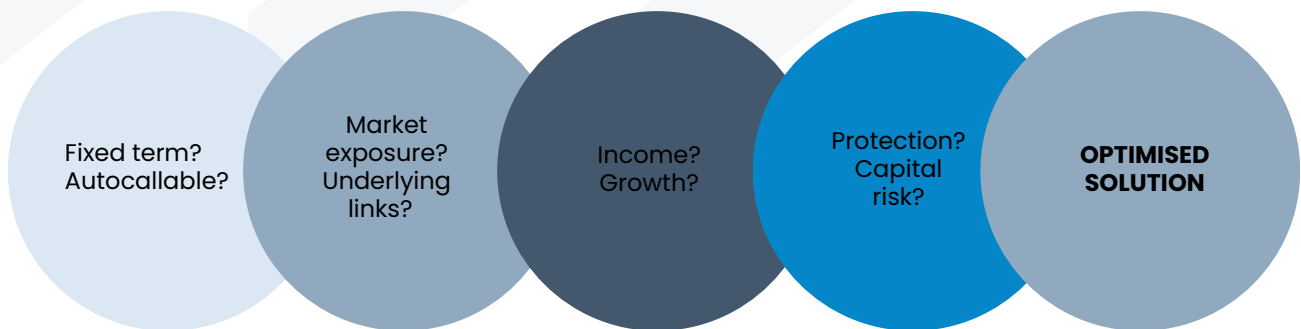




STRUCTURED PRODUCTS - YOUR FLEXIBLE FRIEND INVESTMENT DESIGN AND DISTRIBUTION

Perhaps the key strength of structured products is that they can be tailored to suit pretty much any investment objective and take account of any investment scenarios that might play out in the wider market. They can deliver growth when markets fall, income when interest rates are low and precise amounts of capital protection at times when it is required.

A structured product will have a defined objective – it may be for income, growth, capital protection or any combination thereof. As a fixed term investment, there will be a target date for that objective to be met. The returns offered for any structured product will be a reflection of the risk / reward strategy which in itself will be a reflection of the client's risk profile. A structured product can be created in a matter of hours so can snap up opportunities one day that may not exist the next. And no matter what the markets are like, investment opportunities will inevitably exist.



There are a number of long established, well proven structures which form the bulk of the structured product market. Some of which are straightforward participation products, delivering a percentage (often more than 100%) of the growth in an underlying stock market index, which can offer maximum capital protection and cash beating returns:

- Classic Autocalls which can deliver good growth and may return capital before the end of their fixed term
- Income products which can provide regular high-level coupons across a fixed term.

Using the component parts of a structured product it is possible to deliver an optimised and bespoke investment solution as and when it is needed. Innovation is crucial if the industry is to keep up with the ever-changing global market and of course to meet your client's differing wealth needs. For example, we now have "memory" investments which do not require all underlying links to achieve their predefined levels on the same date to trigger an early maturity. Or, when shares are used as performance links, products which manage the higher risk that shares may have on the final capital return - by using the comparatively less volatile performance of an index - to determine the risk to capital.

The last few years have seen the wide acceptance of structured products as a choice for many investors. An investment that was initially available only to wealthier and professional investors is now a staple in the advisor's toolbox. Structures have evolved to meet the ever-changing economic climate with funds of structured products being just one recent addition. And it is this flexibility which enables structured products to deliver returns in many different markets that is the key to their success. With a continuing commitment to disclosure, clarity and innovation, the structured product solution is one for all seasons.

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