

Summary of Terms and Conditions

Issue of £1,500,000 Unsecured Loanstock maturing in September 2016

Community Bond OFFER DOCUMENT

The Stock

You may inspect the legal documents which create the Stock and govern this Offer document during our normal business hours at our registered office.

Repayment

We will repay the Stock in full on the 30th September 2016, or beforehand at the end of the fixed term as specified on the application, and may repay all or part of the Stock at 90 days' notice. We may buy in Stock by a general offer, by individual negotiation, or at par if you die. You must surrender your Loanstock Certificate before we will pay you.

Transfer

You may transfer your Stock to another person in multiples of £100 and of not less than £1,000. This limit does not apply if you transfer your entire holding of Stock. The above transfer details must be notified in writing to Equfund (IPS) Limited within 21 days of the said transfer. There is no intention at present to list the Stock on any exchange.

Application

You may apply to buy Stock solely or jointly if you are an individual over the age of 18 years or are an organisation. You must subscribe a minimum of £1,000 or more in multiples of £100. The Offer will close and the Stock will be allocated at 12 pm on 30th September 2011 and not earlier. We will not present your cheque or draft before the closing date. The Stock will be issued not later than the 14th October 2011. We reserve the right not to accept your application, or to accept it in part. We will accept applications only on the terms and conditions set out in this document.

Payment

You may pay for your Stock by cheque or bank draft payable to Equfund (IPS) Limited which may be post-dated to 30th September 2011. Please write your name and address on the reverse of the cheque.

Loanstock Certificates

Your application will be acknowledged within 14 days. Not later than 14th October 2011, we will either send you a Loanstock Certificate for the full amount of your application, or a refund of any balance of your money with a Loanstock Certificate if your application is accepted in part, or a full refund, or return your cheque or bank draft, through the post at your own risk.

Interest

Interest shall be paid on the Stock at the annual rate specified on the Application Form.

Interest payment

The interest shall be calculated on the 30th September each year. Interest shall be credited to each Stock holder by the allotment of further Stock provided that no amount less than £1 shall be credited by way of Stock and in any such event the amount of interest not credited as further Stock shall stand as a debt of Equfund (IPS) Limited to the holder and be added to further interest payments. As an alternative, interest payment can be made via cheque or standing order.

Repayment on Default

The Loanstock will be repaid in full immediately, if Equfund (IPS) Limited:-

(1) is in breach of these conditions; or (2) is overdue on any payment by 21 days or more; or (3) passes a resolution for winding up or goes into liquidation or has an administrative receiver appointed over any of its assets or has an administrative order made against it or an effective instrument of dissolution is made by members of Equfund (IPS) Limited.

General

These conditions shall not give the Stock holder any rights to attend meetings or participate in any way in the management of Equfund (IPS) Limited. An Annual Review of the Business will be sent to all Stock holders when available. We do not sell or exchange mailing lists.

In these Terms and Conditions 'we' means Equfund (IPS) Limited. 'You' means the first named applicant on the attached form together with any joint applicants where the context so requires. This Offer is dated 19th August 2011.

The registered office address is detailed below.



*We believe in decent
affordable homes for all*

This document is issued by Equfund (IPS) Limited a society for the benefit of the community registered under the Industrial and Provident Societies Act 1965. The Society has limited liability. It is not permitted to take deposits and is not an investment institution authorised under the Financial Services and Markets Act 2000 ("the Act").

The Society is permitted to issue this communication pursuant to the exemption to Section 21(1) of the Act contained in paragraph 35 of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005. The Society is exempt from the requirement to issue an approved prospectus pursuant to Section 85 (S) of the Act pursuant to paragraph 11(2)(d) of Schedule 11 of the Act.

The Directors of the Society accept responsibility for the preparation of the document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained within this document is in accordance with the facts and the document makes no omission likely to affect the import of such information.

EQUFUND[®]
• Social Investments & Finance •

Please forward all stock and administrative enquiries to:
Equfund (IPS) Limited
Hammond House, North Road, West Kirby, CH48 4DE
Tel: 0151 625 0800 Fax: 0151 625 0801

Offer for subscription by Equfund (IPS) Limited
(Registered under the Industrial and
Provident Societies Act 1965 no: 29088R)
for £1,500,000 Unsecured Loanstock
(to be issued at par payable in full upon allocation)

Loanstock 2016 Application

Please use BLOCK CAPITALS

THE PROBLEM

Britain faces a "growing housing crisis", according to the Institute for Public Policy Research; which has predicted a shortfall of 750,000 homes by 2025. Whether the economy performs well or poorly, a serious gap is looming between housing supply and demand. Since 2007, conditions for those in housing need have greatly deteriorated; this is due primarily to the government's restricted funding for housing support and the financial restraints imposed by the banks on private landlords and new house builders. On the high street, the qualification requirements for mortgages have increased significantly, with lenders now demanding larger deposits, above average credit scores and unblemished credit histories from applicants; this stifles an already depressed housing market. In addition, many charities and other non-profit organisations, operating in the social housing sector, have been seriously affected by the general economic downturn, grant funding cuts and reductions in both corporate and individual charitable giving

GOVERNMENT RESPONSE

Fewer homes are now being built than during any peacetime period since 1924. The shortage of affordable and sustainable housing has been high on the political agenda for some time, yet no easy solution to this problem has been found. The previous government's ambition to build three million homes by 2020 was a measure of the scale of housing need and the challenge that still lies ahead. The present government has introduced a range of support and funding packages designed to boost house building; these include reforms to the planning system, the offer of 'free' land to developers and a 'New Homes Bonus' for local authorities. Their £500 million 'Kickstart' programme is hoping to generate an additional 5,000 of new homes by the end of 2012. However well intentioned, the current level of governmental assistance for housing, just isn't enough. If poor communities are going to have sufficient housing to meet demand, a new way has to be found for private investment to supplement the initiatives being implemented by the current 'cash strapped' government and its agencies.

OUR SOLUTION

We endorse any socially responsible investments that fill the void, left by government spending and bank lending cuts, to ensure that people from the most deprived areas of the UK can live in decent, affordable homes. We acknowledge that the provision of clean, warm and secure housing is vital to a community's welfare, but we are also conscious of the need for people to be actively involved in the decision-making and development process; as they often feel intentionally excluded by the authorities. Building communities to us is equally as important as putting roofs over heads, for this reason, we are channelling our resources to empower neighbourhood members to join together to solve their own specific local housing problems.



OUR PLAN

For over ten years we have been active in bringing empty properties back into habitable use to provide affordable homes for people in housing need. With the monies raised from this new Loanstock issue, we want to fund Community Self Build Affordable Housing Projects which will enable local groups to work together to either refurbish old properties or construct new homes in their neighbourhood; future occupiers will gain valuable skills and experience in how to build and maintain their home. In order to ensure that a buyer on a low income can afford to purchase their home, we will be offering a dual financing arrangement where they will be able to take out a low-rate mortgage, with a high street lender

of up to 75% of the purchase price, and an interest free, shared equity loan with ourselves for the remaining purchase balance over a five year term. In addition, we will attribute 10% of the property's value, as a deposit, to the buyer for contributing 500 hours of labour in building their home. If the buyer is unable to qualify for a mortgage at this time, we will allow them to tenant the property at an affordable rent until they can qualify for the required mortgage. We believe that financing projects in this way will resolve many, if not all, of the funding problems experienced by past initiatives.

OUR FUNDING

As a registered Industrial and Provident Society, we are able to raise money by issuing Loanstock. This is an ideal method for us to borrow money from socially aware investors whose expectations are of a social dividend rather than a financial gain; these range from public spirited individuals to companies, charities and other societies. Monies raised in this way will be used to fund the purchase of properties and cost of refurbishment works.

THIS OFFER

You can help us by investing in our Loanstock and choosing the level of interest you wish to receive; ranging from 0% to 5%. Obviously the less interest we have to pay, the more money we have to achieve our objects.

We will repay all of your money on the maturity date but cannot always guarantee an earlier repayment.

We hope that you will support this initiative and will be pleased to answer any questions you may have either by telephone or in writing.



Eqfund (IPS) Limited
Hammond House, North Road
West Kirby, Wirral CH48 4DE

I wish to subscribe

£

(minimum £1,000) ('I' includes 'we')

for Stock issued by Eqfund (IPS) Limited at par fully paid upon allocation subject to the Terms and Conditions of the Instrument creating the Stock and of the Terms and Conditions contained in the Offer Document.

I attach a cheque for the above amount in favour of Eqfund (IPS) Limited (We will not present your cheque before 30th September 2011).

I wish to receive the following annual rate of interest:-

0% 1% 2% 3% 4% 5%

and for this interest to be credited by:-

Stock allotment Cheque Standing Order

over this period of time:-

2 years 3 years 4 years 5 years

Please tick boxes ✓

Signed:

Date:

I/we give permission to Eqfund (IPS) Limited to use the information supplied in this application form to verify my/our identity to meet the Society's policy to prevent money laundering.

This application is in: one name joint names

FIRST STOCK HOLDER (joint holders complete section below)

Full name
.....

Title (Mr/Mrs/Ms/Miss or office eg 'The Treasurer')
.....

Organisation (if applicable)
.....

Address
.....

.....

..... Postcode:

Tel:.....

Please sign and return the completed application, together with your cheque to:

Eqfund (IPS) Limited
Hammond House, North Road, West Kirby, Wirral CH48 4DE

Second Joint Stock Holder

Full Name
.....

Title (Mr/Mrs/Ms/Miss/Office)
.....

Organisation
.....

Address
.....

.....

.....

Postcode:

Tel:

Third Joint Stock Holder

Full Name
.....

Title (Mr/Mrs/Ms/Miss/Office)
.....

Organisation
.....

Address
.....

.....

.....

Postcode:

Tel:

Professional Adviser's Details

Contact
.....

Title (Mr/Mrs/Ms/Miss/Office)
.....

Organisation
.....

Address
.....

.....

.....

Postcode:

Tel:

The Loanstock helpline telephone number is 0151 625 4549