



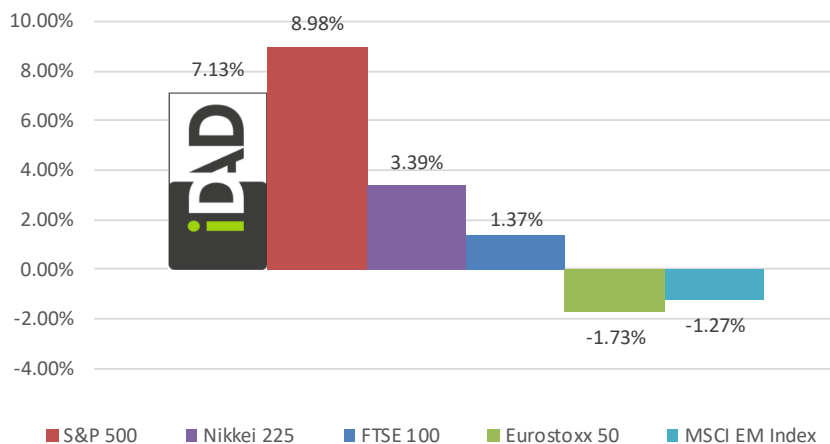
IDAD Performance - Q2 2019

Managing Director Commentary

Stockmarket performance over the quarter was broadly flat (the small dips in May were recovered steadily) and seems to be unaffected by the various global "crises" – it could be investors and market makers have adjusted to the style of the Trump Whitehouse – lots of bluster and excitement but very little action. Fund performance remains strong across the board and holders of structured products continue to do well with all coupons paid and around 20 products maturing. The global economic outlook doesn't look fantastic with GDP growth targets often being missed (although not by much). In the UK we have a new Prime Minister about whom I can probably add nothing that hasn't already been said. The Brexit issue is still a bit of a barrier to economic progress and it's difficult not to have sympathy with people trying to undertake delicate and confidential negotiations when they're perpetually asked to disclose their precise objectives and negotiating position! Overall though, we're expecting a pretty steady time for the rest of 2019, with only the odd period of market volatility.

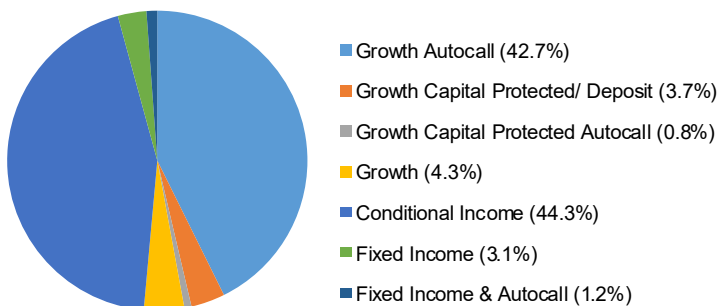
I'm not sure if any other structured product firms collate and present performance figures, but we're very proud of our track record in delivering returns 5-6% p.a. higher than can be achieved in traditional savings accounts. We're happy to deliver higher risk/higher potential return notes for advisers where we're comfortable they're appropriate for investors, but for the most part we aim to help advisers deliver life-enhancing outcomes for their clients, with investments that deliver the best risk-adjusted returns available. Pricing conditions remain very difficult – six year interest rates are currently based at around 0.75% p.a. and there is little market volatility (which means investors aren't rewarded so much for taking on stock market risk). It's at difficult times like this when we have to work extremely hard to deliver appropriate levels of investment risk with return levels that meet adviser and investor aspirations. It would be easy to just bump income levels back up by making investments a lot more risky, but we plan on being in business for many years to come, which means using our expertise and experience to produce products that are the right solutions for clients and supporting advisers in the difficult job they have explaining to investors they can't have 10% per annum returns with 100% capital protection!

Annualised Performance since 2008



Source: IDAD 01/07/2019. Bloomberg 02/01/2008 - 28/06/2019

Products Issued by Type since 2008



Source: IDAD 01/07/2019

Facts & Figures (since 2008)

Average Annual Performance on all matured Products: 7.13% p.a.

Total number of Products issued: **1038**
 Total number of Products matured: **545**
 % of Products to make a loss: **4.34%**
 % of Products to only return 100%: **6.24%**

Annualised Performance by Product Type

Autocall: **7.59%**
 Conditional Income: **6.65%**
 Fixed Income: **6.78%**
 Capital Protected: **3.17%**

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