



## Structured Products

- **Risk return adjustment to suit investor's capital security requirements**
- **Return profile defined at outset**
- **Provides the defensive qualities of bond investing with high potential returns**
- **Provides an alternative to investors holding low yielding cash deposits**
- **Ability to lock in gains or out-performance in a liquid secondary market**

### About us

LCF Edmond de Rothschild Asset Management (C.I.) Limited is a subsidiary of the Geneva based Banque Privée Edmond de Rothschild private banking group and as part of the famous Rothschild banking dynasty traces its roots back to the late 18th Century.

The Group is owned by the Rothschild family and the values of stability, consistency and trust that have guided the family for more than two centuries are the same values that we seek to foster in our business and in the management of our clients' assets.

The success of this approach is reflected in the growth of the Group, which today employs over 2,000 people in 17 countries and manages over €80 billion for private and institutional clients.

### Structured Products

Structured products are created by combining two or more financial instruments, one of which is generally a derivative, to create a single 'packaged' product. Structured products provide the investor with access to an extremely wide range of asset classes with a pre-defined return profile. Products can be tailored for exposure to a variety of asset classes (e.g. equity, commodity, property, currency and inflation) with terms to suit the individual investor's requirements. Furthermore, the investment horizon, investment currency, income or growth demands, credit quality and capital security needs are all factored into each design.

The typical structured product investor will look to incorporate an element of capital security into a product with returns linked to one or more underlying price index or rate.

### Our Role

We act as agent in the structured product market, a position that allows us to stand on the side of our clients looking to obtain the best terms possible from the market. We provide an independent service, granting our clients access to a wide range of issuers with credit ratings ranging from AAA to A. Prior to and during the dealing process, we provide advice on the terms, risk levels and all other components of the structure. Following dealing, we provide an ongoing service in terms of pricing, advice and market updates to our clients. These services are provided with a modest upfront fee structure - no ongoing fees are charged by us or the issuer of the product. We also provide a competitive daily secondary market service which allows trading on any business day in normal market conditions.



## Counterparty Risk

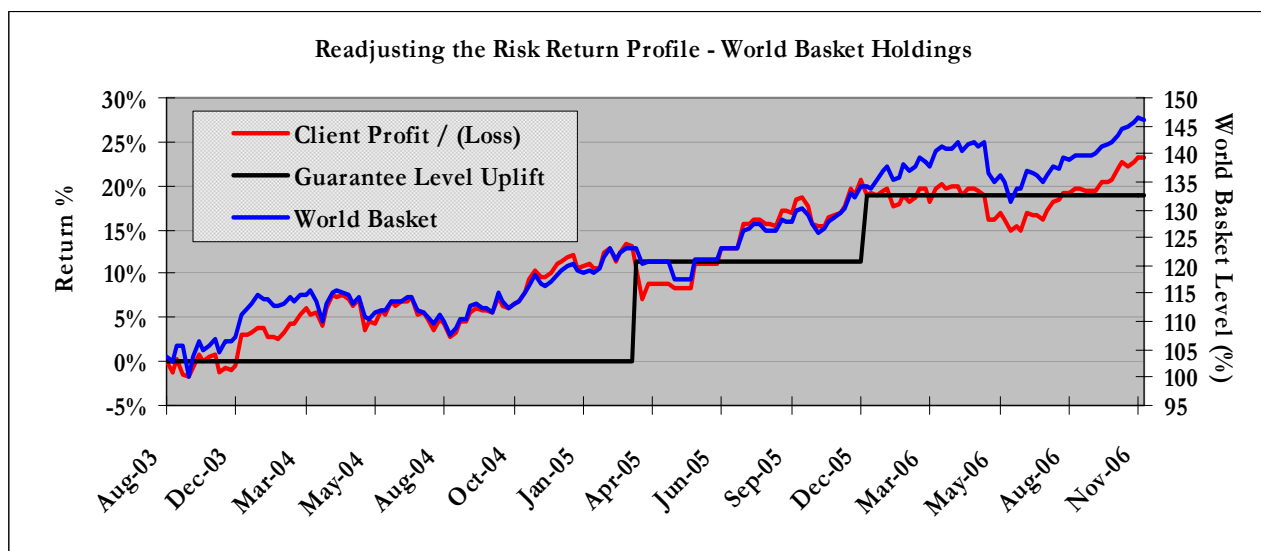
As agent LCF Edmond de Rothschild negotiate favourable terms through major international banks. Our preferred list includes the following with their current credit rating:

	Moody's	S&P		Moody's	S&P
Barclays	A1	A+	ING	A1	A+
BNP Paribas	Aa1	AA	JP Morgan	A	A+
Calyon	Aa1	AA-	Morgan Stanley	A2	A
Deutsche Bank	Aa1	A+	Rabobank	Aa2	AAA
Goldman Sachs	A1	A	Société Générale	Aa2	A+
HSBC	Aa2	AA-	UBS	Aa2	A+

Ratings as at 1st September 2009

## Tradability

The minimum issue size for most bespoke structures is £1,000,000 with minimum individual subscriptions of £50,000. All of the structures that we bring to market are tradable in small size in a competitive and liquid secondary market. The structures can be traded in whole or part on any business day. The bid/offer spread in normal market conditions is typically 1% - 1.5% with a settlement period of T+3 business days. This tradability permits investors to roll gains into new structures, thereby locking in previous gains and exposing a higher nominal to the underlying market of their choice. An example of one investor's experience of rolling gains is shown graphically below:



## Contact

For further information on Structured Products please contact Calum McInnes on +44 1481 716336 or [info@lcfci.com](mailto:info@lcfci.com). Full details on our complete range of products and services are also available on our website [www.lcfci.com](http://www.lcfci.com). LCF Edmond de Rothschild Asset Management (C.I.) Limited is regulated by the Guernsey Financial Services Commission.

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