



Stockmarket Investment with Capital Protection

When clients ask me to provide them with financial advice, I have to comply with the rules and regulations under the Financial Services Authority and complete a full assessment of their existing financial situation along with their objectives for the future and how to achieve these.

I asked a client of mine recently who had funds to invest what his objective was. He asked me to supply him with an investment which provides the maximum possible return with the minimum of risk. My reply to him was that if I knew the answer to that then I would not be sitting speaking to him; I would be lying on a beach somewhere sunning myself. I did however explain to him that there are several products from lots of providers and I would suggest that financial advice is sought before simply proceeding to invest "off the page".

We are all very much aware of the potential gains that can be made from investing in the Stockmarket long term, but we are also aware of the losses that can occur. Historically, direct Stockmarket investments over the long term have delivered high returns compared with other investments such as bank/building society accounts or bonds.

Most of these products are advertised as Capital Protected or Capital Structured Products. These products basically allow you to benefit from the growth in the UK Stockmarkets, Overseas Stockmarkets, a combination of the aforementioned or linked to four or five specific funds over a set period of time.

These plans are becoming more and more popular because they allow investors to have exposure to the potential growth in the Stockmarket/indices without the risks associated with this type of equity investment.

These types of plans are also suitable for ISA transfers and are therefore tax free. In practice, where clients have seen some decent growth since the 2001/2002 Stockmarket falls, they are now looking to secure the growth they have achieved and these types of products allow them to continue investing in the Stockmarket with the knowledge that their capital is protected at maturity.

These plans are designed for clients who can afford to tie up their money for a specific term, because access to the capital is not allowed, and who wants to benefit from long term growth potential of the Stockmarket with the knowledge that their capital is protected at maturity.

Potential investors who are aware that direct Stockmarket investments can deliver potentially high returns but do not wish to take the risk associated with it may therefore wish to consider utilising this type of plan. Due to the number of plans available to choose from you may wish to contact our Financial Services Department in order to review the up to date options available.

Our Financial Services Department can deal with all aspects of insurance, mortgage and investment business whether it be Life, Pensions, Unit Trusts, Investment Trusts and Inheritance Tax. We have advisers covering our branch offices at Stonehaven, Banchory, Ellon, Inverurie and the Property Shop in Aberdeen. The Department is run by Financial Advisers who have vast experience in this industry dealing with the insurance and investment market. Please therefore do not hesitate to get in contact with us should you require any information or advice on the aforementioned.



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This legal briefing is intended to provide the recipient with a brief outline of the main areas of law to which it applies. It is not to be regarded as an exhaustive overview of the area of law in question. Readers are advised not to apply or rely on any of the information contained therein without first seeking legal advice. Should you have any queries in relation to this briefing or would like clarification on any particular area covered please feel free to contact us.

Authorised and regulated by the Financial Services Authority.