

Key Information Document

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

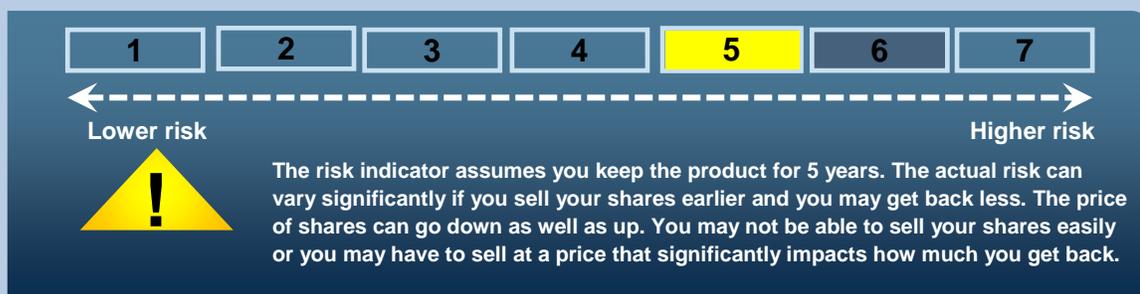
Product

PRIIP name and Unique Product Identifier:	PRIIP name: £70,000,000 Floating Rate Guaranteed Secured Bond Bonds due 2025 ISIN: XS0986853082
PRIIP manufacturer:	PHP Bond Finance plc
Contact number for PRIIP manufacturer:	020 7104 5599
Competent Authority:	Financial Conduct Authority/ The London Stock Exchange plc
Date:	The date of this Key Information Document is 31 December 2017

What is this product?

Type:	Floating interest rate bond ("Bond") listed on the London Stock Exchange plc, secured by first legal charges granted by PHP Healthcare Investments Limited, PHIP (Stourbridge) Limited, PHP Clinics Limited, PHP St. John's Limited and PHP (Project Finance) Limited ("Charging Subsidiaries") and guaranteed by Primary Health Properties PLC (ISIN:GB00BYRJ5J14) ("PHP").
Objective:	Providing a variable income stream at 2.20 per cent. above Sterling LIBOR from capital that will be repaid at par when the Bond matures, on 30 December 2025, unless PHP elects to redeem all of the Bonds on any interest payment date for the outstanding principal amount and an amount calculated by reference to the interpolated mid-swap rate in respect of the number of years to the maturity of the Bond, or the holders of the Bonds ("Bondholders") require redemption of the Bonds held by them at their outstanding principal amount plus interest in the event of a change of control of PHP.
Investor types	In making any decision to purchase the Bonds, and investor will be deemed to have such business and financial experience as is required to give it the capacity to protect its own interests in connection with the purchase of the Bonds and to have made its own investment decision regarding the Bonds based on their own knowledge, investigation and assessment of the manufacturer and guarantor and to have consulted its own independent advisers or otherwise have satisfied itself concerning, without limitation, accounting, regulatory, tax or other consequences in the light of its particular situation under the laws of all relevant jurisdictions generally.
Intended retail investor	An investment in the Bonds includes a significant degree of risk. The Bonds are only suitable for sale and purchase by market professional and institutional investors.

What are the risks and what could I get in return?



Risk indicator: The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 5 out of 7. This classification is based on the Company's investment strategy as well as the risks to investors such as loss of capital.

Certain key risks in relation to the Company include: 1) The Company has no business operation other than the issuance of the Bonds and on-lending of the proceeds to the Charging Subsidiaries; 2) The ability of the Company to fund payments in respect of the bonds is dependent on receipt by it of distributions from the Charging Subsidiaries and is therefore dependent on receipt by it of distributions from such subsidiaries; 3) PHP and its subsidiaries receive rental income as landlords of primary healthcare assets principally in the UK and a change in UK government policy and/or funding for primary healthcare could materially and adversely affect continued profitability; 4) Property market uncertainty in the event of the UK's exit from the European Union;. Further details of the risk factors associated with this investment are shown on pages 17 to 26 of the Prospectus issued on 13 December 2013 and which can be viewed on the National Storage Mechanism at

<http://tools.morningstar.co.uk/tsweu6nqxu/globaldocuments/document/documentHandler.ashx?DocumentId=60276523>

Performance scenarios: This table shows the money you could get back over the next 5 years, under different scenarios, assuming that you invest £200,000, being the lowest denomination of the Bonds. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past, and are not exact indicators. They assume you sell your shares at the end of the relevant period through a bank or stockbroker. What you will get will vary depending on how the market performs and how long you keep the investment/product. The stress scenario shows what you might get back in extreme market circumstances.

The figures shown include all the costs of the product itself (being, in this case, the shares), but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

Investment scenarios		1 year	5 years	8 years (Recommended holding period)
Stress scenario	What you might get back after costs	92.71%	90.07%	87.57%
	Average return each year	-7.29%	-2.07%	-1.64%
Unfavourable scenario	What you might get back after costs	96.78%	92.34%	90.05%
	Average return each year	-3.22%	-1.58%	-1.30%
Moderate scenario	What you might get back after costs	99.79%	98.86%	98.16%
	Average return each year	-0.21%	-0.23%	-0.23%
Favourable scenario	What you might get back after costs	102.80%	105.73%	106.82%
	Average return each year	2.80%	1.12%	0.83%

What happens if PHP Bond Finance is unable to pay out?

As a bondholder of the Company, you would not be able to make a claim to the Financial Services Compensation Scheme about the Company in the event that the Company were unable to pay any interest or to repay capital when the bond matures, or if it were unable to pay any amounts due to you on a winding-up. The Bonds are guaranteed by Primary Health Properties PLC ("PHP") and you would have a right under the terms of the trust deed dated 4 November 2013 between the Company, PHP, the Charging Subsidiaries and US Bank Trustees Limited (the "Trustee") to seek performance of the Company's obligations through the Trustee under the guarantee and/or to seek a sale of the assets of the Charging Subsidiaries to raise money to repay the principal and any accrued and unpaid interest on the Bonds.

In the event that having being called upon to do so, PHP does not fulfill the obligations of the Company in the event of default by the Company, or that the assets of the Charging Subsidiaries do not realise sufficient monies, you may lose all or substantially all of your capital. You would not be able to make a claim to the Financial Services Compensation Scheme about the Company in the event that the PHP were unable to pay any interest or to repay capital owed by the Company to you when the bond matures, or if it were unable to pay any amounts due to you on a winding-up.

If you sell your bonds on the London Stock Exchange, your bank or stockbroker will receive cash on delivery of your bonds and should pass that to you.

What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs. The amounts shown here are cumulative costs of the product itself, for three different holding periods. They include potential early exit penalties. The figures assume you invest £200,000. The figures are estimates and may change in the future.

Costs over time: The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

Investment: £200,000			
Scenarios	If you cash in after 1 year	If you cash in after 3 years	If you cash in at the end of the recommended holding period
Total costs	£0	£0	£0
Impact on return (RIY) per year	0%	0%	0%

Composition of costs: "Cashing-in" in this context refers to a sale of your shares on the market.

The table below shows:

- the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period;
- the meaning of the different cost categories.

This table shows the impact on return per year			
One-off costs¹	Entry Costs	0%	The impact of the costs you pay when entering your investment.
	Exit costs	0%	The impact of the costs of exiting your investment when it matures.
Ongoing costs²	Portfolio transaction costs	0%	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	0%	The impact of the costs that we take each year for managing your investment.
Incidental costs	Performance fees	N/A	There are no performance fees.
	Carried interests	N/A	There are no carried interests.

"Matures" in this context refers to a sale of your shares on the market.

How long should I hold it and can I take money out early?

Recommended holding period: 5 years

The Company's investments are designed to be long-term investments and the returns from them can be volatile during their life. With limited exceptions, a five-year investment term is the minimum period recommended by the Company.

The Bonds are capable of being traded and they can be sold to others subject to there being willing buyers in the market.

How can I complain?

If you have any complaints about the Company, or the person advising on or selling the Company's shares, you may lodge your complaint:

- you may log your complaint by contacting us via our website: www.phpgroup.co.uk
- you may send your complaint in writing to 5th Floor, Greener House, 66-68 Haymarket, London SW1Y 4RF

Other relevant information

We are required to provide the Trustee with certain information, such as the Company's latest annual and semi-annual reports and at the request of any bondholder to make these documents available at the Company's registered office.