

# Income Product Plan I307

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Structured Investment  
Plan I307  
Dual Index Income Plan  
November 2017

Société Générale  
8 year investment term  
FTSE 100 and EuroSTOXX 50  
7.70% potential income per annum  
60% European capital protection barrier

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We have produced this Explanatory Guide to help you and your regulated financial adviser. We try to produce documents that are brief and easily understood by anyone, not lengthy, full of legal terms and jargon. This Explanatory Guide should be read and understood by both you the investor and your adviser, in conjunction with the whole product brochure and educational material on our website before investing.	8
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## Key Information Guide

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This Key Information Guide provides you with key information about this investment product. It is not marketing material. This information is provided to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

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# Some Questions You May Have

## Q: What is this investment?

**A:** This is an eight year structured investment, linked to the FTSE 100 and EuroSTOXX 50. The counterparty bank behind this is Société Générale.

*“You could get 1.925% per quarter”*

## Q: What return could I get?

**A:** You could get 1.925% per quarter (7.70% per annum) if both indices are at or above 80% of their starting levels on the quarterly observation dates.

## Q: Could this investment end early?

**A:** It could, from month 12 and every quarter thereafter. This will occur if both indices are at or above 105% of their starting levels. If this happens, this investment will return your initial invested capital plus a final income payment of 1.925%.

## Q: What is a European capital protection barrier?

**A:** This is bank jargon to describe the partial capital protection feature of this investment. At maturity, if

the FTSE 100 and EuroSTOXX 50 have not fallen by more than 40% from their starting levels, your capital will be returned in full, provided Société Générale does not default.

## Q: Who is Société Générale?

**A:** Société Générale is an international investment bank that provides customised solutions to meet specific needs of companies, financial institutions and investors. Société Générale is authorised and regulated in France, and are subject to limited regulation by the Financial Conduct Authority and Prudential Regulatory Authority in the United Kingdom. Société Générale currently has a credit rating of A by S&P, A2 by Moody's and A+ by Fitch (source: [www.societegenerale.com](http://www.societegenerale.com), October 2017).

## Q: What is this investment linked to?

**A:** Any potential return from this investment is dependent on the performance of the FTSE 100 and EuroSTOXX 50. The FTSE 100 consists of the 100 largest UK-listed blue-chip companies. FTSE 100 companies are global, not just UK-based. More information on the FTSE 100 can be found [here](#).

The EuroSTOXX 50 is Europe's leading blue-chip equity index for the Eurozone. It contains the 50 largest companies across 12 Eurozone countries. More information on the EuroSTOXX 50 can be found [here](#).

## Technical Specification

<b>Product Type</b>	Structured investment which may provide a quarterly income.
<b>Target Market</b>	<p>This investment is designed for investors who:</p> <ul style="list-style-type: none"> <li>• Are professionally advised</li> <li>• Want to add income to their portfolio by increasing or adding structured investments</li> <li>• Would like some extra potential income to assist their current lifestyle. This potential income will not be their sole income source; instead investors will hope it enhances income quarterly</li> <li>• Have a diversified portfolio and have no more than 10% of their portfolio invested in this product</li> <li>• Have sufficient liquid assets that enable them to hold this investment for the full 8-year term</li> <li>• Are not cautious investors</li> </ul>
<b>Closing Date</b>	14 November 2017 – This is the last date when applications can be received.
<b>Start Date</b>	16 November 2017 – The starting level of the FTSE 100 and EuroSTOXX 50 will be measured at market close on this date.
<b>Maturity Date</b>	17 November 2025 – The final level of the FTSE 100 and EuroSTOXX 50 will be measured at market close on this date.
<b>Investment Term</b>	8-year investment term.
<b>Counterparty Bank</b>	Issued by SG Issuer. Guaranteed by Société Générale (A by S&P, A2 by Moody's, A+ by Fitch).
<b>Capital Protection</b>	60% European barrier – measured at maturity only.
<b>Underlying Indices</b>	FTSE 100 and EuroSTOXX 50.
<b>Income Feature</b>	You will receive an income payment of 1.925% of your investment, every quarter, if both indices close at or above 80% of their starting levels on the quarterly observation dates. If this condition is met, we expect to receive the bulk payment from the counterparty bank and transfer this promptly to your Reyker account.
<b>Kick Out Feature</b>	The first kick out observation date is 16 November 2018, and then quarterly thereafter. Kick out happens if, on any of the observation dates (shaded on page 6), the worst performing index is at or above 105% of its starting level. If this happens, the investment will end and the bank will return your initial invested capital and a 1.925% quarterly income payment.
<b>What Happens At Maturity?</b>	<p>If your investment has not automatically kicked out before the end of the 8-year term, there are three possible outcomes at market close on the maturity date:</p> <ul style="list-style-type: none"> <li>• If both indices are at or above 80% of their starting levels, you will receive your initial invested capital plus a final income payment of 1.925%</li> <li>• If the worst performing index is below 80% but at or above 60% of the starting level, you will receive your initial invested capital but no final income payment</li> <li>• If the worst performing index is below 60% of its starting level, you will lose a proportion of your initial invested capital equal to the percentage fall in the worst performing index, and there will be no final income payment.</li> </ul>
<b>How Can I Hold This?</b>	Direct, Stocks & Shares ISA (new or transfer in), SIPPs/SSAS, Corporate, Charities and Trusts.
<b>How Is This Taxed?</b>	Income tax may be applicable. Tax treatment depends on individual circumstances and is subject to change, please seek independent tax advice for further information.
<b>Risk Warning</b>	By investing in this plan, you are placing your capital at risk, please visit our <a href="#">website</a> for details of the main <a href="#">risks</a> involved with structured investments. You may lose all of your invested capital and potential yield if Société Générale defaults.
<b>FSCS Protection</b>	This plan offers no FSCS protection except when Reyker holds client money pre-investment and at maturity. For more information please see the frequently asked questions (hyperlink) on our website, or visit <a href="http://www.fscs.org.uk">www.fscs.org.uk</a> .
<b>ISIN Code</b>	<b>GB00BF6XD190</b>

## How Does This Plan Work?

This investment will return income if at market close on the quarterly observation dates (see below) both indices are at or above 80% of their starting levels. Where any observation date falls on a non-business day in the UK and/or European markets, the next valid business day where both markets are open will be the relevant observation date.

Kick out observation dates start on 16 November 2018 and occur quarterly thereafter (shaded in the table below). Kick out will happen if both indices are at or above 105% of their starting levels at market close.

16-02-2018	16-05-2018	16-08-2018	16-11-2018*
18-02-2019	16-05-2019	16-08-2019	18-11-2019
17-02-2020	18-05-2020	17-08-2020	16-11-2020
16-02-2021	17-05-2021	16-08-2021	16-11-2021
16-02-2022	16-05-2022	16-08-2022	16-11-2022
16-02-2023	16-05-2023	16-08-2023	16-11-2023
16-02-2024	16-05-2024	16-08-2024	18-11-2024
17-02-2025	16-05-2025	18-08-2025	17-11-2025

**\* Kick out observation dates**

begin on this date and occur quarterly thereafter. The first three observation dates are income observation dates only.



“ We are a diversified financial institution that has traded profitably for over 30 years.”

## Plan Monitoring

The main features of this service are:

- 01 Monitoring of index levels
- 02 Monitoring of key barrier levels
- 03 Monitoring potential redemption opportunities
- 04 Providing guidance to advisors who have applied for this service

Advisors can apply for this service by emailing [investments@reyker.com](mailto:investments@reyker.com)

## Why You Should Choose Reyker



We do everything in house



We keep things simple



Open, honest and transparent



Speak directly with our experts



No outsourcing



Plan monitoring service



# Explanatory Guide

## Information for investors & advisers

We have produced this Explanatory Guide to help you and your regulated financial adviser. We try to produce documents that are brief and easily understood by anyone, not lengthy, full of legal terms and jargon. This Explanatory Guide should be read and understood by both you the investor and your regulated adviser, in conjunction with the whole product brochure and educational material on our website before investing.



## Contracts

Regulated Financial Advisers can only do business with us via our latest intermediary terms and conditions of business which it is deemed are accepted when an adviser recommends an investment. In addition, all investors must accept our latest general terms and conditions of business as contractually binding before investing.

You must contact us before investing if you do not understand the product or the risks, or if you have any concerns at all about its long-term suitability for you as an investor, and we will then assist you and your adviser, and confirm with you that you are satisfied before the investment proceeds.

## Risk and Return Profile

We provide this information to investors to help you form a judgement about the balance of risk versus reward. In general, the potential for higher rewards is associated with taking more risk. Conversely, very safe investments typically deliver low growth or low yields and may even depreciate in real terms.

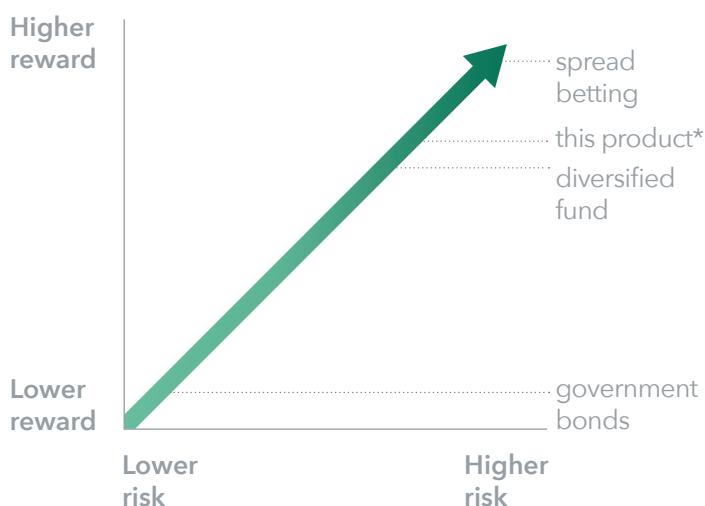
One way of thinking about risk and reward is to compare this investment with both more and less risky investments. If you invest in a bank deposit then returns are typically low, but capital risk is less. Although banks may still fail, deposits within set limits are covered by the Financial Services Compensation Scheme, so this is a risk limiter. Structured investments often have some degree of capital protection: a "barrier". This one has a 60% European barrier, so risk is partially mitigated, but it is still riskier than a deposit. In exchange for you taking the risk, you have the potential to earn more from your investment. Only you and your regulated financial adviser can decide if this risk/reward trade-off is acceptable to you.

All investments carry risk and you must accept that there is no such thing as a risk-free investment. Even deposits carry risk in a low interest rate environment: currently, inflation may exceed interest yields. Only you can decide your attitude to risk and we rely on you and your regulated investment adviser to make responsible, not reckless, decisions. We refer to several types of risk on our [website](#) and deal with the main ones in this Explanatory Guide.

**Liquidity risk.** Can your investment be sold for cash reasonably quickly when you need us to, and at what price? This investment is not designed to be actively traded and is not intended to be sold in the short term. On the contrary, when you invest you should expect to hold it to maturity in eight years. As an LSE international stockbroker, Reyker offers a service to try to sell this investment early if you need to. Usually we sell it back to the bank. They have no obligation to buy, though we have never experienced a case when a bank refused and we would not use a bank that we think would refuse. The price they offer should reflect the market conditions at the time and may be much less if market conditions have worsened. We have valuation expertise, and we will challenge prices offered by the bank if necessary, or if we think they are wrong or unfair, but we cannot control the outcome. In some cases, Reyker might also offer to buy back your investment if we wish to hold them ourselves or we have other buyers on our books. However, liquidity is not guaranteed.

**Credit risk.** In simple terms, this is the risk that the bank defaults (does not pay you back) in whole or in part. You need to be happy with Société Générale. If they default or go bankrupt, then in the worst case your capital could be lost in part or full. If you are not happy with them now, then you must not invest. If you have any questions about our view of Société Générale, please contact us and we will try to help, but it is your regulated adviser, not Reyker, who gives you investment advice. Once we have invested your money, your investment is no longer cash and it is not a bank deposit so it is not protected by the Financial Services Compensation Scheme.

### Risks and Rewards



\*approximate

## Risk and Return Profile

### continued

**Capital risk.** When you invest in this structured investment, you are placing your capital at risk and in the worst case, for example, if Société Générale goes into liquidation (goes “bust”) and has lost all of its capital so that there is nothing left for investors, then you might lose everything that you invested. You need to consider whether this outcome is likely. It is largely associated with how comfortable you feel with the bank and with risking your capital in exchange for a higher potential reward than you might get from, for example, a lower risk investment such as a bank deposit or treasury bond. This is why you should ensure that your portfolio has a range of different types of investments, and you are not too exposed to any one investment type, or bank or sector. Your regulated financial adviser should help you with this.

Specifically, for this structured investment, when it matures in 8 years, if the worst performing index has fallen by more than 40% from its starting level at the date we made the investment for you, you will lose some of your capital. The amount you risk losing is directly related on a one-to-one basis to the percentage fall in the worst performing index. This means your capital is protected from a fall in the worst performing index if it has not fallen below 60% of its starting level. This is called a capital protection barrier. However, if, for example, the worst performing index falls by 70% at maturity, then you will lose 70% of your capital. You must therefore decide whether you are willing to take the risk that the 60% barrier might be breached by either index at the end of 8 years.

Looking 8 years ahead is itself an investment view and a risk. No one can say with certainty anything about events in 8 years, and so it is a matter for judgement for you and your regulated financial adviser. Note that over the 8-year term, for capital protection purposes, it does not matter if the barrier is breached by the either index during the term as long as both recover above the 60% protection barrier at the end of 8 years. A barrier breach will have a negative effect on secondary market values if you decide to sell during the 8-year term and you choose a sale point where the barrier has been breached or is close to being breached. We will point this out to you if you instruct us to sell during the term and your regulated financial adviser may suggest that you sell other assets in your portfolio instead.

You might think about a capital protection barrier in the context of other investments. If you invest directly in quoted shares for example, there is no barrier and you are exposed in full to share price movements, though you can usually sell at any time, and this is the way you would try to limit your losses. Such an approach requires you to monitor market prices carefully all the time. The barrier structure we provide aims to insulate you from some, but not all, risk of either index falling. This structure is part of the risk/reward trade off and is a factor in enabling the bank to offer you a potentially higher return than investments that have less risk to capital.

## Potential return from this investment

By accepting the associated risks of this investment, and if certain conditions are met, this product could provide you with a quarterly income payment of 1.925% of your initial investment. This will only happen if both indices close at 80% or above their starting levels at market close on the quarterly observation dates. This is greater than what you could typically receive from a bank deposit, but as described above the risks are greater.

## Suitability

This is a judgement made by your regulated financial adviser. They are the FCA-regulated firm you have employed to ensure that suitable investments are selected for you, taking into account your circumstances, wealth, knowledge and risk appetite. Neither Reyker nor the bank has this information about you, so we are relying on the relationship between you and your regulated financial adviser, and neither Reyker nor the bank are responsible for the advice you are given. When you invest in this product, both you and your regulated financial adviser accept that, to comply with regulatory rules, we may contact you to check that you, either individually or as part of a sample of investors, understand the product and that you are content with the advice and suitability process. This is part of our checking to ensure that our investments are reaching the intended target market and are not being purchased by investors for whom they are unsuitable. It is the responsibility of your regulated financial adviser to ensure you fit this investment's target market. We may provide the results of this information to the bank and on request by the regulator.

## What happens if Reyker fails?

In the unlikely event of Reyker failing, neither your money nor your investment assets would be lost. We do not envisage a circumstance where we would be unable to pay out because of the built in regulatory protections. All client money and assets are held in trust separately from our own money. It is ring-fenced and independently audited quarterly and annually. This is unique in the industry as we pay for quarterly independent audits to maximise your protection. We are also supervised by the FCA as our regulator and we make quarterly returns to them of our financial position. If Reyker failed, the company would have no access to these funds or investments and they would be protected for you. Where we hold cash balances for investors, these are also covered by the FSCS scheme within its limits.

Reyker is a prudent firm that you can trust, with substantial capital headroom that is currently of a higher level than FCA requirements. We take investor protection, fairness and transparency very seriously. If you or your regulated adviser have a question, you will have no trouble contacting our offices in London.

We have a non-automated team willing to assist you with any query. We also have an unbroken 34-year track record of responsible investing and safe custody, with no regulatory issues or defaults. Investors are all advised clients of regulated IFAs that we work with and check, but we also directly on-board retail investors as clients of Reyker, since we do not outsource safe custody or administration. We do everything in house. This means we are ideally positioned to service you for the whole product life, and to check continuing suitability over that period. There are no ongoing administration costs for you and every pound you invest goes straight into your investment.

To protect you, unlike most firms, we carry forward some of our profit and cash to future years, to recognise that we will be servicing you and your investment for the long term. We don't have to do this under accounting rules but we believe this gives you more security in our long-term future and helps to mitigate your risk.

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## What are the costs?

Reyker will not charge you to invest in our structured investment plans. If you invest £10,000, the full amount will be invested and any potential yield you get will be based on this amount. We make all our profit as soon as we distribute the investment, as we buy in bulk millions of pounds of investment notes, from the banks we deal with, at a discount, rather than charging you, the investor, a fee. This bulk discount is typically in a range of 2% in total, so over a long-term investment this is reasonable and modest. The costs of us manufacturing and distributing the product, plus provision of safe custody, management and administration for the full term, are covered by the discounted price that we pay for the bulk purchase of the product from the counterparty bank. We package the investment to suit the needs of smaller investors who may wish to invest several thousand pounds rather than millions.

The discount we receive has to cover our costs of operating our business, paying taxes, and providing the service to you and keeping your investment safe in our custody for several years. Unlike most firms, we do not take the whole discount to our profit and loss account at the offset. We defer some of it to cover anticipated future costs. This is prudent and improves your safety.

You will not incur charges during the product lifespan for administration, safe custody, provision of online statements and valuations or answering your reasonable questions. It is entirely free and there are no hidden costs or charges at all.

We do have a charge for unplanned events that are triggered by you. For example, if you decide to terminate your long-term investment early, then there is a dealing charge that covers our costs of selling your investment back to the bank or finding a buyer in the market. The other typical cost that arises, is when an investor passes away and we deal with probate valuations. We may also charge a transfer and account closure cost if you transfer your investment to another custodian. All of Reyker's charges are transparent and can be found at any time in our [Standard Tariff of Fees and Charges](#), and on our Frequently Asked Questions pages on our website.

# Key Information Guide

This Key Information Guide provides you with key information about this investment product. It is not marketing material. This information is provided to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

## Product

**Reyker Dual Index  
Income Plan  
November 2017 -  
Structured Investment**

**ISIN:** GB00BF6XD190

**Underlying Indices:**  
FTSE 100 and Euro STOXX 50

**Structured investment  
provider:**  
Reyker Securities plc.  
[www.reyker.com](http://www.reyker.com)

**Counterparty bank:**  
Société Générale  
[www.societegenerale.com](http://www.societegenerale.com)

**Structured Investment  
Manufacturer and  
Distributor:**  
**Reyker Securities plc.**  
17 Moorgate,  
London,  
EC2R 6AR  
**020 7397 2597**  
[investments@reyker.com](mailto:investments@reyker.com)

**Note Manufacturer and  
Counterparty Bank:**  
Société Générale  
1-10 Bishops Avenue  
London  
E1 6EG

## What is this product?

This is an 8-year structured investment linked to the FTSE 100 and EuroSTOXX 50.

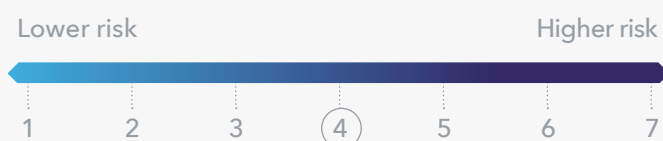
This investment may provide you with a quarterly income payment of 1.925%. This will only occur if both underlying indices close at or above 80% of their starting levels on the quarterly observation dates. If this does not happen, you will not get an income payment for that quarter.

The recommended holding period is 8 years. This investment can end early from year one and every quarter thereafter, but for this to happen, both underlying indices must close at or above 105% of their starting levels on a kick out observation date. This is not guaranteed and may not happen. Therefore, investors must be willing and able to hold this investment for the full term of 8 years.

## What are the risks and what could I get in return?

This risk indicator assumes you keep the product for 8 years. The actual risk can vary significantly if you cash in at an early stage and you may get back less than you initially invested. You may not be able to sell your product easily or you may have to sell at a price that significantly impacts on how much you get back.

Independent risk rating



This investment offers a higher potential return than what you could receive with say a bank deposit. This is due to the comparatively greater risk associated with

this investment. The summary risk indicator is based on a statistical model created by a third party. It is only an indication of how risky the investment is and in reality, the risk may be greater. The risk of the investment may also be lower, were the investment to kick out and end early. The interpretation of this score is that it assumes that the investment is held for the full 8-year investment term, which is also this product recommended holding period.

One way of thinking about the summary risk indicator is to compare this investment with both more and less risky investments. For example, if you invest in a bank deposit, with a risk rating of one for a good bank, then expected returns are typically low, but capital risk is less. However, if you invest in a leveraged product, with a risk rating of seven, then expected returns are high, but capital risk is also high. It is a trade-off between risk and return, something which you should discuss with your regulated financial adviser.



## What happens if Société Générale is unable to pay out?

If at any time during the investment term Société Générale defaults, your investment could be lost in part or fully. You must satisfy yourself that you believe in the long-term future of this bank before investing in this structured investment. If Société Générale does go bust at any point during the investment term and there is a loss of capital, or yield, no compensation will be available from any investor compensation or guarantee scheme.

## How long should I hold it and can I take my money out early?

Recommended holding period: 8 years

Whilst this investment can end early from the end of year one and every quarter thereafter, both underlying indices need to close at or above 105% of their starting levels. It is not guaranteed that this will happen. In addition, it is not guaranteed that you will be able to cash in your investment early. This is dependent on the willingness of the counterparty bank to do the transaction, or Reyker's willingness to provide a secondary market. Neither party, the counterparty bank nor Reyker, guarantee this service.

In the event an investor is able to cash in their investment early, investors should realise that this will alter the risk profile of this investment. You may get back significantly less than what you originally invested. There will also be a cost attached to performing this transaction. Reyker will charge you a minimum of £150 or 0.5% of your initial investment, whichever is greater. This will impact the net return of any early cash in.

If, very unusually, we do not resolve your issue on first enquiry, please make a formal written complaint to: Compliance Officer, Reyker Securities plc, 17 Moorgate, London EC2R 6AR.

If for any reason you are dissatisfied with our final response to your complaint, you can refer your complaint to the Financial Ombudsman Service within six months of our final response.

## How can I complain?

The process depends on what you are complaining about. If you think you have been given bad advice, or you think the product was unsuitable for you when you invested, then you should complain directly to your Regulated Financial Adviser.

When you invest in a Reyker product, you are entering into a contract with us, not directly with the bank. Although all banks must have a complaints procedure and publish it on their website, your investment contract is with Reyker, not with the bank, so you are not a client of theirs. This does not absolve them from their responsibility to provide investment products that are suitable for the target market, but in the first instance, except where it relates to advice from your regulated adviser, Reyker would expect to deal with your complaint, not the bank.

If you have a complaint about the service provided by Reyker, or the design of the product, or our brochure, please contact us directly in the first instance by telephone, email or letter and we will try to help you. It is a fact that Reyker have had very few complaints throughout our history. This is because we are cautious with investment design and our ethos of "doing the right thing". We believe you may invest with confidence in our integrity.

Reyker guarantee that all complaints will be dealt with fairly, professionally and promptly. Our up to date contact details and our complaints procedure are always clearly described on our website. We do not use call centres or outsource administration, so you will get through to someone who has all the information and authority to assist. We have two senior regulated compliance officers; both are Directors and one is a practising solicitor. In addition, there is a compliance team who have previously worked in the regulatory environment, including for the Financial Ombudsman Service, so we have a clear customer fairness process.

You can contact them at:  
Exchange Tower, London, E14 9SR  
or email [complaint.info@financial20-ombudsman.org.uk](mailto:complaint.info@financial20-ombudsman.org.uk)  
or call 0800 023 4567.



## Other relevant information

We have provided an Explanatory Guide for this investment. This is not a legal or regulatory requirement. We have also produced a marketing brochure. Both documents and this Key Information Guide must be read and understood before investing.



Disclaimer: Any hyperlinks featured in this brochure are up to date as at the time of writing. These may change over time.

This is a marketing brochure for professionally advised investors. The brochure is not investment advice from either Reyker or the counterparty, and must not be construed as such by advisers or investors. Capital is at risk and subject to counterparty risk.

### **Bespoke Structured Investments**

If you are looking to tailor a product to a specific need call us on 020 7397 2590 to discuss our bespoke structured investment offering.

### **Real Asset Strategies**

Managed model portfolios for advised investors

- Exposure to investments linked to real assets
- A component to diversify clients' overall wealth
- Targeting returns that beat inflation
- Available in SIPP's and ISAs