

28 April 2017

CASTLE TRUST DIRECT PLC

Issue of £20,000,000 Fortress Bond (Issue 238) 3 Year (Income) May 2017 Notes

Offered by CASTLE TRUST CAPITAL PLC

Under the Castle Trust Direct Programme for the Issuance of Notes

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") of the Notes set forth in the Base Prospectus dated 17 June 2016 which, together with the supplementary prospectuses published on 18 January 2017 and 1 February 2017, constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (and amendments thereto, including Directive 2010/73/EU) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of the Base Prospectus and these Final Terms. The Base Prospectus is available for viewing at and copies may be obtained during normal working hours from the Issuer's registered office at 10 Norwich Street, London EC4A 1BD. For the purposes of Article 14 of the Prospectus Directive, the Base Prospectus and the Final Terms have been published on the Castle Trust Capital plc website: <https://www.castletrust.co.uk/documents-investments>. A summary of the individual issue is annexed to these Final Terms.

1	Issuer	Castle Trust Direct plc
2	Series Number:	238
3	Aggregate Nominal Amount of Series:	£20,000,000
4	Issue Price:	100% of the Aggregate Nominal Amount.
5	(a) Issue Date:	28 April 2017
	(b) Interest Commencement Date:	1 June 2017
	(c) Calculation Amount:	£1,000
6	Maturity Date:	1 June 2020
7	Interest Basis:	2.2583% Fixed Rate (as such rate may be increased by the Issuer (if at all and at its absolute discretion) during the Offer Period and notified to Noteholders prior to the end of such period)
8	Redemption/Payment Basis:	Subject to any early redemption, the Notes will be redeemed on the Maturity Date at 100% of their nominal amount.

9	Change of Interest Basis or Redemption/Payment Basis:	Not Applicable
10	Put/Call Options:	Issuer Call
11	Date Board approval for issuance of Notes obtained:	19 April 2017

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

12	Fixed Rate Note Provisions	Applicable
	(a) Rate(s) of Interest:	2.2583% per annum payable quarterly (as such rate may be increased by the Issuer (if at all and at its absolute discretion) during the Offer Period and notified to Noteholders prior to the end of such period) in arrear
	(b) Interest Payment Date(s):	Last calendar day of August, November, February and May in each year up to and including 31 May 2020
	(c) Fixed Coupon Amount(s):	£5.6509 per Calculation Amount (as such amount may be increased to reflect an increase to the Rate of Interest by the Issuer (if at all and at its discretion) during the Offer Period and notified to Noteholders prior to the end of such period)
	(d) Broken Amount(s):	Not Applicable
	(e) Determination Date(s):	Not Applicable
	(f) Day Count Fraction:	Actual/365 Fixed
	(g) Other terms relating to the method of calculating interest for the Notes:	None
13	Floating Rate Note Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

14	Issuer Call <i>(Applicable only for Notes held by Castle Trust Capital plc)</i>	Applicable
	Optional Redemption Amount and method, if any, of calculation of such amount(s):	Condition 6.2 (Redemption at option of the Issuer (Issuer Call)) of the Notes applies

15	Investor Put	Not Applicable
16	Final Redemption Amount	100 per cent.
17	Final Repayment Date:	4 June 2020

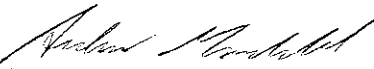
LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the £1,500,000,000 Castle Trust Direct Programme

THIRD PARTY INFORMATION

None

Signed on behalf of Castle Trust Direct plc

By: 
.....
Duly authorised

By:
.....
Duly authorised

PART B – OTHER INFORMATION

18 ADMISSION TO TRADING

Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to the Official List of the Irish Stock Exchange and to trading on its regulated market. It is expected that the first dealing day will be 28 April 2017.

19 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

Save as discussed in the section headed “Subscription and Sale” of the Base Prospectus, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.

RELATIONSHIPS MATERIAL TO THE ISSUE/OFFER BETWEEN THE ISSUER AND THE BORROWER

The Issuer will make a new Advance under the Borrower Loan Agreement in respect of the Offer Series on 7 June 2017.

20 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- | | |
|-------------------------------|-------------------------------------|
| (a) Reasons for the offer: | See Part XII of the Base Prospectus |
| (b) Estimated net proceeds: | £20,000,000 minus expenses |
| (c) Estimated total expenses: | £450 |

21 YIELD (*Fixed Rate Notes only*)

Indication of yield	2.20% Calculated on the Issue Date
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The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

22 OPERATIONAL INFORMATION

- | | |
|--|---|
| (a) ISIN Code: | GB00BD6FKN25 |
| (b) Other Final Terms: | None |
| (c) Offer Period: | 28 April 2017 – 31 May 2017 |
| (d) Any other clear and objective conditions attached to the consent which are relevant for the use of the Base Prospectus | Not applicable |
| (e) Names and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment: | Castle Trust Capital plc, 10 Norwich Street, London EC4A 1BD. See Parts X and XIX of the Base Prospectus. |

ANNEX – ISSUE SPECIFIC SUMMARY

SUMMARY

Section A – Introduction and warnings		
A.1	Introduction	<p>This summary should be read as an introduction to this Base Prospectus. Any decision to invest in Notes should be based on consideration of the Base Prospectus as a whole by the investor. Where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in the Notes.</p>
A.2	Use of the Base Prospectus	<p>The Issuer has provided its consent to the use of the Base Prospectus and Final Terms for subsequent resale or final placement of notes (the “Notes”) (a “Public Offer”) by:</p> <ol style="list-style-type: none"> 1. all financial intermediaries who fulfil the following conditions: <ol style="list-style-type: none"> (i) an entity (an “Authorised Offeror”) which is authorised to offer securities to the public or distribute Notes under FSMA in the UK (or under the relevant legislation implementing the Markets in Financial Instruments Directive (2004/39/EC) in Europe) (“Financial Intermediaries”) for the subsequent resale or final placement of the Notes in the United Kingdom; or (ii) an Authorised Offeror that is expressly named in the list of Authorised Offerors on the Issuer's website (https://www.castletrust.co.uk/fixed-rate-bonds/specific-consent); and 2. Castle Trust Capital plc (“Castle Trust”) and Castle Trust Capital Management Limited (“CTCM”). <p>Valid offers of Notes may only be made by an Authorised Offeror in the context of a Public Offer if the Offer is:</p> <ol style="list-style-type: none"> (i) made in respect of the Series of Note specified in the Final Terms; (ii) made in the United Kingdom; and (iii) made during the offer period specified in the Final Terms (the “Offer Period”). <p>The Issuer has also provided its consent to the distribution of Notes pursuant to the £1,500,000,000 Castle Trust Direct Programme for the issuance of Notes (the “Programme”) in the United Kingdom. The offer period within which the Issuer consents to the later resale or final placement by Financial Intermediaries or by Castle Trust or CTCM is from 17 June 2016 to 16 June 2017.</p> <p>The offer of Notes by Financial Intermediaries or by Castle Trust or CTCM must be made pursuant to the terms and conditions of the Notes (the “Note Conditions”). If an offer is being made by a Financial Intermediary or by Castle Trust or CTCM, such Financial Intermediary or Castle Trust or CTCM will inform investors of the terms and conditions of the offer at the time the offer is made.</p>

Section B – Issuer and Castle Trust Capital plc		
B.1	Legal and commercial Name	Castle Trust Direct plc (the “ Issuer ”)

		Castle Trust Capital plc; Castle Trust Castle Trust Finance Limited ("CTF")																										
B.2	Domicile; legal form; legislation; country of incorporation	The Issuer was incorporated in England and Wales as a public limited company under the Companies Act 2006 on 19 May 2014 under the name of Castle Trust Direct plc with registered number 9046984. Castle Trust was incorporated in England and Wales as a private limited company on 29 November 2010 and was converted to a public limited company on 24 November 2011, under the Companies Act 2006 under the name of Castle Trust Capital plc with registered number 07454474. CTF was incorporated in England and Wales as a private limited company under the Companies Act 2006 on 18 May 2015 under the name Castle Trust Finance Limited with registered number 09596607.																										
B.5	Description of the group and Castle Trust's and CTF's position within the group	Castle Trust is a wholly-owned subsidiary of Castle Trust Holdings (Jersey) Limited ("CTHJ"), which in turn is majority owned by J.C. Flowers Fund III, a subsidiary of the J.C. Flowers group. Castle Trust has eleven direct or indirect subsidiaries: CTCM, the Issuer, CTF, Castle Trust Treasury Limited ("CTT"), Castle Trust Income House plc ("CTIH"), Castle Trust Capital Nominees Limited ("CTCN"), Castle Trust Services Limited ("CTS"), Castle Trust POS Limited ("CTPOS"), Omni Capital Retail Finance Limited ("OCRF"), Omni Capital Consumer Finance Limited ("OCCF") and Omni Money Limited ("OML") (together, the "Group").																										
B.9	Profit forecast or estimate for Castle Trust and CTF	Not applicable; no profit forecast or estimate has been published.																										
B.10	Qualifications in independent accountant's report on historical financial information of Castle Trust and CTF	Not applicable; there are no qualifications in any audit report or any independent accountant's report on the historical financial information of Castle Trust or CTF.																										
B.11	Working capital insufficient for present requirements	Castle Trust is of the opinion that its working capital is sufficient for its present requirements, that is, for the next 12 months from the date of this document. CTF is of the opinion that its working capital is sufficient for its present requirements, that is, for the next 12 months from the date of this document.																										
B.12	Selected key financial information on Castle Trust; no material adverse change statement and no significant change statement	The table below sets out summary key information extracted from the audited consolidated financial statements of Castle Trust for the period 1 October 2014 to 30 September 2015: Castle Trust Capital plc Statement of Consolidated Financial Position <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right; width: 20%;">30 September 2015</th> </tr> <tr> <th style="text-align: left;">Assets</th> <th style="text-align: right;">£'000</th> </tr> </thead> <tbody> <tr> <td>Intangible assets</td> <td style="text-align: right;">336</td> </tr> <tr> <td>Property and equipment</td> <td style="text-align: right;">254</td> </tr> <tr> <td>Deferred tax asset</td> <td style="text-align: right;">5,663</td> </tr> <tr> <td>Other receivables</td> <td style="text-align: right;">2,063</td> </tr> <tr> <td>Loans to customers</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">At amortised cost</td> <td style="text-align: right;">112,885</td> </tr> <tr> <td style="padding-left: 20px;">Designated at fair value through profit or loss</td> <td style="text-align: right;">87,682</td> </tr> <tr> <td>Fair value adjustment for portfolio hedged risk</td> <td style="text-align: right;">539</td> </tr> <tr> <td>Derivative financial instruments</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">House price option</td> <td style="text-align: right;">5,193</td> </tr> <tr> <td>Investments</td> <td style="text-align: right;">6,280</td> </tr> </tbody> </table>		30 September 2015	Assets	£'000	Intangible assets	336	Property and equipment	254	Deferred tax asset	5,663	Other receivables	2,063	Loans to customers		At amortised cost	112,885	Designated at fair value through profit or loss	87,682	Fair value adjustment for portfolio hedged risk	539	Derivative financial instruments		House price option	5,193	Investments	6,280
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Trade and other receivables	4,210
Prepayments	353
Cash and cash equivalents	49,389
Total assets	274,847
Equity	
Share capital	6,478
Share premium	45,540
Retained earnings	(12,556)
Non-controlling interests	157
Total equity	39,619
Liabilities	
Financial liabilities designated at fair value through profit or loss	10,837
Derivatives held for risk management	194
Financial liabilities at amortised cost	221,080
Trade and other payables	3,117
Total liabilities	235,228
Total equity and liabilities	274,847

The table below sets out summary key information extracted from the audited consolidated financial statements of Castle Trust for the period 1 October 2015 to 30 September 2016:

	30 September 2016 £'000
Assets	
Cash and cash equivalents	108,803
Term deposits	16,150
Loans to customers	
At amortised cost	244,840
Designated at fair value through profit or loss	88,021
Derivative financial instruments	
House price option	6,662
Derivatives held for risk management	970
Fair value adjustment for portfolio hedged risk	1,125
Trade and other receivables	3,394
Prepayments	199
Other receivables	2,426
Deferred tax asset	5,759
Property and equipment	163
Investment in subsidiaries	-
Intangible assets	645
Total assets	479,157
Liabilities	
Trade and other payables	2,426
Derivatives held for risk management	2,258
Fair value adjustment for portfolio hedged risk	101
Financial liabilities at amortised cost	410,614
Financial liabilities at fair value through profit or loss	27,210
Amounts due to related parties under inter-company swap arrangements	-
Total liabilities	442,609

		<p>Equity</p> <table border="1"> <tr> <td>Share capital</td> <td style="text-align: right;">6,478</td> </tr> <tr> <td>Share premium</td> <td style="text-align: right;">45,540</td> </tr> <tr> <td>Retained earnings</td> <td style="text-align: right;">(15,569)</td> </tr> <tr> <td>Non-controlling interests</td> <td style="text-align: right;">99</td> </tr> <tr> <td>Total equity</td> <td style="text-align: right;">36,548</td> </tr> </table> <p>Total equity and liabilities 479,157</p> <p>There has been no material adverse change in the prospects of Castle Trust since 30 September 2016. There has been no significant change in the financial or trading position of Castle Trust since 30 September 2016 apart from the change disclosed in the January 2017 Supplementary Prospectus.</p> <p>As at 30 September 2016, Castle Trust has made borrowings under the Borrower Loan Agreement in relation to subscriptions of £279,651,396 for Fortress Bonds.</p>	Share capital	6,478	Share premium	45,540	Retained earnings	(15,569)	Non-controlling interests	99	Total equity	36,548
Share capital	6,478											
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Total equity	36,548											
B.13	Recent events particular to Castle Trust and CTF which are materially relevant to the evaluation of Castle Trust's or CTF's solvency	Not applicable; there have been no recent events which are materially relevant to the evaluation of Castle Trust's or CTF's solvency.										
B.14	Dependency of Castle Trust and CTF on other entities within the group	<p>Castle Trust is a wholly-owned subsidiary of CTHJ which in turn is majority owned by J.C. Flowers Fund III, a subsidiary of the J.C. Flowers Group. Castle Trust has eleven direct or indirect subsidiaries: CTCM, the Issuer, CTF, CTT, CTIH, CTCN, CTS, CTPOS, OCFR, OCCF and OML.</p> <p>Castle Trust is not dependent upon other entities within the Group. CTF is a special purpose vehicle and is dependent on Castle Trust and CTCM for various functions.</p>										
B.15	Description of Castle Trust's and CTF's principal activities	<p>Castle Trust offers Mortgages to borrowers in respect of UK property, acts as the principal counterparty to the Borrower Loan Agreement and to investment products entered into by the Issuer and Castle Trust Growth Housa PC. CTF is a special purpose vehicle which purchases certain non-house price and tariff related cashflows in respect of equity loans, UK residential house price tracking mortgages or interest bearing mortgages advanced by Castle Trust and secured on UK property ("Mortgages") and lends the proceeds to Castle Trust under the facility agreement entered into on 3 July 2014 as amended on 29 June 2015 between CTF (as lender) and Castle Trust (as borrower) (the "Intra Group Loan Agreement").</p>										
B.16	Owner/ controller of Castle Trust and CTF	CTF is directly wholly owned and controlled by Castle Trust. CTF and Castle Trust are each indirectly ultimately owned and controlled by James Christopher Flowers.										
B.17	Ratings assigned to the Issuer or its debt securities or to Castle Trust	Not applicable: neither the Issuer nor Castle Trust is rated and Notes issued by the Issuer will not be rated.										
B.20	Special purpose vehicle; entity status	The Issuer was incorporated as a special purpose vehicle for the purpose of issuing the Notes, being securities backed by the facility agreement dated 3 July 2014 between the Issuer (as lender) and Castle Trust (as borrower), which was amended on 29 June 2015 to document CTF's accession to the										

		<p>facility agreement as an additional borrower, pursuant to which the Issuer makes advances to Castle Trust using the proceeds of issuance of each series of Notes (each, an "Advance") (the "Borrower Loan Agreement").</p>
<p>B.21</p>	<p>Description of principal activities and overview of parties to the programme</p>	<p>The Issuer's objective is to provide a return to Investors in each series of Notes (each a "Series") comprising interest on the interest payment date(s) (each an "Interest Payment Date") and/or on the maturity date (each a "Maturity Date") for the relevant Series.</p> <p>To generate the amounts necessary to pay interest on ("Interest"), and to pay the amount payable on the relevant Maturity Date (the "Final Redemption Amount") of, the Notes, the Issuer entered into the Borrower Loan Agreement with Castle Trust (in its capacity as the principal borrower, the "Principal Borrower") on 3 July 2014, which was amended on 29 June 2015 to document CTF's accession to the Borrower Loan Agreement (in its capacity as an additional borrower, the "Additional Borrower" and, together with the Principal Borrower, the "Borrowers") in connection with the purchase (and expected further purchases) from the Principal Borrower of a portfolio of Mortgage cashflows and consequential increases in the Additional Borrower's liabilities under the Borrower Loan Agreement. Under the Borrower Loan Agreement, the issue proceeds received by the Issuer for subscription for each Series (net of its costs) are advanced to Castle Trust. The Borrowers will pay interest on each Advance on (or immediately prior) to the Interest Payment Date(s) (if any) of the relevant Series and/or the Maturity Date of the relevant Series and will repay the principal amount of each Advance on the Maturity Date.</p> <p>The only business of the Issuer is the issue of Notes and the investment of the net proceeds in the Borrower Loan Agreement to generate the Interest and the Final Redemption Amount.</p> <p>Fortress Bonds (meaning a Fixed Rate Note or Floating Rate Note (as the case may be) that has been sold by Castle Trust or CTCM to an Investor) ("Fortress Bonds") are available for a minimum investment of £1,000 and provide returns for those who seek a competitive return on their capital or who wish to diversify their existing low risk investment portfolios. Fortress Bonds qualify for inclusion in SIPPs and ISAs.</p> <p>The Financial Services Compensation Scheme ("FSCS") can pay compensation to investors if an investment firm (such as Castle Trust) is unable to meet its financial obligations of up to £50,000 per eligible claimant (as opposed to bank deposits where the limit is £75,000). If an Investor has suffered a loss as a result of Castle Trust failing to meet its financial obligations (for example, if it failed to buy back Fortress Bonds because it had become insolvent) then the Investor would be able to seek compensation from the FSCS, provided the Investor is an eligible claimant.</p> <p>Castle Trust is a regulated investment firm operating in the UK. Castle Trust, which was incorporated in England in 2010, operates predominantly from its head office in London and had 99 permanent employees as at 30 September 2016. Castle Trust provides a range of mortgages, including equity loans, UK residential house price index tracking mortgages and interest bearing mortgages secured on UK property ("Mortgages").</p> <p>When providing Mortgages, Castle Trust targets that the property and interest exposure underlying the Mortgages matches that underlying Castle Trust's funding liabilities.</p> <p>Liquid assets: Castle Trust targets a minimum of 16% of the amount invested by an Investor, being the number of Notes purchased multiplied by the issue price for the relevant Series (the "Investment Amount"), (up to a maximum of the total subscription proceeds not issued as Mortgages) to be invested by Castle Trust into liquid assets with a maturity of less than two years. This is intended to ensure that Castle Trust has sufficient liquid reserves in order to fund the Interest and Final Redemption Amount payments due pursuant to</p>

		<p>the Borrower Loan Agreement. As at 30 September 2016, Castle Trust held £124,953,000 of liquid assets. Castle Trust uses the advances under the Borrower Loan Agreement to fund its Mortgage business.</p> <p>Castle Trust is the immediate parent of the Issuer.</p> <p>The Issuer has appointed CTCM as its calculation agent, nominee for holders of the Notes and marketing manager in respect of the Notes. CTCM is a sister company of the Issuer. The Issuer has appointed JTC (Jersey) Limited, who is unconnected to the Issuer, as registrar of the Notes. The Issuer has appointed JTC (Trustees) UK Limited, who is unconnected to the Issuer, as "Trustee" (which expression includes all persons for the time being trustee or trustees appointed under the trust deed dated on or after the date of this Base Prospectus (as amended or supplemented from time to time)) between the Issuer and the Trustee (the "Trust Deed").</p>																																																
B.22	Statement regarding lack of operations/ financial statements since incorporation	Not applicable. The Issuer commenced operations on 9 July 2014. The Issuer published audited financial statements for the period ended 30 September 2016.																																																
B.23	Historical key financial information regarding the issuer	<p>The table below sets out summary key information extracted from (i) the audited financial statements of the Issuer for the period 1 October 2014 to 30 September 2015, and (ii) the audited financial statements of the Issuer for the period 1 October 2015 to 30 September 2016:</p> <table border="1"> <thead> <tr> <th></th> <th>30 September 2016 Audited</th> <th>30 September 2015 Audited</th> </tr> <tr> <th></th> <th>£</th> <th>£</th> </tr> </thead> <tbody> <tr> <td>Assets</td> <td></td> <td></td> </tr> <tr> <td>Loans and receivables</td> <td>408,737,659</td> <td>221,539,603</td> </tr> <tr> <td>Trade and other receivables</td> <td>9,271,183</td> <td>1,459,650</td> </tr> <tr> <td>Total assets</td> <td>418,008,842</td> <td>222,999,253</td> </tr> <tr> <td>Equity</td> <td></td> <td></td> </tr> <tr> <td>Called up share capital</td> <td>50,000</td> <td>50,000</td> </tr> <tr> <td>Share premium</td> <td>450,000</td> <td>450,000</td> </tr> <tr> <td>Retained earnings</td> <td>-</td> <td>-</td> </tr> <tr> <td>Total equity</td> <td>500,000</td> <td>500,000</td> </tr> <tr> <td>Liabilities</td> <td></td> <td></td> </tr> <tr> <td>Financial liabilities at amortised cost</td> <td>408,737,659</td> <td>221,539,603</td> </tr> <tr> <td>Trade and other payables</td> <td>8,771,183</td> <td>959,650</td> </tr> <tr> <td>Total liabilities</td> <td>417,508,842</td> <td>222,499,253</td> </tr> <tr> <td>Total equity and liabilities</td> <td>418,008,842</td> <td>222,999,253</td> </tr> </tbody> </table> <p>As at the date of this document, there has been no significant change to the financial position of the Issuer during the period covered by the financial information above or since 30 September 2016.</p>		30 September 2016 Audited	30 September 2015 Audited		£	£	Assets			Loans and receivables	408,737,659	221,539,603	Trade and other receivables	9,271,183	1,459,650	Total assets	418,008,842	222,999,253	Equity			Called up share capital	50,000	50,000	Share premium	450,000	450,000	Retained earnings	-	-	Total equity	500,000	500,000	Liabilities			Financial liabilities at amortised cost	408,737,659	221,539,603	Trade and other payables	8,771,183	959,650	Total liabilities	417,508,842	222,499,253	Total equity and liabilities	418,008,842	222,999,253
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B.24	Material adverse changes	As of the date of this document there has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements for the period 1 October 2015 to 30 September 2016.																																																
B.25	Description of underlying assets	<p>The Borrower Loan Agreement</p> <p>The Issuer entered into the Borrower Loan Agreement with Castle Trust on 3 July 2014, which was amended on 29 June 2015 to document CTF's accession to the Borrower Loan Agreement as an additional borrower. Under the Borrower Loan Agreement the Issuer pays the amount raised from the issue of the Notes (less certain costs payable by the Issuer) to Castle Trust. In return, the Borrowers agree to pay to the Issuer an amount not less than the Interest and the Final Redemption Amount as the Notes mature.</p>																																																

		<p>The Borrower Loan Agreement has the characteristics that demonstrate capacity to produce the funds required to service the payments due and payable on the Notes. However, the Interest and Final Redemption Amount payable to the Investors is dependent on the Borrowers' ability to meet their payment obligations under the Borrower Loan Agreement and the relevant Advance. The Borrowers do not provide any security to the Issuer to meet their obligations under the Borrower Loan Agreement.</p> <p>CTF meets its obligations under the Borrower Loan Agreement to pay the Interest and the Final Redemption Amount by purchasing Mortgage cashflows from Castle Trust and using the income from these Mortgage cashflows to service its payment obligations. Payments due on these Mortgage cashflows are left outstanding pursuant to the Intra Group Loan Agreement with Castle Trust making funds available when CTF requires these to make payments pursuant to the Borrower Loan Agreement. Castle Trust meets its repayment obligations under the Borrower Loan Agreement to pay the Interest and the Final Redemption Amount by providing Mortgages secured on UK property and investing in liquid assets.</p> <p>Castle Trust's business</p> <p>Castle Trust's business model is based on the provision of loans to the owners and developers of UK residential property secured by a mortgage. Castle Trust generates its margins on Mortgages through the accrual and/or regular payment of interest or, instead of collecting interest, by participating (on the basis of a pre-defined formula) in any rise in the value of the property upon which its Mortgages are secured. In some cases Castle Trust's returns are based on the movements of an Index rather than upon the value of the individual mortgaged property. Castle Trust Mortgages may, in some cases, include both house price linked and interest accruing features.</p> <p>Each Mortgage represents a portion (typically, between 10% and 50%) of the value of each individual property. These individual, granular exposures are pooled to achieve broad diversification. The element of exposure to house price movements which Castle Trust assumes through some of its Mortgages is offered to investors or counterparties who seek exposure to UK housing returns (including through Castle Trust's Housa investments). The element of exposure to UK interest rates which Castle Trust assumes through its Mortgages is offered to investors through the issue of Fortress Bonds.</p> <p>Liquid assets: Castle Trust targets a minimum of 16% of the Investment Amount paid by Investors for their Notes (up to a maximum of the total subscription proceeds not issued as Mortgages) to be invested by Castle Trust into assets such as cash at bank, senior bank debt, externally managed liquidity funds, securities issued by the UK government and other high quality liquid assets (all with a maturity of less than or equal to two years). This is intended to ensure that Castle Trust has sufficient liquid reserves in order to fund the Interest and Final Redemption Amount payments due pursuant to the Borrower Loan Agreement. Investors do not have any rights over the mortgages provided by Castle Trust nor the liquid assets it holds from time to time.</p>
B.26	Details of actively managed pool of assets	Not applicable; there is not an actively managed pool of assets backing the Notes.
B.27	Statement if further securities backed by same assets	There is not a separate identifiable pool of Mortgages backing each Advance under the Borrower Loan Agreement. Accordingly, the Issuer proposes to issue further Notes backed by the same assets, which will be announced to the market (including holders of the Notes) by the Issuer.
B.28	Transaction structure	All Notes are first issued to Castle Trust on their respective issue dates and are then admitted to trading on the regulated market of the ISE on the same

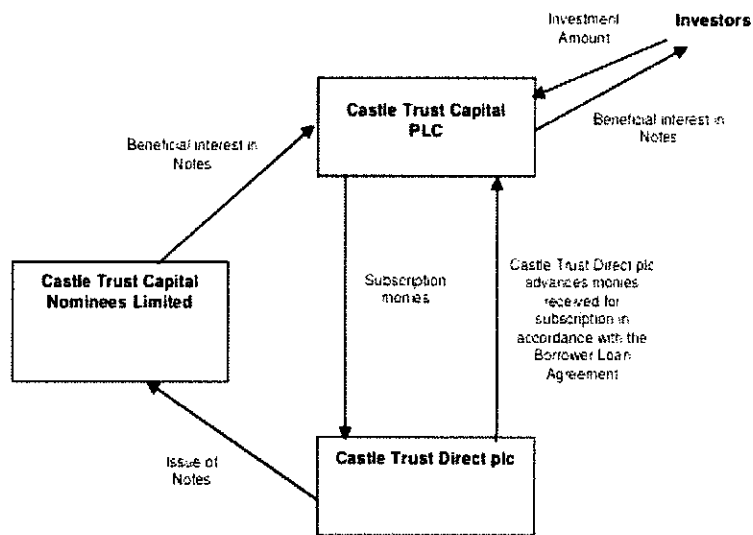
business day.

Castle Trust sells the Notes to investors who make valid applications during the offer period(s) for the relevant Series (the "Offer Period"). Castle Trust uses the sums received from Investors to discharge the outstanding inter-company loan created when the Notes are issued. Any Notes which are not sold during the Offer Period are redeemed. The Issuer advances all subscription monies for Notes (less certain fees payable to CTCM) to Castle Trust under the Borrower Loan Agreement. Castle Trust will pay interest to the Issuer on each Advance on (or immediately prior to) the Interest Payment Date(s) (if any) and/or the Maturity Date of the relevant Series.

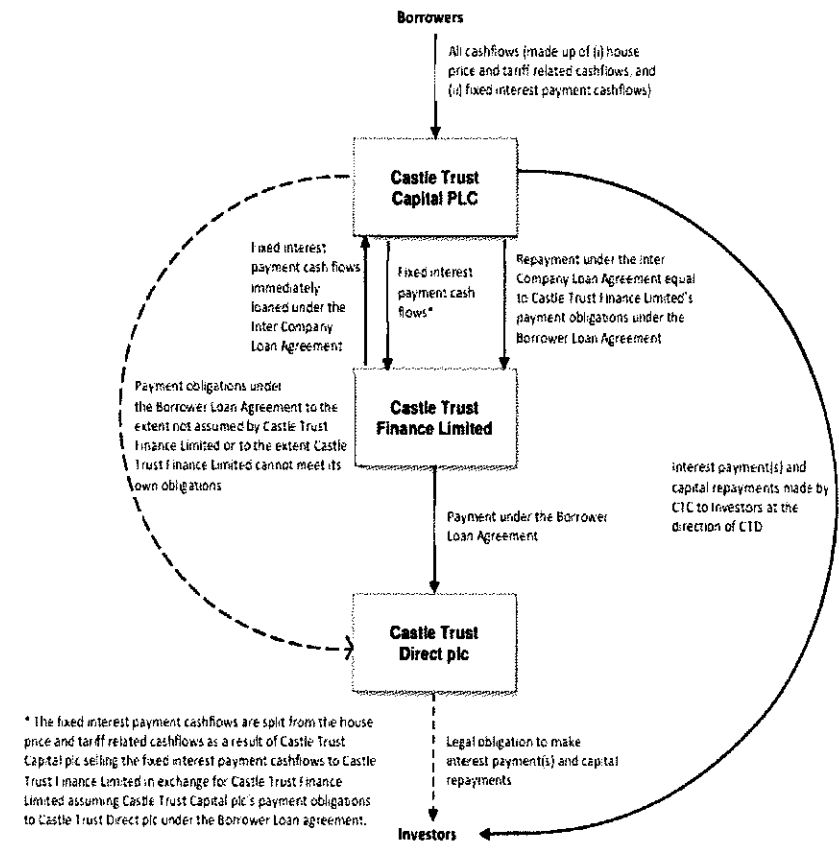
On the Maturity Date for each Series, the Advance made by the Issuer to Castle Trust in relation to that Series will mature and the Borrowers will pay the Issuer a sum not less than the Final Redemption Amount and any Interest due on the Maturity Date so that the Issuer may pay these sums to the relevant Investors and the Notes of such Series will be redeemed in full.

The terms and conditions under which Investors purchase Notes from Castle Trust contain an obligation on Castle Trust to buy back the Notes held by Investors. This states that Castle Trust agrees to purchase the Notes held by that Investor on the Maturity Date if they have not been redeemed by the Issuer (as intended) by 14.00 on that day for an amount equal to the Final Redemption Amount and any Interest due but unpaid on the Notes. The structure is illustrated in the following diagrams:

1 **Diagram of the Issue structure:**



2 Interest payment(s) and capital repayments to Investors:



B.29 Flow of funds

The Notes are issued to Castle Trust and the subscription amount is left outstanding on inter-company account.

Castle Trust sells the Notes to investors who make valid applications during the Offer Period. Castle Trust pays the sums received from the sale of the Notes to the Issuer to discharge the outstanding intercompany loan created when the Notes are issued to Castle Trust. Notes which are not sold to Investors during the Offer Period are redeemed.

The Issuer advances all subscription monies received from Castle Trust (less certain costs payable by the Issuer) to Castle Trust under the Borrower Loan Agreement. The Issuer offsets its liability to pay the subscription monies to Castle Trust under the Borrower Loan Agreement against Castle Trust's liability to satisfy the intercompany debt for the subscription amount for the Notes. This reduces the number of money flows required.

Interest is payable on the Notes at the times specified as Interest Payment Dates (if any), and/or the Maturity Date set out, in the applicable Final Terms. Interest is funded by the Borrowers' obligations under the Borrower Loan Agreement. Castle Trust targets a minimum of 16% of the Investment Amount paid by Investors for their Notes (up to a maximum of the total subscription proceeds not issued as Mortgages) to be invested by Castle Trust into liquid assets meaning Castle Trust should have sufficient liquid reserves in order to fund the Final Redemption Amount payments due.

Payment of the Final Redemption Amount shall be made by the Issuer to Investors within three Business Days of the Maturity Date or, if the repayment of the Advance under the Borrower Loan Agreement to which the Notes relate is delayed, within three Business Days of such later date on which the amount of each repayment is actually received by the Issuer in cleared monies.

B.30	Name/description of originators of securitised assets	The only assets of the Issuer are the Borrowers' obligations under the Borrower Loan Agreement. Castle Trust is the principal borrower under the Borrower Loan Agreement and provides Mortgages to its customers. CTF is an additional borrower under the Borrower Loan Agreement and meets its payment obligations by purchasing Mortgage cashflows from Castle Trust. The business address of Castle Trust and CTF is: Tower 42, 25 Old Broad Street, London EC2N 1HQ.
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Section C – Securities		
C.1	Type and class of securities	<p>Series: 3 Year (Income) May 2017 Notes</p> <p>Series Number: 238</p> <p>Aggregate Nominal Amount of the Series: £20,000,000</p> <p>Registered Notes: Global Certificate exchangeable for Individual Certificate only upon request to hold legal title to Notes</p> <p>ISIN Code: GB00BD6FKN25</p> <p>Offer Period: 28 April 2017 – 31 May 2017</p> <p>Maturity Date: 1 June 2020</p>
C.2	Currency of securities	Sterling
C.5	Restrictions on free transferability of securities	<p>In relation to the United States, Notes are sold and offered outside the United States to non-U.S. persons in reliance on the exemption from registration provided by Regulation S under the United States Securities Act of 1933, as amended. Selling restrictions also apply to offers, sales or transfers of the Notes under the applicable laws in various other jurisdictions.</p> <p>The minimum denomination of each Note will be £1.00.</p> <p>Subject to the above, the Notes will be freely transferable.</p>
C.8	Rights attached to securities including ranking and limitations on those rights	<p>Ranking</p> <p>The Notes are direct, unconditional, senior, unsubordinated and unsecured obligations of the Issuer that rank <i>pari passu</i> among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured, unsubordinated obligations of the Issuer.</p> <p>Negative pledge</p> <p>The Notes do not have the benefit of a negative pledge.</p> <p>Withholding tax</p> <p>All payments of principal and interest in respect of the Notes are made free and clear of withholding taxes of the United Kingdom, unless the withholding is required by law.</p> <p>In the event that any such deduction is required, neither the Issuer nor, as the case may be, Castle Trust will be required to pay any additional amounts to cover the amounts so deducted.</p> <p>Events of Default</p> <p>The Notes do not have the benefit of events of default.</p>

		<p>Meetings and modification</p> <p>Meetings of Noteholders may be called by the Issuer or by Noteholders to consider matters relating to the Notes, including the modification of the Note Conditions. The Note Conditions may be modified by a resolution passed by at least three quarters of the votes cast at such a meeting. Any modification so approved will be binding on all Noteholders.</p> <p>The Trustee may modify or amend the Note Conditions without the consent of Noteholders if, in its opinion, such amendment is to correct a manifest error; of a formal, minor or technical nature; or is not materially prejudicial to the interests of the Noteholders.</p> <p>Notices</p> <p>Notices shall be sent to Noteholders at their address on the Register, and shall be deemed to have been given on the fourth weekday after the date of sending.</p> <p>Governing law</p> <p>English law.</p> <p>Enforcement of Notes in Global Form</p> <p>In the case of Notes held in the form of a Global Certificate, individual Investors' rights against the Issuer will be governed by a Trust Deed dated 3 July 2014 (as amended from time to time), a copy of which will be available for inspection at the registered office of the Issuer or the Trustee.</p>
C.9	Interest/ Redemption	<p>Rate of Interest: 2.2583% per annum payable quarterly (as such rate may be increased by the Issuer (if at all and at its absolute discretion) during the Offer Period and notified to Noteholders prior to the end of such period) in arrear</p> <p>Interest Payment Date(s): Last calendar day of August, November, February and May in each year up to and including 31 May 2020</p> <p>Fixed Coupon Amount(s): £5.6509 per Calculation Amount (as such rate may be increased by the Issuer (if at all and at its absolute discretion) during the Offer Period and notified to Noteholders prior to the end of such period)</p> <p>Floating Rate Notes are not being issued pursuant to these Final Terms</p> <p>Return on redemption at maturity</p> <p>Final Redemption Amount: Unless previously redeemed and cancelled, each Note will be redeemed at its Final Redemption Amount of 100 per cent.</p> <p>Redemption of Castle Trust-held Notes at the option of the Issuer</p> <p>Redemption at the option of the Issuer: the Issuer may redeem all of the Notes in which Castle Trust has an interest: (i) (save for such Notes which Castle Trust indicates it will transfer to Investors subject to receipt of cleared funds) on the day before the Interest Commencement Date of: 1 June 2017 at the Final Redemption Amount of 100 per cent.; (ii) where Castle Trust has failed to discharge the inter-company debt owed to the Issuer in consequence of the initial subscription for the Notes by the end of the day falling four Business Days after the Interest Commencement Date of: 1 June 2017 at the Issue Price of: £1.00; and (iii) at any time giving not less than 5 Business Days' notice to redeem at the Optional Redemption Amount of: 100 per cent.</p> <p>Optional redemption (early encashment): Not applicable.</p> <p>Yield: Based upon the Issue Price of 100% of the Aggregate Nominal Amount, at the Issue Date the anticipated yield of the Notes is 2.20% per annum.</p>

		Trustee for the Noteholders: JTC Trustees (UK) Limited which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed.
C.10	Derivative components:	Not applicable; there is no derivative component in the interest payments made in respect of Notes.
C.11	Status of trading on regulated market	The Issuer has applied for the Notes to be admitted to trading on the regulated market of the ISE which is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).
C.12	Minimum denomination of Issue	£1.00.

Section D – Risks

D.2	Key information on the key risks specific to the Issuer and Castle Trust	<p>The key risks specific to the Issuer are:</p> <ul style="list-style-type: none"> • the Issuer has no material assets save for the Borrowers' obligations under the Borrower Loan Agreement and therefore if the Borrowers fail to meet those obligations the Issuer will not be able to meet its obligations to Investors; and • the Issuer's only investments for each Series are in the relevant Advance under the Borrower Loan Agreement and there is no counterparty risk diversification. <p>The key risks specific to Castle Trust and CTF as the "Borrowers" are:</p> <ul style="list-style-type: none"> • Castle Trust and CTF are exposed to the risk of borrowers defaulting on their repayment obligations, and their overall financial performance depends to a certain extent on a number of macroeconomic factors outside the control of Castle Trust and CTF which impact on UK housing demand and mortgage lending, including political, financial and economic conditions. Factors include gross domestic product growth, unemployment rates, consumer confidence, the availability and cost of credit, taxation, and regulatory changes. These factors could reduce the level of demand for Mortgages and adversely impact the ability of borrowers to satisfy their repayment obligations; • Mortgages that have been originated by Castle Trust are unlikely to be easily sold by Castle Trust. If the period of time for which borrowers hold Mortgages is longer than usual for the UK mortgage market, Castle Trust and CTF may be unable to meet their obligations under the Borrower Loan Agreement because insufficient Mortgages have been repaid; • Castle Trust operates in a regulated environment. Non-compliance by Castle Trust with applicable laws, regulations and codes relevant to the financial services industry would lead to fines, public reprimands, damage to reputation, increased prudential requirements, enforced suspension of operation or, in extreme cases, withdrawal of authorisation to operate; • Castle Trust's future success depends to a significant degree upon the continued contribution of its key personnel, its ability to recruit, train, retain and motivate personnel, and to ensure that employment contract terms are appropriate; and • Castle Trust is reliant on third party people, IT systems and architecture which are provided by and/or supported by third party vendors. A material systems failure could result in loss of key records, leading to financial loss and/or customer detriment.
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D.3	Key information on the key risks specific to the securities	<p>The key risks specific to the Notes are:</p> <ul style="list-style-type: none"> • Investors' capital is at risk. Investors may lose up to the entire value of their investment in the Notes as a result of the occurrence of: <ul style="list-style-type: none"> (a) the insolvency of the Issuer, CTF and/or Castle Trust; and (b) amounts payable being subject to deduction for tax and/or expense; • Investors will not be entitled to redeem any of their Notes prior to the Maturity Date. However, Investors may dispose of their Notes if a secondary market develops but there is no guarantee that such a market will develop (independently of Castle Trust) or whether it will be liquid or illiquid. The FSCS does not apply to Investors who acquire Notes on any such secondary market; • The Borrower Loan Agreement is unsecured and neither CTF nor Castle Trust provide collateral in respect of their obligations under the Borrower Loan Agreement. The Notes are therefore subject to the credit risk of CTF and Castle Trust; • In the event that Castle Trust has insufficient reserves to repurchase all Notes maturing, qualifying Investors' only recourse will be to seek compensation from the FSCS (under which, at the date of this document, they may seek to recover up to £50,000 of losses, provided they are an eligible claimant); and • Otherwise, in the event that both CTF and Castle Trust have insufficient reserves to pay to the Issuer the Final Redemption Amount for, and any Interest due on, the Notes as they mature, all affected Investors would rank as ordinary unsecured creditors of the Issuer to the extent that the Issuer has insufficient funds to pay in full the Final Redemption Amount and/or any Interest due on their Notes.
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Section E – Offer		
E.2b	Reasons for offer; use of proceeds	<p>The net proceeds from the issue of Notes are used by the Issuer to invest in the Advance for that Series under the Borrower Loan Agreement. This is in line with the investment objective to pay to Investors the Final Redemption Amount at the Maturity Date and to pay interest on the relevant Interest Payment Date(s) and/or the Maturity Date.</p> <p>Castle Trust uses the funds it receives from the Issuer under the Borrower Loan Agreement to lend Mortgages (with a target of a maximum of 84% of such funds received) and also to invest in liquid assets (with a target a minimum of 16% of such assets). Obligations under the Borrower Loan Agreement mean that Castle Trust must pay the Issuer an amount equal to the Final Redemption Amount as Notes mature and to pay interest on the relevant Interest Payment Date(s) and/or the Maturity Date.</p>

E.3	Description of terms and conditions of Offer	<p>Offer Period: 28 April 2017 – 31 May 2017</p> <p>Amount of any expenses and taxes specifically charged to the Investor: Not Applicable</p> <p>Names and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment: Castle Trust Capital plc, 10 Norwich Street, London EC4A 1BD. See Parts X and XIX of the Base Prospectus.</p>
E.4	Description of any Interests	<p>Save for certain fees payable to CTCM (equal to 2% per annum of Aggregate Nominal Amount of the Series) in connection with the issue of the Notes and the net amounts of the Notes advanced to Castle Trust under the Borrower Loan Agreement, no person involved in the issue of the Notes has an interest material to the offer.</p>
E.7	Estimated expenses charged to Investor	<p>Investors who invest directly with Castle Trust are not subject to an initial charge.</p> <p>No other charges are levied on Investors by the Issuer or CTF.</p> <p>Investors may be subject to third party charges from financial intermediaries or service providers in relation to the Fortress Bonds.</p>