



UNIVERSAL PRIVATE EQUITY LTD
PROOF THAT YOU DO NOT NEED
TRADITIONAL SECURED BANK FUNDING

THE UNIVERSAL PRIVATE EQUITY (UPE) BOND Invitation Document

APPLICATIONS FROM
30th September to 29th November 2017

Important Information

Disclaimer

This document (the “Invitation” or “Invitation Document”) constitutes an invitation to subscribe for Corporate Bonds (“UPE Bonds”) in Universal Private Equity Limited (the “Company”) on the terms and conditions set out in this invitation.

Before you subscribe for any UPE Bonds you should make sure that you fully understand the risks set out in this Invitation Document and establish whether the investment is suitable for you on the basis of all of the information contained in the Invitation Document. In the event that the Company becomes insolvent, you may lose some or all of your investment.

Your attention is particularly drawn to the “Risk Factors” which are set out on pages 13 and 14 of this invitation. Prospective investors should consider carefully whether an investment in UPE Bonds is suitable for them in the light of their personal circumstances. UPE Bonds are an unsecured debt of the Company and may not be suitable for all recipients of this Invitation. UPE Bonds are not transferable or negotiable on the capital markets and we do not intend to make any application for the UPE Bonds to be admitted to listing or trading on any market.

Investors should only subscribe for any UPE Bonds referred to in the Invitation based on the information published in this Invitation and the Instrument dated 30th September 2017 constituting the UPE Bonds of the Company (the “Instrument”), as set out on pages 18 to 21 of this Invitation Document and the terms and conditions set out on pages 15 to 16.

Investment in an unquoted security of this nature, being an illiquid investment, is speculative and therefore involves a degree of risk. It will not be possible to sell or realise the UPE Bonds or to obtain reliable information about the risks to which they are exposed. UPE Bonds are an unsecured debt of the Company and there is no certainty or guarantee that the Company will be able to repay them.

This Invitation is not a financial promotion for the purposes of Section 21 of the Financial Services and Markets Act 2000 (“FSMA”), and is issued by the Company which accepts responsibility for the information contained herein. This financial promotion is exclusively aimed at and being promoted to certain categories of investors, who are classified as exempt from the “FSMA” provisions. For the avoidance of any doubt

the Company is promoting the issue of UPE Bonds only to professional clients and or the limited class of persons listed in the FCA COBS Rule 4.7.7 (being (a.) Certified as a “high net worth investor”, (b.) Certified as a “sophisticated investor”, (c.) self-certified as a “sophisticated investor”, or (d.) Certified as a “restricted investor”).

For ease of reference, by completing the “Investor Categorisation Questionnaire” prior to having been supplied or otherwise given access to this Invitation Document, you have confirmed that you are a professional client or one of the category of persons referred to in the paragraph above and, as such, are permitted to receive this invitation Document and apply for UPE Bonds.

Applications should only be made on the basis of this Invitation Document and the Instrument.

Any individual who is in any doubt about the investment to which this Invitation relates should consult an authorised person specialising in advising on investments of this kind referred to in the Invitation.

This invitation does not constitute an offer of transferable securities to the public and, accordingly, this Invitation does not constitute a prospectus in which the Prospectus Rules of the Financial Conduct Authority apply. Therefore this Invitation and the Instrument have not been approved by the Financial Conduct Authority or any other regulatory body.

UPE Bonds are not protected from loss by the Financial Services Compensation Scheme (FSCS).

This Invitation Document does not constitute an offer to sell, or a solicitation or an offer to buy UPE Bonds in any jurisdiction in which such offer or solicitation is unlawful and, in particular, is not for distribution into the United States or Canada. UPE Bonds have not been and will not be registered under the applicable securities laws of the United States or Canada and may not be offered or sold within the United States or Canada or to any national, resident or citizen of the United States or Canada. The distribution of this Invitation Document in other jurisdictions may be restricted by law and therefore persons into whose possession this document comes, should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions.

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Welcome from our Managing Director

Our inspiration: I founded Universal Private Equity Ltd with an initial focus on providing entrepreneurial Property Investors with an alternative to traditional Bank secured financing.

My background and working life for the last 30 years has been in Banking, Finance and Property. When I first started personally property dealing over 26 years ago I encountered a problem, which a lot of people told me was a good problem to have. I found many really good opportunities to invest in property but did not always have the necessary funds to hand in order to complete the deals. This therefore led me to one of 3 choices. 1. To pass the deal onto another property investor for a fee (commonly known as flipping these days), 2, to locate some additional financing to do the deal or 3, to just ditch the deal and wait for another opportunity.

Now, sadly not much has changed in the UK Finance industry. There are still many developers and investors left by the wayside because for one reason or another they require very quick and efficient short term financing, but are unable to get the funds in place quickly enough to be able to do the deals. To obtain this type of short term financing from a traditional bank is a laborious task, which then leaves property dealers in the hands of short term "Bridging Companies" who in many cases offer the world to get property investors to apply and then subsequently fall short, leaving the investor under even more time pressure to try to raise the required finance. This is a situation which we strive to insulate our clients from with our short term secured funding.

Where this has led us

Since this company's creation we have been committed to providing a versatile yet profitable lending solution to Property Investors in the UK. We have managed to provide creative financing solutions to many customers through the utilisation of Private Backers, which has proved extremely effective.

However this being said we have also had to turn away many potential clients due to the lack of us having greater access to credit lines and private finance. This is primarily the reasoning for making our first UPE Bond issue. Once we raise our target sum, this will enable us to expand our short term lending to a greater number of clients, which will then allow us to substantially increase our profitability into the coming years.

This will also allow our investors to generate a good return on their capital at a time when banks are providing returns of close to zero percent, with the security and knowledge that their investment is secured upon tangible assets within the UK.

The UK Market Opportunity

We have experienced a phenomenal response, in terms of positive feedback, when we have conducted our feedback reviews from clients and from our applicants

who are attempting to raise funds very quickly, in order to purchase a property or to re-finance a property in order to add value to their own property businesses. We only deal with Property Investors who buy and sell property as their business. We do not provide facilities to owner occupiers or deal with "regulated" lending in any way. We either provide short term commercial funding at truly competitive rates of between 1% and 3% per month, depending on the proposal, for a 3 to 6 month term or we take an equity share in the property project so that we will earn a percentage of the profits once the property is sold.

By utilising our substantial combined expertise we select the proposals which are most profitable to fund (bearing in mind the limitations of our funding), and we will provide the funds in an expedient manner. Some we've completed within 24 hours from start to finish, which separates us from our competition.

The UPE Bond opportunity

We made a deliberate decision to fund the next stages of our growth in a way that allowed our loyal customers and the general public to share in our success. With a minimum investment of £25,000 in UPE Bonds, you will receive a fixed rate of return of between 4.7% and 6.05% depending on the term you choose and your interest can be paid monthly.

We will use the money you invest to fund the next chapter for Universal private Equity by:

- a) Expanding our lending to Individuals and SMEs
- b) Delivering SME products and servicing enhancements
- c) Developing our digital and technical infrastructure.

"I'm excited about the launch of our first bond and am thrilled that we can share this opportunity with you."



David Carmichael
Founder and Managing Director

With over 30 years of financial services experience, David has been an innovator in the secured creative financing arena. His vision is to transform UPE into the UK's leading short term secured lending provider.

Key Terms

We are pleased to present the UK public and our customers the opportunity to share in our success via the UPE Bond.

It's quite straightforward - you lend us money by making an investment of £25,000 or more (up to £2,000,000 per Investor), and we will pay you a minimum of 4.7% fixed gross interest per annum for a 3 year Bond up to a maximum of 6.05% fixed gross interest per annum for a 5 year Bond. Interest can be paid to you monthly, semi-annually or annually.

and you will receive your initial investment back (the "principal") when the UPE Bond matures after three, four or 5 years. Note well that on maturity of these UPE Corporate Bonds a full redemption will take place. This means that the original amount invested will be repaid without any charges or any other deductions.

- Investments of £100,000 or more up to £249,999 will yield an addition 0.25% per annum.
- Investments of £250,000 or more will yield an additional 0.35% per annum.
- Therefore the maximum yield will be 6.05% on a 5 year Bond if you invest £250,000 or more.

Key features of the UPE Bond are as follows:



Expected Returns

What returns can you look forward to

The diagram below outlines the gross returns you can expect for a selection of investment amounts expressed as an Annual Equivalent Rate which assumes that the UPE Bonds are held until maturity:

£25,000	£1,425	£32,125	£118.75 Per Month
£50,000	£2,850	£32,125	£237.50 Per Month
£125,000	£7,438	£162,188	£619.83 Per Month
£250,000	£15,125	£325,625	£1,260.41 Per Month
£1,000,000	£60,500	£1,302,500	£5,041.66 Per Month
Amount Invested	Total Annual Gross Return	Total gross return after a five year investment including the original investment amount	Monthly Income you will receive

Other key terms for you to take note of

1. **Non-transferable:** The UPE Bonds are not transferable.
2. **Unlisted:** We will make no application for the UPE Bonds to be admitted to listing or to trading on any market.
3. **Ranking/Subordination:** Any existing and future loans entered into by UPE Financial and/or its subsidiaries may benefit from security over UPE's assets however they will not take priority over UPE Bonds. This means that in the event of UPE becoming insolvent, these UPE bonds will be repaid in full before any other creditors. For more information please see the "UPE funding sources and ranking of UPE Bonds" paragraph on page 18.
4. **Prepayment:** The Company may choose (at its discretion) to repay all or part of the UPE Bonds at any time after the date falling 12 months after the Commencement Date and will pay any interest accrued up to the prepayment date without any additional premium.
5. **Tax:** Please note that UK taxation law requires Universal Private Equity Ltd to withhold tax at the basic rate of income tax (currently 20%) unless otherwise directed by HMRC. The withheld tax is creditable against your own tax on interest on the UPE Bond. Please see further details on page 23

Our Business

Universal Private Equity Ltd is a financial services company based in the City of London

Universal Private Equity Limited, or UPE (company number 09407134, Registered Office at City Point. 1 Ropemaker Street, London, EC2Y 9HT. Telephone No: 0207 1758999, Fax No: 0844 5875111, email address: mail@universalprivateequity.com

We are a privately owned business with our offices located within the famous financial district, (the square mile), of the City of London (specifically situated in Moorgate).

As a financial services firm, which operates throughout the whole of the United Kingdom and internationally, we provide a comprehensive range of niche financial services to Commercial Firms and High Net Worth Individuals. Our success is built around our determination to provide a tailored solution to every client that approaches us, and with this in mind we have been able to provide financial solutions to our clients, where a traditional bank or financial organisation has failed. Although we are not a bank, we have a depth of experience about how they operate.

The business model we operate is straightforward and has enabled us to not only compete against these traditional financial organisations, but to be able to fund projects that they cannot.

Our secured lending solutions cut out the usual barriers which Banks may put up and allows us to provide Finance Solutions much more expediently than other providers can, which is a key consideration when dealing with Property Investors

Universal Private Equity Ltd (Financial Prudence With Superb Performance)

UPE are experts in the provision of:

- VENTURE CAPITAL
- COMMERCIAL FINANCE
- FINANCIAL TRAINING
- OFFSHORE SERVICES
- AVIATION SERVICES
- INTERNATIONAL BANKING

We are launching this UPE Corporate Bond so that we can expand our offering in Secured Lending for property investors within the residential and commercial property arena.



Our Customers

Our business is rooted in serving the needs of individuals and SMEs who are disillusioned with dealing with traditional banks and financing organisations.

However, for the past 5 years, we've expanded our focus to include Individual Property Investors and SMEs who are looking for very quick and affordable solutions for obtaining secured financing by utilising residential and commercial property as collateral for the debt. Our typical customer is a driven and sophisticated property investor.

We've developed our underwriting process to make the whole process easy from application to completion and because of our flexible approach we manage to fund projects which the traditional banks and finance companies can't fund or won't fund.



We serve two key customer groups

A. Individuals

Who are security conscious, disillusioned with traditional banks or short on time and capital.

We meet and help customers every day who are just tired of the “that’s how it’s done” culture and how difficult it is to access a line of secured funding quickly and easily for projects that they see as “no brainers”.

Our typical customer is between 30-65 years old with an entrepreneurial flare. Tending to be a higher earner and part of a group of High Net Worth Individuals and Sophisticated Investors. They tend to require a quick and efficient service, which ordinarily the traditional funding organisations do not provide, along with the ability to utilise creative financing solutions in order to get their project to completion.

B. SMEs

Small to Medium Enterprises

We tend to deal with Companies/Firms with between 1-25 employees.

SMEs make up 99% of UK businesses and are the backbone of the economy, however a significant percentage of them are startups who, due to the lack of credit trading history, do not fit the risk profile of traditional banks. We believe in giving all businesses the best chance of success, so we primarily focus on the project which the business is looking to undertake. Once we determine that the security being offered is viable and that there is also a viable exit plan, so that any funding we provide will be repaid, we will do our best to provide the funding in an expedient manner and at a reasonable cost to the business.

Our Projected Capital Growth

Projected Capital on Balance Sheet (from retained earnings)

(Fiscal year end March)



We envisage the generation of strong profits and financial performance in the coming years which will be underpinned by our unique and flexible approach to creatively funding property transactions to individual Investors and SMEs.

More specifically, as a result of our collective experience in funding property investments in a more “creative” way we will be able to grow the business without hindrance. This is because we are tapping into the profitable niche of customers, which the traditional funding institutions like banks, are unable to deal with. We expect this level of growth without resorting to any further rounds of funding.

We strongly believe that there will be a very high growth in our customers’ use of our services and that this will be a testament to the desirability of our funding options. As their awareness of what our capabilities are continues to grow, we anticipate that this impressive growth rate will continue, as our reputation grows that we can be a better alternative to traditional funding models, when it comes to funding property transactions.



Finance & Risk Dept.

With a combined experience of more than 40 years in Accounting, Banking and Financial Risk Management, we monitor risk and ensure that Company stability is maintained.

How to Apply

UPE Bonds applications can be made online or by post using a paper application form starting from 30th September 2017 until close on 29th November 2017 at 11:59pm.

The minimum investment is £25,000, up to a maximum investment of £2,000,000 per investor, in multiples of £1000, on a first come first served basis.

To apply, just follow the simple instructions provided in the tables below.

More detailed information on how to apply for UPE Bonds is provided on the website. You can also telephone us on 020 71758999 between the hours of 9am to 5pm Monday to Friday.



ONLINE APPLICATION

Simply access the online application on the UPE Bond website www.universalprivateequity.com/upebond

Complete the onscreen instructions and submit your application. You must then make your payment by bank transfer or cheque.

All payment details required to pay by electronic transfer will be provided upon successful submission of your application.



POSTAL APPLICATION

The fastest way to obtain a paper application form is to go to the UPE Bond website: www.universalprivateequity.com

Fill in the small enquiry form and an Invitation Document and application form will be emailed to you. All you have to then do is print the form out, complete it and post it with a cheque to: Universal Private Equity Ltd, City Point, 1 Ropemaker Street, London, EC2Y 9HT.

. You can also request a form by calling 0207 1758999

Key features of the UPE Bond

UP TO

6.05%

Yearly Gross Fixed Interest Rate

12x

Interest paid each year

£2m

Maximum Investment per applicant

What We Plan to do With Your Investment

We are on a mission to expand our creative lending solutions to individuals and small businesses in the UK, to create a perfectly flexible lending approach.

As you read this document we want you to be secure in the knowledge that our future growth plans will be built on our substantial knowledge and experience in structuring creative secured lending to Individual Property Investors and SMEs

However our continued growth requires capital so we would want you to know that not only is the UPE Bond an investment which will give you the opportunity to share in our future growth, it will also provide you with a high rate of return on your money, which can be taken as a monthly income if you so wish. All of this combined with the fact that it will assist us in expanding our secured lending means that overall your investment is literally as safe as houses.

The money you invest will go towards three areas:

- A** Expanding secured funding to individuals and SMEs
- B** Delivering product and service enhancements
- C** Developing digital assets and technology infrastructure



Questions and Answers

Q. Why do you want the money?

Proceeds from the UPE Bond will enable us to expand creative lending to Individual Property Investors and SMEs in the UK. This will allow us to continue to fund projects which are secured on real estate, in our own unique way.

Q. Why don't you raise the money from a bank?

When it came to deciding how best to fund the next stages of our growth, we made a very deliberate decision to find a way of providing our customers and the general public a decent rate of return on an investment, whilst involving them more closely in the continuing growth of the business. This has led us to developing this safe and simple investment opportunity - the UPE Bond - which effectively cuts out the middlemen thus allowing us to provide investors with a high rate of return.

Q. Which entity will be using the funds raised?

The funds will be utilised by Universal Private Equity Ltd. City Point, 1 Ropemaker Street, London, EC2Y 9HT. Company Registration Number: 09407134. We may also market to Individuals and Businesses under different trading names as shall be determined from time to time.

Q. What amount (£) of UPE Bonds can I apply for?

The minimum amount of UPE Bonds for which you can apply is £25,000 in aggregate. You can apply for as many bonds as you wish, in increments of £1,000, up to a maximum of £2,000,000 per applicant.

Q. What amount is being raised?

We have a fundraising target of £5 million via the issue of UPE Bonds, which is conditional upon valid applications for not less than £1 million in aggregate of UPE Bonds being received by the Company. We have an upper limit of no more than £10 million.

Q. Who can invest in UPE Bonds?

Individuals who are over 18 and reside in the UK. Companies and Trusts which are resident in the UK can also apply. Note that in compliance of Money Laundering Regulations, if we are unable to electronically verify the Identity of an applicant, we may have to request copies of Identity documents and address verification documents. Individuals that apply have to fall into one of the categories of being 1. "A Sophisticated Investor, 2. "A High Net Worth Individual. In order to have received this Invitation Document you would have made a declaration that you fall under one of these categories. For clarity these categories have been defined on page 15.

Q. Are UPE Bonds suitable for SIPP's and/or ISAs?

Individual Investors should be aware that UPE Bonds are suitable for Self-Invested Personal Pension (SIPP) schemes, subject to the SIPP provider accepting the Bond and making the application on their behalf. You should speak to your SIPP provider if you wish to invest through a SIPP.

UPE Bonds are not suitable for Individual Savings Accounts (ISAs).

Q. Can I change my mind?

Yes, provided you do so within 14 days of your completed application form being received or being made online. If you contact us before then we will refund your online payment or your cheque. If you wish to cancel your application you should write to us at: City Point, 1 Ropemaker Street, London, EC2Y 9HT. After the 14 days has elapsed your application will be irrevocable and will only be terminated on maturity of the chosen Bond term

Q. Can I pay by instalments or top up on my holding of UPE Bonds?

Unfortunately, you will not be able to pay for your UPE Bonds in instalments, nor can they be topped up. We are unable to accept applications that are not accompanied by payment of the full amount of UPE Bonds applied for.

Q. What return do I receive on my investment and is this rate fixed?

UPE Bonds will yield a fixed return of between 4.7% and 6.05% (depending on which term you choose and how much you money you invest), gross per annum on your initial investment. Interest can be paid monthly, semi-annually or annually by electronic transfer into the account you nominate during the application process. The Company will be obliged to withhold tax at the UK basic rate (currently 20%) on all payments of interest (please see page 17 for further details). This effectively means that, for a UK basic rate tax payer, if you invest £25,000 in UPE Bonds, the interest that you will receive net over the four year initial fixed term of the Bond will be £2,250.

Q. How is the interest I receive calculated?

Interest will accrue at the prescribed rates and will be calculated as a gross fixed interest rate every day based on a 365 day year (or 366 days in a leap year) starting from the first day of the calendar month following the month in which the UPE Bonds were closed. Interest paid will be less any tax which the Company is required by law to deduct.

Q. Are UPE Bonds transferable?

No the UPE Bonds are not transferable and they cannot be sold or traded. The interest coupon and redemption payment are only payable to the original Bondholder.

Questions and Answers

Continued

Q. How will Universal Private Equity repay my Investment?

The Bonds will be repaid using retained earnings or additional Company financing. In the event that any gaps remain in the amount needed to repay the bonds, we have the option to reduce the amount of credit being extended to some of our customers, which would then free up more cash or to ultimately even liquidate company assets.

Q. How do I get my money out?

The Company will redeem the UPE Bonds held by you in full after 3, 4 or 5 years, depending on which bond issue you have chosen.

Please note that the Company may, at its discretion, repay all or part of the UPE Bonds together with any accrued interest at any time after 12 months from the Commencement Date. In such circumstances, Bondholders will receive their principal and any interest accrued up to the date of repayment, but will not receive any premium or further interest.

Q. Can I withdraw my money before the end of the initial term?

Unfortunately not. UPE Bonds are issued for a 3, 4 or 5 year term and are non transferable and non-refundable. However as referred to above, the Company may, at its discretion, repay all or part of the UPE Bonds together with any accrued interest at any time after 12 months from the Commencement Date.

Q. What happens if the UPE Bonds are oversubscribed?

The UPE Bonds will be issued on a first come, first served basis. In the event that the UPE Bonds are over subscribed, the Company reserves the absolute discretion as to whether to accept or reject your application for UPE Bonds in whole or in part (in multiples of £1000 subject to a minimum of £25,000 and up to a maximum of £2,000,000). Therefore the Company may accept or reject your application in whole or in respect of part only of the nominal amount of UPE Bonds applied for in your application (in which case the balance of the amount paid by you in respect of the UPE Bonds that were not issued to you would be repaid to you).

Q. Do I need to discuss the UPE Bond offer with a financial advisor?

You do not have to but we recommend that if there is any aspect of this invitation that you are unsure of that you seek the advice of an Independent financial adviser who is authorised by the FCA to conduct investment business and who specialises in advising on investment in shares and other securities, including unlisted securities..

Q. What happens if I die while I hold the UPE Bond?

Under these circumstances, the UPE Bonds would become part of your estate and title to them would be held by the executors or administrators of your estate. Your executors

or administrators would hold the UPE Bonds until their redemption or if the Company agreed in writing, the UPE Bonds may be redeemed and the cash value would then become part of your estate. If applicable the redemption process may take some time depending on the specific circumstances around your estate.

Q. Does holding a UPE Bond entitle me to shares in Universal Private Equity Ltd?

No. UPE Bonds are not convertible into shares and the Bondholder does not have any ownership interest in the Company. The UPE Bond is fundamentally a loan for a fixed period, paying a fixed rate of interest.

Q. Can I receive a paper version of the Application Form?

If you would like to receive a paper version of the Application Form, please continue to follow the instructions on the website www.universalprivateequity.com/upebond. At the end of the process you will be given the option to download the form. If for any reason you are unable to print a copy please contact us at 0207 1758999 (between the hours of 9 - 5 Monday to Friday or email us at: upegbonds@universalprivateequity.com).

Q. How do I participate?

You can apply online or by post. You can access the online application on our website. www.universalprivateequity/upebond. Note that the minimum Investment is £25,000 per person and the maximum is £2,000,000 per person.

In order to apply by post just follow the instructions when you access the website above as there will be an option for postal applications.

Q. How safe is my money?

Although this investment is not covered by the Financial Services Compensation Scheme (FSCS), as a “Sophisticated Investor” you can understand that the capital being raised is primarily being used to expand our secured lending solutions to Individuals and Small businesses. By definition then you will know that any funds provided by us to our customers in the form of loans are Asset Backed, secured on residential or commercial property and land, situated within the UK. This fact combined with the fact that our organisation is managed meticulously, means that any investment which you choose to make, will not only provide you with a secure high rate of return, which can be taken as a monthly income, it will also be secure as fundamentally it will be backed by the collateral of residential or commercial property or land located within the UK.

Risk Factors

In addition to the relevant information contained in this Invitation Document, your attention is drawn to the following specific factors which should be considered carefully in evaluating whether to make an investment in UPE Bonds. If you are in doubt about the contents of the document or the action that you should take, you are recommended to consult an Independent Financial Adviser who is authorised under the Financial Services and Markets Act 2000 who specialises in advising on investment in unlisted debt, shares or other securities.

The directors of the Company (the “Directors”) believe the following risks to be the most significant for potential investors. The risks listed do not necessarily comprise all those associated with an investment in UPE Bonds and are not intended to be presented in any order of priority.

In particular, the performance of Universal Private Equity may be affected by changes in legal, regulatory and tax requirements in the United Kingdom, as well as the overall global financial and economic conditions.

Although the Company sets out to mitigate the key risks to the business, there can be no absolute guarantee that the mitigating steps set out in the Risk Factors section will remove the risks to this business in their entirety (as demonstrated in the Financial Crisis in 2008, where even the biggest banks in the UK ended up in difficulties). With this in mind we have been meticulous to ensure that we are insulated from such risks in the future.

A. Risks relating to the Company's Business.

Interest rate risk

The Company is currently financed through a mixture of retained profits and equity capital. In the future the Company may at its discretion add bank financing to this. Should this be the case then the business could at some stage have exposure to interest rate fluctuations on any bank financing obtained, which would then have to be managed in conjunction with the Company's Bankers. We would inform you that this is currently not the case and that the Company has no plans to obtain Bank Financing into the future.

Liquidity risk

The Company is required to maintain sufficient liquidity in order to meet its obligations on a day to day basis. These obligations primarily consist of the payment of operating expenses and tax, the payment of dividends and of course the ability to fund new and existing loan commitments to our customers. The Company manages the financial risk of insufficient liquidity by ensuring that sufficient liquidity is available to meet foreseeable needs, buy utilising detailed cash flow analysis and forecasting. The Company cannot absolutely guarantee that it will always have sufficient liquidity to continue operations, however it has a strong record of operational financial management.

Credit risk

By the nature of its business the Company is exposed to credit risk on its lending portfolio. This means that an unexpected

Level of default on the projects it selects to fund could create a credit risk. This being said, it should be noted that any project the Company funds is secured on residential and/or commercial property situated in the United Kingdom. For any funding to take place the Company will always secure the funding with a substantial amount of collateral, taken in the form of Land or Real Property situated within the UK. We would usually only lend up to a maximum of 60% of the value of any land put up as security, which means that property values would have to nosedive massively before any funds which we allocate to a project are significantly at risk. To reduce this risk even further we monitor our portfolio of funding through a risk management process and we also ensure that we use appropriate underwriting and evaluation of all projects entered into.

Also it should be noted that the “credit” industry continues to be under regulatory scrutiny. The Company therefore continually plans for ways in which it can effectively operate under tougher regulatory regimes. The Company continues to do this on a regular basis in order to ensure that it mitigates, as much of these potential risks as it can.

Economic and political conditions

As a UK based financial services business, which primarily funds projects within the UK, the Company is particularly exposed to any economic downturn in the UK which affects its customers. We are aware that even in times of recession there are innate risks which could manifest, but we also understand that these times can also throw up opportunities for expansion.

So as a summary the Company is susceptible to the general economic climate and the spending patterns of its customers.

Legal and compliance risk

The financial services industry is the subject of a significant amount of complex law and regulation. Much of the law and regulation is also the subject of frequent amendment and significant changes are expected within a number of areas which could have a direct impact on UPE, including the second Payment Services Directive (PSD2) and the fourth Money Laundering Directive (4MLD). The full impact of such changes are not yet known but they could impose an additional administrative and financial burden on the Company or restrict the services it has to offer.

The Company could also be subject to conduct risk regulatory requirements. Conduct risk is the risk of unfair customer outcomes as a result of business strategies. The Company sees the mitigation of this risk as a normal day to day operation. It is entrenched within the Company ethos to fundamentally run the business well and to strive to achieve good customer satisfaction.

Risk Factors

Continued

Reliance on technology

The Company's operations are largely dependent on the efficient functioning of the marketing and applications process. Our websites are critical to achieving this. We also have to ensure that our customers have a wider accessibility to our process, on mobile devices. Therefore it is important that we maintain the availability of our websites and Internet traffic. As time progresses we are looking to introduce additional services where clients can access their loan accounts online. This can of course throw up additional issues, which the Company will have to mitigate from an IT perspective.

Reputational risks

The future success of the Company depends on its ability to maintain and enhance the image and reputation of its brand and of its existing products and services. The image and reputation of the Company could be impacted by various matters including litigation, liquidity constraints or complaints from customers. Such concerns could be harmful to the Company's image and reputation. Deterioration in the Company's brand equity could have a negative impact on its operating results, financial condition and prospects.

Business interruption

A major incident such as a terrorist attack or pandemic outbreak of illness, or an event which impacts upon the Company's mainframe systems, key central support functions of information technology systems, could affect the Company's ability to trade, which could lead to an adverse impact on the Company's financial performance.

Reliance on key personnel

The Company to a certain extent, is dependent on the contribution of certain key managers in the organisation. If any of them were no longer involved with the Company in the future, This would cause some disruption to the business, which could conceivably have a material impact upon the Company's financial performance.

Competition

There can be no guarantee that competitors, who are better funded, and who may bring superior products or services to the market could provide the services at a lower price, thus potentially putting a squeeze on the Company's margins.

B. Risks relating to UPE Bonds

Non-transferable (except upon death)

UPE Bonds are not transferable or negotiable on the capital markets and no application is to be made for UPE Bonds to be admitted to listing or to trading on any market. Accordingly you will be required to hold UPE Bonds until maturity and may not be able to realise the value of your capital from them any earlier.

Illiquid investment

Investment in an unquoted security of this nature, being an illiquid investment is fairly speculative, involving a degree of risk. It will not be possible to sell or realise UPE Bonds until maturity. UPE Bonds are an unsecured debt of the Company and there is no certainty or guarantee that the Company will be able to repay them.

Not protected by the Financial Services Compensation Scheme (FSCS)

Investors in UPE Bonds are not protected from loss by the Financial Services Compensation Scheme. UPE Bonds may not be suitable as an investment for all reviewers of this Invitation Document and the Instrument. Each potential applicant must determine the suitability of the investment in light of their own circumstances.

Tax advice

Investors should also take their own tax advice as to the consequences of owning UPE Bonds as well as receiving returns from them. No representation or warranty, express or implied is given to Bondholders as to the tax consequences of their acquiring, owning or disposing of any UPE Bonds and neither the Company nor the Directors will be responsible for any tax consequences for any such investor.

Interest rate risks

These UPE Bonds are 3, 4, and 5 year fixed term loan obligations, with a fixed interest rate coupon attached to them. Accordingly Bondholders will not benefit from any subsequent increases in market interest rates after the date of the issue of the UPE Bonds.

Third party loan obligations

The Company has repayment obligations to third party investors (i.e. its main shareholders and Directors) which could potentially be repayable prior to the expiry of the UPE Bonds.

All of the risk factors mentioned in this Document are not exhaustive and do not purport to be a complete explanation of all of the risks and significant considerations involved in investing in UPE Bonds.

Accordingly and as noted above, additional risks and uncertainties not presently known to the Directors, or that the Directors currently deem immaterial, may also have an adverse effect on the Company's business and prospects.

We recommend that each applicant ensure that they have sufficient knowledge and advice to make a meaningful evaluation of the UPE Bonds, the merits and risks of investing in the UPE Bonds and the information contained in this Invitation Document.

Any applicant should also ensure that they have sufficient financial resources and liquidity to bear all of the risks of an investment in UPE Bonds.

Terms & Conditions of UPE Bonds Application

This Invitation, your Application and/or your participation in the UPE Bond is conditional upon and subject to:

1. The Company having received Applications from potential investors to subscribe for UPE Bonds amounting to, in aggregate, no less than £1,000,000 (the "Subscription Threshold") by no later than 11:59pm on 29th November 2017 (the "Long Stop Date"), unless extended by the board of directors of the Company (the "Board") in its absolute discretion;
2. Your duly completed Application Form being submitted online or received in the post and your payment being made by bank transfer or cheque having been made in each case in cleared funds, in accordance with these terms and conditions; and
3. The Company having accepted your Application. You have the right to contact us to cancel your application within 14 days of receipt of your completed Application (the "cancellation period"). If you wish to cancel your application you should write to us at City Point, 1 Ropemaker Street, London, EC2Y 9HT and we will arrange for your payment to be refunded. After this date your application will be irrevocable and will follow the terms of the chosen Bond.

The Application Form is available to download from our website address at: www.universalprivateequity.com/upebond. If for any reason you are unable to print a copy of the form please contact Universal

Private Equity Limited on 0207 1758999 between the hours of 9am to 5pm on any UK business day.

The Company reserves the absolute discretion as to whether to accept your Application. Any allocations, if made, will be on a "first come, first served" basis. Applications must be in multiples of £1,000, with a minimum amount of £25,000 up to a maximum amount of £2,000,000 per Applicant.

Confirmations

By completing, printing (in the case of Application Forms downloaded online or posted to you), signing and returning your Application Form, together with payment by bank transfer, or cheque for the full amount of your Application, you will be making your Application on the terms and conditions contained in this Invitation and the Instrument. In particular, by making your Application, you will be deemed to acknowledge and confirm.

A) That you are not relying on any information given or any representations, warranties, agreements or undertakings (express or implied), written or oral, or statement made at any time by the Company or any company which is from time to time a member of the group other than as contained in this Invitation and the Instrument, and that accordingly, no member of the Group, its directors, officers, agents, employees or advisors or any person acting on behalf of them shall have any responsibility for any such information or representation.

B) You are not relying on the Company or any employee or agent of the Company to advise whether or not the UPE Bonds are a suitable investment for you;

C) that you are a company or undertaking incorporated and resident for corporation tax purposes in the UK or that you are an individual who is 18 years old or more and resident in the UK, at the date of submitting your Application Form. In the case of Applications in respect of UPE Bonds to be held by SIPPs (Self, Invested Pension Plans) only, a person referred to in this paragraph or a trust company or charity resident in the United Kingdom, and who is not prevented by law from applying or holding UPE Bonds, save in respect of SIPPs applications from joint applicants will not be accepted, nor will Applications from trusts or other organisations or persons, who do not provide an address in or reside in the United Kingdom or are under the age of 18 years old at the date of submitting their Application Form;

D) you are entitled to make your Application and to be issued with UPE Bonds in respect thereof under the laws of and rules of any governmental bodies located in any jurisdictions which apply to you.

E) that you are either a professional client (as defined in the FCA COBS Rules) or a person within the class of persons listed in the FCA COBS Rule 4.7.7 being either certified as a "high net worth investor" or being certified as a "sophisticated investor" or being self certified as a "sophisticated investor" or being certified as a "restricted investor". For ease of reference, by completing the "Investor Categorisation

Questionnaire" prior to having been supplied or otherwise given access to this Invitation Document, you have confirmed that you are one of the category of persons referred to here and as such, are permitted to receive this Invitation Document and apply for UPE Bonds. Applications will not be accepted from shell companies.

F) you are aware that it is up to you to seek advice from someone who specialises in advising on these types of investments.

G) you are not entitled to be paid any commission in relation to your Application.

H) you and funds under your management are not engaged in money laundering as defined in the Proceeds of Crime Act 2002.

I) You are making your Application on your own behalf and for no other person and

J) if you provide a cheque to cover your subscription for your UPE Bonds, this cheque will be honoured on first presentation.

Nothing in this Invitation, the Instrument or Application will restrict the Company's liability for fraud.

Terms & Conditions of UPE Bonds Application

CONTINUED

Money laundering

It is also a term of your Application that to ensure compliance with the Money Laundering Regulations 2007, the Company may in its absolute discretion, require verification and additional evidence confirming your identity. Pending the provision of evidence of identity, UPE Bonds applied for hereunder may not be issued at the absolute discretion of the Company.

If within a reasonable time after a request for verification of identity, satisfactory evidence has not been supplied, the Company may at its absolute discretion, reject your Application in which event the payment in respect of your Application will be refunded to you without interest and at your risk.

Application process and timetable

If, after carefully reading the Invitation and the Instrument, you wish to make an Application, please follow the instructions on page 12 of this invitation document.

For the avoidance of doubt, please note that third party cheques will not be accepted, save where the name, address, and date of birth of the applicant on whose account it has been drawn has been included.

Please note that the decision to accept or reject your Application in whole or part is the sole and unreserved discretion of the

Company. Therefore, the Company may accept your Application in respect of part only of the nominal amount of UPE Bonds applied for in your Application (in which case the balance of the amount paid by you in respect of the UPE Bonds which were not issued to you will be returned to you). Additionally the offer is limited and available on a “first come first served” basis and Applications must be received no later than the Long Stop Date.

The UPE Bond offer will close on the Long stop date (being 11:59pm 29th November 2017 unless extended by the Board at its absolute discretion). However the offer may be closed earlier if the Board so determines. Please note that the Bond issue will be closed when the total Bond applications reach £10,000,000, unless extended at the discretion of the Board. Cheques received in respect of Applications will be presented for payment immediately upon receipt.

We will inform you in writing if your Application has been successful within 10 working days of the Long Stop Date and in the event that your Application has been successful we will send you a certificate (“UPE Bonds Certificate”), at your risk by first class post, in respect of the UPE Bonds that have been issued to you.

If your Application is not successful or is only successful in respect of some of the UPE Bonds you applied for, or the subscription threshold is not achieved, the amount of your Application which was not successful will be refunded to you within 10 working days of the Long Stop Date without interest and at your risk

If you have any questions relating to the procedure for making an Application and completion of the Application Form, please contact us on 0207 1758999 between the hours of 9am to 5pm on any UK business day. For legal reasons, Universal Private Equity Ltd will only be able to provide information contained within this Invitation and will be unable to advise on the merits of the Invitation or as to whether you should make an Application or to provide any financial, legal, tax or investment advice.

Taxation

The comments below are of a general nature based on UK tax law and HM Revenue & Customs ("HMRC") practice as in effect at the date of this document and are subject to any change in such law or practice that may take effect after such date (possibly with retrospective effect).

The comments are not intended to be exhaustive. They do not necessarily apply where the income is deemed for tax purposes to be the income of any other person. They relate only to the position of the persons who are the absolute beneficial owners of their UPE Bonds and may not apply to certain classes of persons such as dealers or professional investors, or to other persons that do not fall into the categories of investor discussed below. Prospective acquirers of the UPE Bonds are advised to consult their own professional advisors concerning the tax consequences of the acquisition, ownership or redemption of the UPE Bonds and any benefits derived thereon.

1. Individual investors

The precise tax treatment of the Bondholder will depend on the Bondholder's individual circumstances and law and practice in force at the relevant time and may therefore be subject to change in the future

The Company will be obliged to withhold income tax at the basic rate (currently 20%) from payments of cash interest to Bondholders who are individuals and shall pay such amount to HMRC in cash on each Bondholder's behalf. Once done the cash interest payments will be free and clear of any other taxes, duties, assessments or governmental charges of whatsoever nature unless such deduction is required by law.

As an example, an individual who invests £50,000 in a UPE 5 year Bond is liable to have income tax deducted at source and should expect to receive the following return per annum.

Cash Interest (5.7% Gross) £2,850

Tax Withheld: £570

Net Interest Received: £2,280

Monthly Income: £190

The interest rate is expressed as the Annual Equivalent Rate.

The ultimate liability for tax for UPE Bondholders will depend upon the individual circumstances of each Bondholder at the relevant time and may be subject to change.

A Bondholder who is subject to UK income tax at a rate not exceeding the basic rate is not liable for additional income tax on interest earned from the Bond.

A Bondholder who is subject to UK income tax at higher rates of income tax exceeding the basic rate may be required to pay the additional tax after taking into account the tax withheld at source by the Company.

A Bondholder who is not normally subject to tax in the UK may be entitled to claim repayment of the tax withheld at the basic rate by the Company from HMRC.

No liability to UK capital gains tax should arise out of the issue of the UPE Bonds or their subsequent redemption.

A holding of UPE Bonds may form part of a Bondholders estate for inheritance tax purposes.

No UK stamp duty or stamp duty reserve tax will be payable on the issue of the UPE Bonds or their subsequent redemption.

The Company will provide the recipient of the interest payment with a statement shortly following the date on which each payment of interest and principal is made confirming the gross interest, tax deducted and net amounts.

2. Corporate investors and charities

Bondholders that are companies resident in the UK for corporation tax purposes should be eligible to receive payments of interest gross where the Company has evidence of the Bondholder's status, as there is no withholding tax obligation in such circumstances. Such corporate investors will have to pay tax on the interest received at the applicable corporation tax rate according to their profits and status.

Charities resident in the UK for tax purposes will also be eligible to receive interest gross where the Company has evidence of their status.

Please note that the tax treatment of the UPE bonds depends upon the individual circumstances of each Bondholder and we strongly recommend that all Applicants, in particular any applicants who are or may be liable to pay higher rate tax or who may be liable to pay tax in non-UK jurisdictions, consult an independent financial advisor as further tax may be payable in some cases.

The Bond Instrument

THIS INFORMATION IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. Before you subscribe for any UPE Bonds, you should make sure that you fully understand the Bond Instrument set out below, as well as the risks associated with investment in UPE Bonds. You should determine whether the investment is suitable for you. Specifically you should be aware that the UPE Bond is an unsecured debt at Universal Private Equity Ltd and in the event that Universal Private Equity Ltd becomes insolvent, you may lose some or all of your investment. If you are in any doubt about the action you should take, you are recommended to consult a professional financial advisor who specialises in advising on investment in unlisted debt, shares and other securities.

Form of bond instrument

This Agreement is made on 16th June 2017

By:

Universal Private Equity Ltd: (registered number 09407134) whose registered office is at City Point, 1 Ropemaker Street, London, EC2Y 9HT (the "Company").

Background

A) The bond issue is targeting investment of £5,000,000 but up to £10,000,000 of UPE Bonds may be constituted pursuant to this Instrument.

B) The proceeds of the UPE Bonds will rank in front of other lenders to the Company in the event of the insolvency of the Company.

C) This document, which is not a financial promotion for the purposes of Section 21 of the Financial Services and Markets Act 2000, is being issued by Universal Private Equity Ltd, which accepts full responsibility for the information contained herein.

1. Definitions and interpretation

The following words have these meanings in this Instrument unless a contrary intention appears:

"Aggregate Nominal Amount" means that aggregate principal amount of UPE Bonds outstanding and all accrued but unpaid interest from time to time.

"UPE Bonds" means that non-convertible and non transferable fixed rate bonds created by this Instrument, or as the context may require, any part of them for the time being issued and outstanding.

"Bondholder" means the person(s) from time to time entered into the Register as the holder(s) of UPE Bonds.

"Business Day" means a day other than a Saturday or Sunday on which banks are open for business in London.

"Certificate" means a certificate evidencing title to UPE Bonds issued by the Company.

"Commencement Date" means the first day of the calendar month following the Issue Date.

"Default Event" has the meaning given to that term in Clause 7.1.

"Directors" mean the board of directors of the Company from time to time.

"Instrument" means this Instrument

"Interest Rate" means 4.7%, 5.2% and 5.7% dependant upon amounts invested and which Bond issue you apply for i.e. 3, 4 or 5 year terms respectively, up to a maximum of 6.05%.

"Issue Date" means the day on which UPE Bonds are issued.

"Maturity Date" means the third, fourth or fifth anniversary of the Commencement Date. The only exception being if the Company at its absolute discretion redeems the Bond early in accordance with the terms of this Instrument.

"Recognised Investment Exchange" has the meaning ascribed to that term in section 285 of the Financial Services and Markets Act 2000.

"Register" means the kept register of Bondholders maintained by the Company.

"Registered Office" means the registered office of the Company from time to time.

1.2 In this Instrument unless contrary intention appears:

A) The singular includes the plural and vice versa and any gender includes the other gender

B) "Person" unless the context requires includes a natural person, a firm, partnership, a body corporate, an unincorporated association or body, a state or agency of state, trust or foundation (whether or not having a separate legal personality);

C) a "natural person" unless the context otherwise requires shall mean a human being as opposed to a judicial person created by law;

"A Document" means that document as amended, replaced or novated.

"A Statute or other law" means that statute or other law as amended or replaced, whether before or after the date of this Instrument and includes regulations and other instruments made under it;

"A Clause" is a reference to a clause in this Instrument.

"A Month" means a calendar month

"Includes" where the words including or includes is used it is to be taken to be followed by the words: "but not limited to or but is not limited to, as the case requires"

Where a period of time is expressed to be calculated from or after a specified date, that day is included in the period.

A reference to "date of redemption" or "repayment" or "redeemed" or "repaid" means the date on which all the outstanding principal and accrued interest on all the outstanding UPE Bonds is finally paid.

Headings are inserted for convenience and do not affect the interpretation of this Instrument.

The Bond Instrument

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2. Amount and Status of UPE Bonds

2.1 The maximum aggregate principal amount of UPE Bonds in this overall issue is limited to £10,000,000, subject to the terms of this Instrument.

2.2 The minimum aggregate principal amount of UPE Bonds that may be issued is £1,000,000 subject to the terms of this Instrument.

2.3 The minimum principal amount of UPE Bonds that may be issued to and registered in the name of a Bondholder shall be £25,000.

2.4 The maximum principal amount of UPE Bonds that may be issued to and registered in the name of a single Bondholder shall be £2,000,000.

2.5 UPE Bonds shall only be capable of being issued in multiples of £1,000 in nominal amounts.

2.6 The whole of UPE Bonds shall, when issued, rank *pari passu* equally and rateably without discrimination or preference and shall form one series.

2.7 The UPE Bond shall not be issued or registered in the names of more than one Bondholder per UPE Bond.

2.8 The UPE Bonds shall not be capable of being transferred by the Bondholder or by the Company and shall not be capable of being dealt in or negotiated on any stock exchange or other recognised Capital

Market in the United Kingdom or elsewhere and no application has been or will be made to any Recognised Investment Exchange or otherwise for the listing of, or for permission to deal in, UPE Bonds

3. Interest

3.1 Interest will accrue on the principal outstanding at the selected Interest Rate from day to day (save to the extent previously paid in accordance with this Instrument). Interest accrued up to, but excluding, each Interest Calculation date shall be payable (less any tax which the Company is required by law to deduct from it) in arrears of equal instalments within 10 Business Days after each Interest Calculation Date (in accordance with clause 6.1(b)).

3.2 Interest shall accrue from (and including) the Commencement Date.

3.3 Interest shall accrue from day to day on the basis of a 365 day year (or in the case of a leap year a 366 day year, and the actual number of days elapsed during the relevant period up to but not including the relevant Interest Calculation Date or other date on which interest is paid.

4. Redemption of UPE Bonds

4.1 UPE Bonds shall be repaid by the Company on the Maturity Date.

4.2 UPE Bonds will be repaid at par, together with any interest accrued up to and including the Maturity Date.

4.3 All of the UPE Bonds redeemed by the Company pursuant to the terms of this Instrument will be cancelled and will not be available for reissue.

5. Pre-payment

5.1 In addition to clause 4, at any time subsequent to the 12 month anniversary of the Commencement Date, the Company will be entitled to pre-pay any or all of the principal amount of UPE Bonds held by any or all Bondholders, together with all accrued interest in respect of the principal to be repaid up to the date of pre-payment.

6. Payments

6.1 All payments made in respect of the UPE Bonds by and on behalf of the Company shall be made:

- A) By bank transfer or cheque in favour of the Bondholder at the Bondholder's risk, to the address or bank account notified to the Company for such purpose in writing from time to time within 10 Business Days after such payment becoming due and
- B) In the case of interest, subject to the prevailing withholding tax at the basic rate of income tax (currently 20 per cent) imposed in the United Kingdom by HM Revenue & Customs but otherwise free and clear of without the deduction for any other taxes, duties, assessments, or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed unless such withholding

or deduction is required by law. In that event the Company shall make such further withholding or deduction and shall, where required, account to the relevant tax authority for such withholding or deduction. For the avoidance of doubt in such circumstances, the Company shall not be required to increase or gross-up any payment of principal or interest made hereunder.

6.2 The Company will make available online to each relevant Bondholder, within 10 Business Days after the payment of interest in accordance with clause 3.1, a statement showing:

- A) The gross amount of the payment
- B) The amount deducted
- C) The actual amount paid; and
- D) The date on which the payment was made.

Default Events

7.1 Notwithstanding Clause 4 and 5 and subject to clause 7.2, all outstanding UPE Bonds shall become immediately repayable, at the option of the Bondholder at par, together with all accrued but unpaid interest up to and including the date of redemption, on the happening of any of the following events (each a "Default Event"):

- A) Any default or event of default occurs in respect of any UPE Debt and the relevant lender in respect of that UPE Debt exercises any right arising as

The Bond Instrument

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a result of such default or event of default to require early repayment of such UPE Debt.

B) the Company fails to pay within 30 days of a due date any principal monies and/or interest in respect of any Bond held by the Bondholder (and where such principal and/or interest remains unpaid);

C) an order is made or an effective resolution passed for the winding up or liquidation of the Company (otherwise than for the purposes of or in the course of a solvent reorganisation, reconstruction or amalgamation; or

D) an encumbrancer has taken possession of or if a receiver, administrative receiver, liquidator, judicial factor or other similar officer is appointed to take possession of the whole or any material part of the property or undertaking of the Company and in any such case is not discharged or withdrawn or removed within 14 days of possession being taken or an appointment been made provided that at all times during such period the Company is contesting such possession or appointment in good faith and diligently; or

E) any administration order or any administration application has been made in respect of the Company; or

F) any procedure or step analogous to the events set out in Clause 7.1 is taken in any jurisdiction.

7.2 The Company will use reasonable endeavours to give notice to the

Bondholders of the occurrence of any Default Event within 10 Business Days upon becoming aware of the same. If any Bondholder shall waive in writing its right of repayment of the UPE Bonds outstanding at that time due to the Bondholder, the Bonds held by the Bondholder shall remain outstanding and will not have to be repaid as a result of that Default Event.

8. Non-Conversion

Neither the principal amount of the UPE Bonds nor any accrued interest thereon (as applicable) shall be capable of conversion into shares or other securities in the Company.

9. Certificates

9.1 The certificates will be in the form approved by the Company.

9.2 The Company will recognise the Bondholder entered in the Register as the absolute owner of the UPE Bonds. The Company is not bound to take notice or see to the execution of any trust whether express, implied or constructive to which any UPE Bonds may be subject.

9.3 If any of the Bondholder's UPE Bonds are due to be redeemed under any of the provisions of this instrument, the Bondholder shall deliver up to the Company (at its registered office or as the Company may direct, the Certificates for the UPE Bonds which are due to be redeemed in order that the same may be cancelled and upon such delivery, the Company shall pay the relevant redemption amount to the Bondholder.

9.4 If any of the UPE Bonds are liable to be redeemed under any of the provisions of this Instrument and, following a request by the Company, if any Bondholder fails to or refuses to deliver up the Certificates for such UPE Bonds at the time and place fixed for the redemption of the Bonds, then the Company may set aside the relevant amount due to the Bondholder, pay it into a separate interest bearing bank account which shall be held by the Company on trust for the Bondholder. Such setting aside shall be deemed, for all purposes of these conditions to be a payment to the Bondholder and the Company shall therefore be discharged from all obligations in connection with such UPE Bonds. If the Company shall place such amount on deposit at a bank, the Company shall not be responsible for the safe custody of such amount or for any interest accruing on such amount in such an account.

9.5 If any Certificate is lost, stolen or mutilated, defaced or destroyed, it may be replaced by the Company subject to all applicable laws, upon such indemnity and payment of expenses as the Directors may reasonably require.

10. Transfer

UPE Bonds are not transferable in whole or in part and neither the Company nor its Directors shall approve or arrange or participate in any transfer of UPE Bonds whether by registration or otherwise.

11. Transmission

11.1 Any person becoming entitled to UPE Bonds as a result of death or bankruptcy of a Bondholder or of any other event giving rise to the transmission of such UPE Bonds by operation of law may, upon producing such evidence as reasonably required by the Directors, be registered as the holder of such UPE Bonds.

A) In the case of death of a registered holder of UPE Bonds the only person recognised by the Company as having title to UPE Bonds are the executors or administrators of a deceased sole registered holder of UPE Bonds or such other person or persons as the Directors of the Company may reasonably determine and they will be entitled to require repayment of UPE Bonds at par on the UPE Bond's due date for repayment under the terms of this Instrument; and

B) The beneficiary of a deceased Bondholders who shall, subject to the Company having received an executed notice of redemption (in a form reasonably acceptable to the Company) by the executor or personal representative of the deceased Bondholder, be entitled to require repayment of the UPE Bonds at par on the UPE Bonds due date for repayment under the terms of this Instrument.

12. Register of UPE Bonds

12.1 The Company will at all times keep at its Registered Office, or at such other place as the Company may have appointed for the purpose a register showing:

The Bond Instrument

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A) The nominal amount of UPE Bonds held by the Bondholder.

B) the Certificate number of each UPE Bond issued;

C) the date of issue and all subsequent transmission of ownership.

D) the name and address of the Bondholder.

12.2 The Bondholder may at all reasonable times during office hours inspect his/her details entered in the Register and take copies of such details from the Register.

12.3 Any change in the name or address on the part of the Bondholder must be notified to the Company and the Company will ensure that the Register is amended accordingly.

13. Warranties and Undertakings

13.1 The Company undertakes to the Bondholder that:

A) It will perform and observe the obligations imposed on it by this Instrument; and

B) UPE Bonds are held subject to and with the benefit of the terms and conditions set out in this Instrument and are binding on the Company and the Bondholder and all persons claiming through or under them.

13.2 The Company warrants to the Bondholder on the date of this Instrument, and at all times while such Bondholder holds UPE Bonds that:

A) It has the power and authority to issue UPE Bonds and to exercise its rights and perform its obligations under the UPE Bonds.

B) it has the power and authority to enter into this Instrument and exercise its rights and perform its obligations under this Instrument;

C) it has taken all necessary corporate, shareholder and other action to authorise the execution, delivery and performance of this Instrument; and

D) it has been duly incorporated or constituted and is validly subsisting and is in good standing under the laws of England and Wales.

14. Notice

14.1 Any notice or other communication to be given under this Instrument must be in writing and will be served by delivering it personally or sending it by pre-paid post or by email (to the Bondholder only) to the address or email address, as applicable, and for the attention of the relevant party notified by that party, and that notice will be deemed to have been received if delivered personally, at the time of delivery or in the case of pre-paid post, 48 hours after the date of posting. In the case of email, on the

Business Day following the day in which it was transmitted.

14.2 If deemed receipt occurs before 9am on a Business Day the notice is deemed to have been received at 9am on that day and if deemed receipt occurs after 5pm, the notice is deemed to have been received at 9am on the next Business Day.

14.3 The addresses of the parties for the purposes of this Instrument are set out on the Register from time to time, and in the case of email addresses as advised by the Bondholder from time to time, or such other addresses or email addresses may be notified in writing from time to time by the relevant party to the other party.

14.4 For the avoidance of doubt, only the Company is permitted to serve a valid notice on a Bondholder by email.

15. Costs and Expenses

Each party shall pay its own costs, charges and expenses relating to the execution and implementation of this Instrument.

16. Third Party Rights

No party other than the Company and the Bondholders shall have any right to enforce any term of this Instrument under the Contract (Right of Third Parties Act 1999).

17. Governing Law and Jurisdiction

17.1 This Instrument and the issue of UPE Bonds is governed by and shall be construed in accordance with the laws of England and Wales.

17.2 Each party irrevocably submits to the exclusive jurisdiction of the courts of England and Wales as regards any claim, dispute or matter arising out of or in connection with this Instrument.

This document is entered into as a deed on the date first stated above.

Glossary, Definitions and References

Glossary

Application: An application to subscribe for a UPE Bond

UPE Bond/s or the Bonds: The Bonds to be issued by the Company pursuant to this Invitation Document and the Instrument.

UPE or Universal Private Equity Ltd: a company incorporated in England and Wales with registered number 09407134 and Registered Office: City Point, 1 Ropemaker Street, London, EC2Y 9HT

Annual Equivalent Rate: Interest calculated on the assumption that any interest paid is combined with the original balance

BoE: Bank of England

Bondholder: A registered holder of a UPE Bond.

CAGR: The compound annual growth rate and is the mean of the annual growth rate of a return over a specified period of time longer than one year.

COBS: Conduct of Business Sourcebook which is a set of conduct guidelines provided by the FCA

Company: Universal Private Equity Ltd, a company incorporated in England and Wales with registration number 09407134 with its Registered Office at City Point, 1 Ropemaker street, London, EC2Y 9HT

Directors or Board: The Directors of the Company

EBITDA profit: Earnings Before Interest, Tax, Depreciation and Amortisation. Earnings is the gross margin less overhead.

FCA: Financial Conduct Authority. A financial regulatory body in the United Kingdom.

Gross Interest: The annual rate of interest to be paid on an investment before taxes or other charges are deducted.

Gross Margin: The difference between revenue and cost of goods sold, divided by total revenue and expressed as a percentage.

Gross Return: The total return on an investment before taxes and/or other charges are deducted.

Instrument or Bond Instrument: The Instrument of UPE dated 30th September 2017 creating the UPE Bonds

Invitation or Invitation Document: Refers to this document which constitutes an invitation to subscribe for UPE Bonds.

Long Stop Date (Cut Off Date): The date by which valid applications for Bonds, together with payment in respect of the same, must be received by the Company. This date being 11:59 on 31st August 2017.

Principal: Your initial investment amount on which you will be earning interest.

SMEs (Small and medium sized enterprises): A business or company that has fewer than 250 employees.

Subordination: Within a hierarchy, placing in a lower rank or position for repayment claims.

Thank You

Thank you for your interest in the UPE Bond

Remember, the application cut-off date is 11:59 on the 29th November 2017

Apply at:

www.universalprivateequity.com/upebond

Key dates for application

30th

Starting date
30th September
2017

29th

Cut off date: 29th
November 2017 at
11:59pm