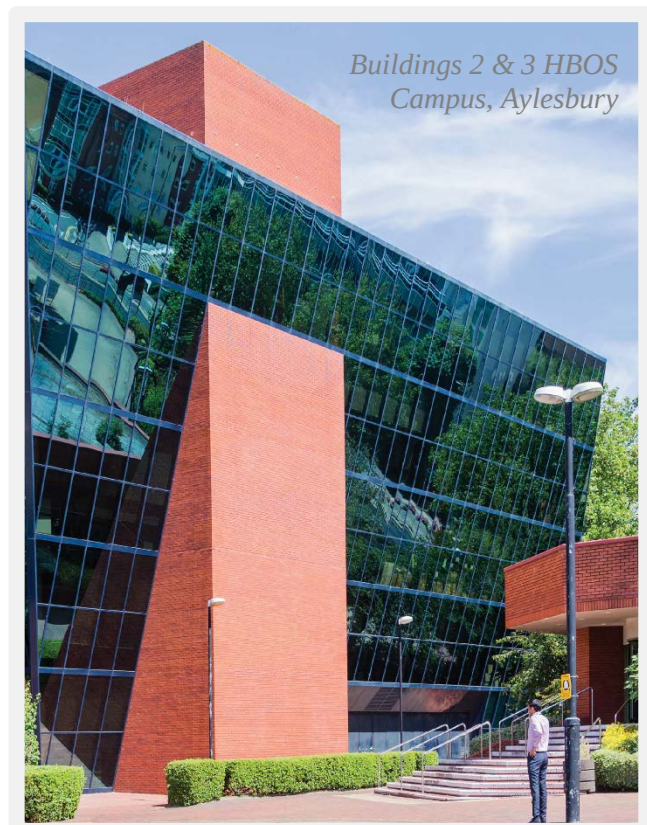
The Asset Manager has developed excellent relationships with a number of key property agencies throughout the UK, together with close relationships with banks, insolvency practitioners and the major funds who are acquirers of distressed debt and property. This has led to the opportunity to identify and seek to acquire property against a generally more limited group of competitors.

The Property Portfolio has therefore been assembled through the various industry contacts developed by the Asset Manager, targeting the required returns and ensuring that the appropriate target sectors are covered both in property type and in geographic spread. In a number of instances, the acquisition cost has been

significantly lower than the pricing sought by the vendors due to the Group's ability to acquire for cash and applying gearing at a later date, leading both to certainty for the vendor and speed of completion.

The Asset Manager has developed modelling to ensure that no increase in rental values is assumed, an improvement in void rates is assumed only where appropriate, no improvement in the macro economy is assumed and that properties are sold into the same market conditions as that in which they were acquired, thus taking no account of improvement in yields. This conservative modelling ensures that each property has the maximum potential upside if any, or all, of the ignored criteria arises. Each potential property acquisition must meet the modelling criteria, irrespective of any other considerations as to its suitability.

The Asset Manager has targeted, on behalf of the Group, real estate located in Birmingham, Edinburgh, Glasgow, Newcastle, Manchester, Leeds, Bristol and the South West, areas to the South and West of the M25 motorway and in the Midlands. In the opinion of the Asset Manager, this distribution, and the often multi-tenanted nature, of the assets, has the effect of minimising risk while offering greater opportunities for enhancing both income and capital value.



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 UK Listing Authority and admitted to trading on the regulated market of the London Stock Exchange plc.

The Bonds are also expected to be eligible for the London Stock Exchange's electronic Order Book for Retail Bonds (the "ORB").

The ORB was launched in response to private investor demand for easier access to trading bonds with the aim of providing a transparent and efficient mechanism for U.K. retail investors to access the bond markets. The Bonds are tradable instruments and prices will be quoted in the market during trading hours (8.00am to 4.30pm London time).

The Bonds are expected to be supported in a market-making capacity by the Manager.

Market-making means that, throughout the trading day, a person will quote prices for buying and selling the Bonds. The Manager will be appointed as a registered market maker through the ORB (www.londonstockexchange.com/exchange/prices-and-markets/retail-bonds/retail-bonds-search.html) when the Bonds are issued.

Investors should, in most normal circumstances, be able to sell their Bonds at any time, subject to market conditions, by contacting their stockbroker. **As with any investment, there is a risk that an investor could get back less than his/her initial investment or lose his/her initial investment in its entirety.** See the section headed "Key Risks of Investing in the Bonds" on page 8 of this Information Booklet.

Pricing information for sales and purchases of the Bonds in the market will be available during market hours (8.00am to 4.30pm London time) and in normal market conditions on the ORB.

As noted above, notwithstanding that the Manager will act as market-maker (as explained above), if trading activity levels are low, this may severely and adversely impact the price that an investor would receive if he/she wishes to sell his/her Bonds.

Fees

Regional REIT Limited will pay certain fees and commissions in connection with the offer of the Bonds. Peel Hunt LLP will receive a fee of 1.25% of the aggregate nominal amount of the Bonds of which 0.375% will constitute distribution fees available to Authorised Offerors as follows:

- (i) each initial Authorised Offeror (as defined in the Prospectus) will be entitled to receive a fee of up to 0.375% of the total face value of the Bonds issued and allotted to such initial Authorised Offeror; and
- (ii) each additional Authorised Offeror will be entitled to receive a fee of up to 0.375% 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 Regional REIT Limited and are not set by Regional REIT Limited. Neither Regional REIT Limited nor (unless acting as an Authorised Offeror) the 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 at page 49 of the Prospectus entitled **“Taxation”** for information regarding certain aspects of United Kingdom and Guernsey 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.

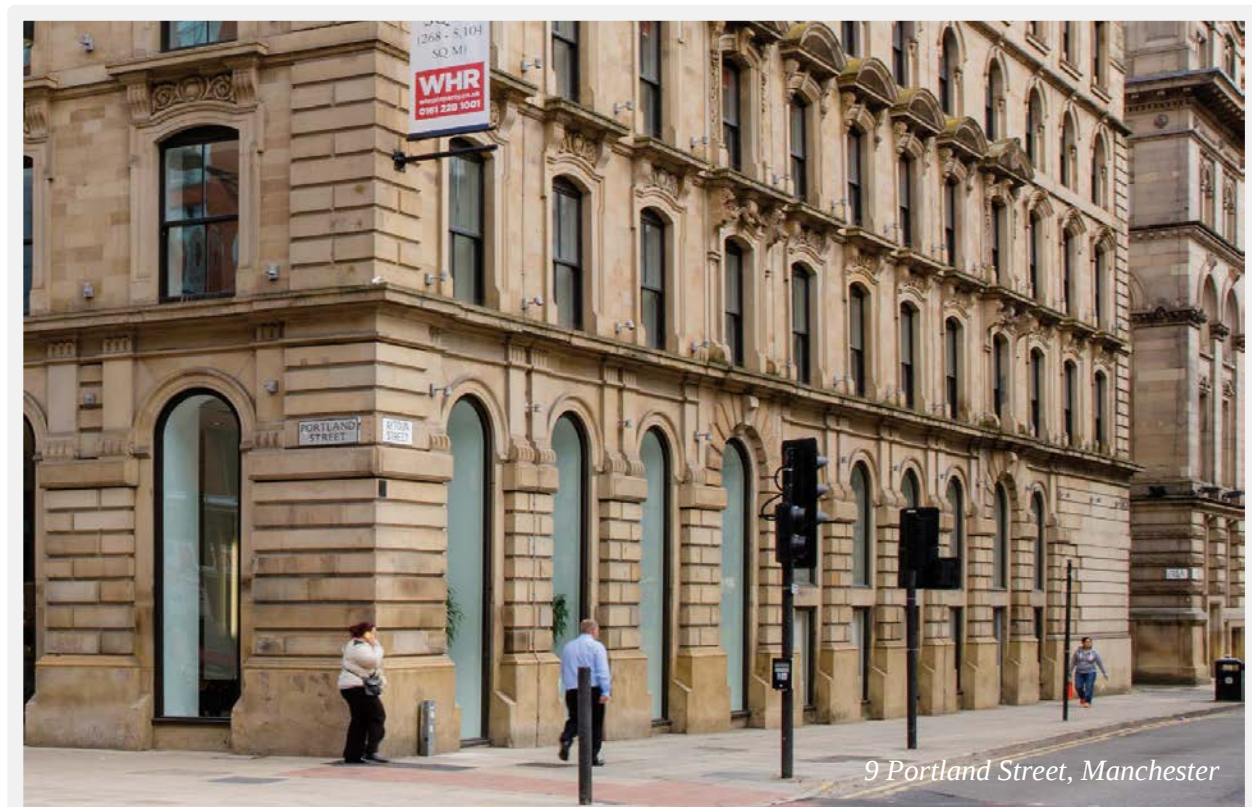
ISA, LISA and SIPP eligibility of the Bonds

At the time of issue, the Bonds should be eligible for inclusion within a SIPP (a self-invested personal pension) that is a registered pension scheme under the Finance Act 2004.

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). The Bonds should be eligible to be held within a stocks and shares ISA (Individual Savings Account), provided that the Bonds have been listed on a “recognised stock exchange” (within the meaning of section 1005 of the Income Tax Act 2007) by the time when they are first held within an ISA and remain listed thereafter. 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 94 of the Prospectus, “Taxation” on page 49 of the Prospectus, “Important Legal Information” on page 110 of the Prospectus and “Additional Information” on page 98 of the Prospectus.



9 Portland Street, Manchester

DISCLAIMER

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, available as described above.

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. Please therefore read the Prospectus carefully before you invest. Before buying or selling any Bonds you should ensure that you fully understand and accept the risks relating to an investment in the Bonds, otherwise you should seek professional independent advice.

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

No reliance may be placed on Peel Hunt LLP or Regional REIT Limited for advice or recommendations of any sort. Peel Hunt LLP makes no representation or warranty to you with regard to the information contained in the Prospectus. This Information Booklet contains information derived from the Prospectus and is believed to be reliable but, in so far as it may do so under applicable law, Peel Hunt LLP does not warrant or make any representation as to its completeness, reliability or accuracy.

Neither Peel Hunt LLP nor Regional REIT Limited is responsible for any advice or service you may receive from a third party in relation to the Bonds.

Peel Hunt LLP and its respective 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.

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