

Professional Adviser use only – not for use with clients



Product spotlight

Tempo Long Kick-Out Plan: August 2018

What is this plan?

This is a maximum 10 year term product linked to the UK stock market, which offers three options, all of which are designed to generate a fixed level of return on one of the kick-out anniversary dates from the 3rd year.

The potential return of the plan depends on the level of the UK stock market, represented by the FTSE 100 FDEW. We have designed the plan so that if the level of the FTSE 100 FDEW triggers a 'kick-out' on one of the kick-out anniversary dates, the plan will pay the accumulated returns for each year that it has run together with the money invested, and automatically mature at this point.

None of the options need the FTSE 100 FDEW to rise in order for the return to be paid. In addition, all of the options provide a defined level of protection at the end date, if it falls.

OPTION 1

If the FTSE 100 FDEW closes at or above 90% of the start level on one of the kick-out anniversary dates, between year 3 and year 10, the plan will generate a return of 7.3% for each year that the plan has run.

OPTION 2

If the FTSE 100 FDEW closes at or above a reducing percentage of the start level on one of the kick-out anniversary dates (set at 100% of the start level for year 3 and reducing by 5% each year to 65% of the start level on the end date), the plan will generate a return of 6.85% for each year that the plan has run.

OPTION 3

If the FTSE 100 FDEW closes at or above 100% of the start level on one of the kick-out anniversary dates, between year 3 and year 10, the plan will generate a return of 10.75% for each year that the plan has run.

What are the risks of the plan?

Both the potential kick-out returns of the plan and repaying the money invested are linked to the level of the UK stock market – and depend upon the financial stability of the Issuer and Counterparty Bank.

For all of the options, if the FTSE 100 FDEW is below the level needed on all of the kick-out anniversary dates and the end date, no return will be generated. In addition, repaying the money invested will depend on the level of the FTSE 100 FDEW on the end date:

If on the end date the FTSE 100 FDEW closes **at or above 60%** of the start level, money invested will be repaid in full (less any agreed adviser fees and withdrawals).

If on the end date the FTSE 100 FDEW closes more than **40% below** the start level, the amount of money repaid will be reduced by the amount that the FTSE 100 FDEW has fallen. For example, if the FTSE 100 FDEW has fallen by 45%, the repayment of money will be reduced by 45%.

As with most structured products, the plan also depends on the financial stability of the Issuer and Counterparty Bank. Both the potential returns of the plan and money invested are at risk if the Issuer and Counterparty Bank fail during the investment term.

STOCK MARKET RISK

ISSUER RISK

Who has this plan been designed for?

This plan has been designed for professionally advised investors, who are clients of authorised and regulated investment firms, investing as part of a diversified and balanced portfolio. Prospective investors will be interested in the potential to achieve a fixed level of return, that does not require the UK stock market to rise over the next 10 years, and will be able to leave their money invested for up to 10 years. **As with all forms of investment, there are risks involved. This plan does not guarantee to repay the money invested. The potential returns of the plan and repaying the money invested are linked to the level of the FTSE 100 FDEW and also depend on the financial stability of the Issuer and Counterparty Bank. Prospective investors should only consider this plan if they understand and accept the risk of losing some or all of any money invested.**

If you would like to find out more about this plan, please contact us...

Professional advisers should refer to the plan brochure and plan application pack, and other important documents, for full details of the plan, including its features and risks. We also provide professional adviser information packs, which include information regarding the identified target market for our plans; and details of the stress testing that we undertake, including the back-testing, forward-modelling and value-for-money assessments. If you would like to find out more about this plan, please contact us...