



# Growthbuilder

An introduction

**This is for Professional Advisers only**

Issue: June 2010

## Why Growthbuilder?

- Growthbuilder is designed for those investors who have a more moderate view in terms of future FTSE performance
- Mitigates the issue of market timing offering six opportunities to lock-in gains
- Offers investors the chance to ring-fence growth on an interim basis, even if markets perform moderately
- Lock-in gains while still remaining exposed to future gains
- Capital repayment is not dependent upon FTSE 100 performance
- Tax efficient - Eligible for ISA investment inc transfers – Capital gains tax treatment outside of an ISA

## In a nutshell...

- A six-year investment offering a potential 39.6% return
- Locks in a 6.6% return for every annual anniversary that the FTSE 100 is at or above its starting level
- Capital is repaid in full at maturity, irrespective of market performance. However, capital is at risk if investors withdraw from the product before maturity
- In the event that the FTSE is below its starting level on an anniversary, no return will be locked in, but the possibility to lock in returns on future anniversaries will not be affected

# Growthbuilder Illustrated

<b>Year 1 Anniversary</b> Is the FTSE >= Initial Index Level	YES	6.6% return locked-in	= 6.6%					
	NO	No return						
<b>Year 2 Anniversary</b> Is the FTSE >= Initial Index Level	YES	6.6% return locked-in	= 6.6%	= 13.2%				
	NO	No return						
<b>Year 3 Anniversary</b> Is the FTSE >= Initial Index Level	YES	6.6% return locked-in	= 6.6%	= 13.2%	= 19.8%			
	NO	No return						
<b>Year 4 Anniversary</b> Is the FTSE >= Initial Index Level	YES	6.6% return locked-in	= 6.6%	= 13.2%	= 19.8%	= 26.4%		
	NO	No return						
<b>Year 5 Anniversary</b> Is the FTSE >= Initial Index Level	YES	6.6% return locked-in	= 6.6%	= 13.2%	= 19.8%	= 26.4%	= 33.0%	
	NO	No return						
<b>Year 6 Anniversary</b> Is the FTSE >= Initial Index Level	YES	6.6% return locked-in	Total return = sum of all locked in returns (max 39.6%)					
	NO	Repayment of capital						

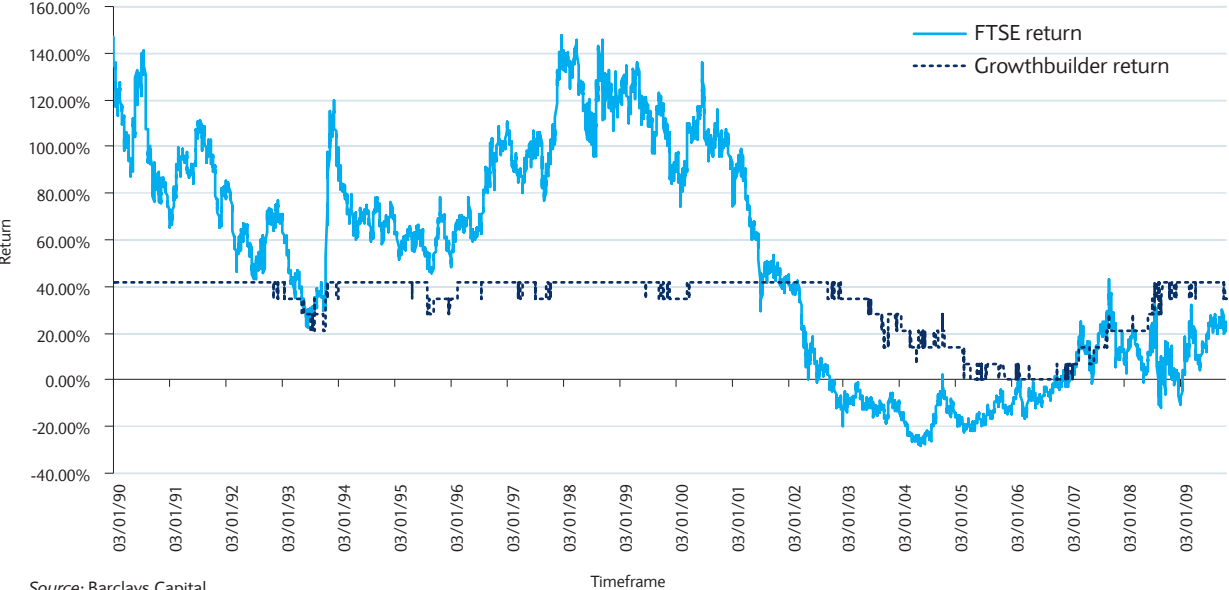
# What your clients could receive

Scenario	Starting level of the FTSE 100	FTSE 100 level at end of Year 1	FTSE 100 level at end of Year 2	FTSE 100 level at end of Year 3	FTSE 100 level at end of Year 4	FTSE 100 level at end of Year 5	FTSE 100 level at end of Year 6	Final Growthbuilder return
1	5400	5700	6000	6200	6000	5800	5500	39.6%
2		5700	6000	6200	6000	5700	5300	33.0%
3		5700	6000	6200	5700	5300	5000	26.4%
4		4800	5000	5200	5500	6000	6500	19.8%
5		4800	5000	5200	4700	5800	6500	13.2%
6		5700	5300	4800	4500	4200	5000	6.6%
7		5300	4800	4500	4200	5000	5200	0%

NB: The shaded areas represent the occasions where the 6.6% return would be locked in

# Growthbuilder's v FTSE 100<sup>1,2</sup> performance

Backtest of rolling returns on the Growthbuilder for payoff since 1990 against 6-year rolling returns on the FTSE 100



Source: Barclays Capital

1 Please note that the results of the backtest should be treated with caution for two reasons:  
It is not a guide to future performance.  
It assumes that the same product terms had been offered throughout the backtesting period. In reality product terms would vary according to market volatility and interest rates.

2 Index past performance is based on capital return only, no allowance is made for investment of dividends from companies that comprise the Index.  
We have assumed that the cash rate is 1.5% pa gross for instant access and 4.75% for a fixed term deposit. Basic rate of tax is assumed to remain at 20%. Higher rate of tax (HRT) is assumed to remain at 40%. High earner tax is assumed to be 40% until April 2010, then increased to 50%. CGT rate is assumed remain at 18%  
Equity risk premium is defined as the reward for the risk the investor runs over and above returns received from a risk free deposit.

## Key facts

- Open until 4 August 2010
- Initial strike date – 18 August 2010
- Final strike date – 18 August 2016
- Term – 6 years
- Index – FTSE 100
- £5,100 minimum investment
- Available for Direct Investment, Stocks & Shares ISA, SSAS, SIPP, Corporates and Charities
- Returns treated as capital gains - Up to £24,048 (ignoring inflation)
- IFA Commission - 3%
- Credit rating – AA- (source S&P)

## What to do next?

If you would like to find out more about using this product in your clients' portfolios, please:

- Call us on **0800 234 6023** to arrange to speak to one of our Business Development Managers or;
- Email us at [ifa@barclaysinvestors.com](mailto:ifa@barclaysinvestors.com)

To download this presentation and product literature please [visit our dedicated web page](#).

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