

SUPPLEMENTARY PROSPECTUS

Castle Trust Direct plc

Incorporated with limited liability in England and Wales with registered number 9046984 and having its registered office at 10 Norwich Street, London EC4A 1BD.

£1,500,000,000 CASTLE TRUST DIRECT PROGRAMME FOR THE ISSUANCE OF NOTES

SUPPLEMENTARY PROSPECTUS

This Supplementary Prospectus constitutes a supplementary prospectus in accordance with section 87G of the Financial Services and Markets Act 2000, as amended (“**FSMA**”). This Supplementary Prospectus has been approved by the FCA, which is the United Kingdom competent authority for the purposes of the Prospectus Directive, as a supplementary prospectus issued in compliance with the Prospectus Directive.

This Supplementary Prospectus is supplemental to and must be read in conjunction with the base prospectus published by Castle Trust Direct plc (the “**Issuer**”) on 3 July 2014 (the “**Base Prospectus**”). You should read the whole of this Supplementary Prospectus and the Base Prospectus.

An investment in Notes issued pursuant to the programme under which the Issuer may issue loan notes up to a nominal value of £1,500,000,000 as described in the Base Prospectus (the “Programme”) involves certain risks. For a discussion of these, please see the Risk Factors set out in Part II of the Base Prospectus.

The date of this Supplementary Prospectus is 8 December 2014.

The Issuer accepts responsibility for the information contained in this Supplementary Prospectus and declares that, to the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Supplementary Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Castle Trust Capital plc (“**Castle Trust**”) accepts responsibility for the information contained in this Supplementary Prospectus relating to Castle Trust and declares that, to the best of the knowledge and belief of Castle Trust (having taken all reasonable care to ensure that such is the case), the information contained in this Supplementary Prospectus relating to Castle Trust is in accordance with the facts and contains no omission likely to affect its import.

In accordance with section 87Q(4)-(6) FSMA, prospective investors who, prior to the publication of this Supplementary Prospectus, have agreed to buy or subscribe for Notes pursuant to the Programme, have the right to withdraw their commitments. Such right shall expire at the end of the second working day after the date of this Supplementary Prospectus.

The distribution of this Supplementary Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, JTC Trustees (UK) Limited as the Trustee, Castle Trust and Castle Trust Capital Management Limited (“**CTCM**”) do not represent that this Supplementary Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, Castle Trust or CTCM which is intended to permit a public offering of any Notes or distribution of this Supplementary Prospectus in a jurisdiction where action for that purpose is required.

Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Supplementary Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Supplementary Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this

Supplementary Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Supplementary Prospectus and the offer or sale of Notes in the United States and the European Economic Area (including the United Kingdom) (see Part VIII of the Base Prospectus, "Subscription and Sale").

Neither this Supplementary Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, Castle Trust or CTCM to any person to subscribe for or to purchase any Notes to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction.

Supplementary Information

The purpose of this Supplementary Prospectus is to draw prospective and current investors' attention to the discontinuance of the Castle Trust Partnership Mortgage product and the introduction of a new "Flexible Zero" product and high value mortgage business line as described below. This last development may affect the prospects of the Issuer by positively supporting the obligations of Castle Trust to the Issuer under the Borrower Loan Agreement upon which the Issuer relies to make payments under the Notes (as described further below). The new information may be significant for the purposes of making an informed assessment of the kind mentioned in section 87A(2) FSMA. The following information should be considered in addition to the information set out in the Base Prospectus:

Castle Trust Capital plc – new business line

As described in the Base Prospectus, Castle Trust's strategy for growth includes the diversification of its Mortgages business through new lending segments. Castle Trust has developed a new high value mortgage business line. Castle Trust offers high net worth borrowers bespoke loans secured on UK residential property or land pertaining thereto - typically with a maximum duration of 5 years with repayments linked to interest rates. These loans can facilitate leverage on low yielding assets or where value creation is through a process of physical enhancement (such as renovation) or economic enhancement (such as lease extension). Where a transaction size exceeds Castle Trust's balance sheet limits, third party investors may participate in funding arrangements.

Part III of the Base Prospectus at paragraph 13 "Strategy for growth" on page 41 shall be amended to include the paragraph above after the 4th sub-paragraph.

The effect of this change to Castle Trust's Mortgage business is to improve its asset and liability matching by reducing average mortgage duration, and by introducing further Mortgages with repayments linked to interest rates which match Castle Trust's obligations under the Borrower Loan Agreement. The reason for the launch of this business line is that high value mortgages are expected to generate incremental fee income for Castle Trust- thereby further supporting its obligations under the Borrower Loan Agreement which the Issuer relies upon to make payments under the Notes.

Castle Trust Capital plc – mortgage business update

Castle Trust has withdrawn its Partnership Mortgage product for residential homeowners as from 21 November 2014. The Partnership Mortgage product comprises less than 20% of Mortgages and was growing less quickly and is more expensive to support than other mortgage products within its owner occupied and buy to let business lines.

As described in the Base Prospectus, Castle Trust's strategy for growth includes offering further innovative solutions for borrowers in the UK residential property market which are variations of its current mortgage product offering.

On 11 November 2014 Castle Trust launched a new "Flexible Zero Mortgage" product – a variant of the Index Profit Share Mortgage. A Flexible Zero Mortgage is a first or second charge mortgage, with a maximum duration of 10 years. Typically, the customer is limited to a maximum aggregate indebtedness of 80% LTV (including capitalised interest due under the Flexible Zero Mortgage) secured on the relevant property. Flexible Zero Mortgages are only provided to good credit quality customers, typically for the remortgage of residential property; generally no monthly payments are required. Instead at the end of the

mortgage term or on sale of the property, Castle Trust is entitled to receive repayment of its original principal together with a deferred interest payment. The product is only available to borrowers who qualify to seek exemption from the Consumer Credit Act (satisfying either buy to let, high net worth or business exemption tests) - versions of the Flexible Zero Mortgage product are therefore offered in both owner occupied and buy to let business lines.

Director and key management team update

Effective from 18 November 2014, Matthew Wyles, previously a Senior Adviser to the Castle Trust Board, was appointed a director of both Castle Trust and CTCM. He was appointed a director of the Issuer as from 25 September 2014.

In Part III of the Base Prospectus at paragraph 17 on page 44, the language relating to Matthew Wyles shall be moved from the “Key Management Team members” section to the “Directors of Castle Trust” section, and his title changed from “Senior Adviser to the Board” to “Retail Director”.

In Part XII of the Base Prospectus, paragraph 4 on page 147 shall be amended such that the Directors of the Issuer shall include Matthew Wyles, Executive Director, appointed to the board on 25 September 2014.

In Part XIV of the Base Prospectus, paragraph 5 on page 155 shall be amended by inserting the following language:

“Matthew Wyles, Retail Director, Date of birth: 25 August 1958

Directorships:

- Castle Trust Capital plc
- Castle Trust Capital Management Limited
- Castle Trust Income Housa plc
- Castle Trust Capital Nominees Limited
- Castle Trust Direct plc
- Rossi Wyles Associates Limited”

Reference to Matthew Wyles in paragraph 6 (Senior Management team of Castle Trust) on page 155 shall be deleted.

In Part XV of the Base Prospectus, paragraph 3 on page 161 shall be amended such that the Directors of the Castle Trust Capital Management Limited shall include Matthew Wyles, Executive Director, appointed to the board on 18 November 2014.

Save as disclosed in this Supplementary Prospectus no significant new factor, material mistake or inaccuracy or significant change relating to information included in the Base Prospectus has arisen since publication of the Base Prospectus on 3 July 2014.