

This document comprises a supplementary prospectus relating to Target Healthcare REIT Limited (the "Company") prepared in accordance with the prospectus rules and listing rules of the UK Listing Authority made under section 73A of the Financial Services and Markets Act 2000 (the "Supplementary Prospectus"). This document has been approved by the Financial Conduct Authority in accordance with section 85 of the Financial Services and Markets Act 2000. This document will be made available to the public in accordance with the Prospectus Rules by being made available at www.targethealthcarereit.co.uk.

This Supplementary Prospectus is supplemental to, and should be read in conjunction with, the prospectus published by the Company on 5 September 2014 relating to the initial placing, offer for subscription and placing programme of up to 100 million New Shares of no par value (the "Prospectus"). Except as expressly stated herein, or unless the context otherwise requires, the definitions used or referred to in the Prospectus also apply in this Supplementary Prospectus.

The Directors of the Company and the Company each accept responsibility for the information contained in this Supplementary Prospectus and the Prospectus. The Directors and the Company believe having taken all reasonable care to ensure that such is the case, the information contained in this Supplementary Prospectus and the Prospectus is, to the best of the knowledge of the Directors and the Company, in accordance with the facts and does not omit anything likely to affect the import of such information.

TARGET HEALTHCARE REIT LIMITED

(incorporated in Jersey, Channel Islands under the Companies (Jersey) Law, 1991 (as amended) with registered number 112287)

PLACING, OFFER FOR SUBSCRIPTION AND PLACING PROGRAMME

of up to 100 million New Shares of no par value

This Supplementary Prospectus and the Prospectus do not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. The distribution of this Supplementary Prospectus and the Prospectus and the offering of New Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this Supplementary Prospectus and/or the Prospectus comes are required to inform themselves about and to observe such restrictions. The New Shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or under any of the relevant securities laws of Canada, Australia or Japan. Accordingly, the New Shares may not (unless an exemption from such Act or such laws is available) be offered, sold or delivered, directly or indirectly, in or into the USA, Canada, Australia or Japan. The Company will not be registered under the United States Investment Company Act of 1940 (as amended) and investors will not be entitled to the benefits of such Act.

Dickson Minto W.S., which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is the sponsor to the Company. Dickson Minto W.S. is not acting for any other person in connection with the Issues. Apart from the responsibilities and liabilities, if any, which may be imposed on Dickson Minto W.S. by the Financial Services and Markets Act 2000 or the regulatory regime established thereunder, Dickson Minto W.S. will not be responsible to anyone other than the Company for providing the protections afforded to clients of Dickson Minto W.S. and is not advising any other person in relation to any transaction contemplated in or by this document.

Potential investors should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser before investing in the Company. Potential investors should also consider the risk factors relating to the Company set out in the Prospectus.

7 January 2015

Events arising since publication of the Prospectus

This Supplementary Prospectus is being published in relation to the Issues. This Supplementary Prospectus is a regulatory requirement under the Prospectus Rules following the publication of the Company's report and financial statements for the period ended 30 June 2014. This Supplementary Prospectus has been approved for publication by the Financial Conduct Authority.

Significant new factor

Report and financial statements for the period ended 30 June 2014

The Company has published its report and financial statements for the period ended 30 June 2014 (the "**Annual Report**") which also consolidate the results of its subsidiary undertakings, which are collectively referred to throughout such document as the "**Group**". By virtue of this document, the Annual Report is incorporated into, and forms part of, the Prospectus.

The Company's auditors, Ernst & Young LLP, Chartered Accountants and Statutory Auditors, Ten George Street, Edinburgh EH2 2DZ, have made an unqualified report of the Annual Report under Chapter 3 of Part 16 of the Companies Act 2006.

Supplements to the summary

As a result of the release of the Annual Report, the summary document which forms part of the Prospectus is hereby supplemented as follows:

B.7	Key financial information	<p>The key figures which summarise the Group's financial condition for the period from incorporation on 22 January 2013 to 30 June 2014 are set out below:</p> <p style="text-align: right;"><i>Period ended 30 June 2014</i></p> <p>Net asset value</p> <p>Net assets (£'000) 90,218</p> <p>Equity shareholders' funds (£'000) 90,218</p> <p>Net asset value per Share (p) 94.7</p> <p>Income</p> <p>Total income (£'000) 6,341</p> <p>Earnings per Share (p) 1.08</p> <p>Dividend per Share (p) 8.0</p> <p>There have been no significant changes in the financial condition and operating results of the Company during or subsequent to the period covered by the historical information set out above.</p>
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Historical financial information

Historical financial information relating to the Group on the matters referred to below is included in the Annual Report as set out in the table below and is expressly incorporated by reference into this document and the Prospectus. The documents incorporated by reference can be obtained from the Company's website, www.targethealthcarereit.co.uk. The non-incorporated parts of the Annual Report are either not relevant to investors or covered elsewhere in the Prospectus.

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Selected financial information

The information in this section is information regarding the Group that has been prepared by the Group and has been extracted directly from the historical financial information referred to in the above section. Selected audited historical financial information relating to the Group which summarises the financial condition of the Group for the period ended 30 June 2014 is set out in the following table:

	<i>Statutory accounts for the period ended 30 June 2014</i>
Net asset value	
Net assets (£'000)	90,218
Equity shareholders' funds (£'000)	90,218
Net asset value per Share (p)	94.7
Income	
Total income (£'000)	6,341
Earnings per Share (p)	1.08
Dividend per Share (p)	8.0
Portfolio summary	
Shareholders' funds (£'000)	90,218

Operating and financial review

A description of changes in the performance of the Group, both capital and revenue, and changes to the Group's portfolio of investments is set out in the sections headed "Chairman's Statement" and "Our Portfolio" in the Annual Report as follows:

<i>Nature of information</i>	<i>Statutory accounts for the period ended 30 June 2014</i> <i>Page No.</i>
Chairman's Statement	5-6
Our Portfolio	12-15

Significant change

Since 30 June 2014 (being the end of the last financial period of the Company for which financial information has been published) there has been no significant change in the financial or trading position of the Group.

Appointment of new broker

On 15 December 2014 the Board announced the appointment of Oriel Securities Limited ("**Oriel**") as sole corporate broker to the Company with immediate effect. It is expected that Oriel will also be appointed in due course to replace Winterflood Securities Limited as the Company's sole placing agent under the existing 12 month placing programme.

Documents available for inspection

Full copies of the Annual Report are available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW and at the registered office of the Company, Ordnance House, 31 Pier Road, St. Helier, Jersey JE4 8PW until 4 September 2015. Full copies of the Annual Report are also available on the Company's website (www.targethealthcarereit.co.uk).

Copies of this Supplementary Prospectus are available for inspection at <http://www.morningstar.co.uk/uk/NSM> and, until 4 September 2015, copies are available for collection, free of charge, from the offices of Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW and from the registered office of the Company, Ordnance House, 31 Pier Road, St. Helier, Jersey JE4 8PW. Copies of this Supplementary Prospectus are also available on the Company's website (www.targethealthcarereit.co.uk).

General

To the extent that there is any inconsistency between any statement in this document and any other statement in or incorporated by reference in the Prospectus, the statements in this document will prevail.

Save as disclosed in this Supplementary Prospectus, no other significant new factor, material mistake or inaccuracy relating to information included in the Prospectus has arisen or been noted, as the case may be, since the publication of the Prospectus.

7 January 2015