

Record Breaking return for investors on IDAD Structured Deposit

The first issue of IDAD's Callable Deposit Plan delivers record breaking returns to investors this week. Growth of 62% over a 6 year investment term is the highest return on any structured deposit product for almost 10 years. The plan was launched in early 2019 when the Bank of England Bank Rate was 0.75% per year and fixed rate deposits were delivering less than 2% per year. For 'no risk' investors who benefited not only from a capital guarantee provided by the bank backing the product, but also from FSCS protection of their capital, the returns are outstanding.

Thom Gascoigne, Director at IDAD:

We've always focused on delivering great outcomes for investors, and beating 10% for each year of the investment term is a standout for those cautious clients looking for no risk to capital, backed up by the additional security of the Financial Services Compensation Scheme. This was a fantastic return, but those advisers regularly using structured deposits as part of their planning process will be used to the strong returns that are consistently delivered. 2022 saw the slow motion car crash for investors who had been fed the line for years that bonds were safe, regardless of their time to maturity, only to see that interest rates could and did rise from their historically anomalous low point, leading to massive falls in pension pots, especially for those who had taken 'prudent' advice to 'reduce their risk' by moving most of their portfolios into corporate bonds.

IDAD continues to launch a series of structured deposits and structured products in the UK. As well as the huge attractions for general investment (including within offshore bond and ISA wrappers) the products are particularly designed for use in the late accumulation



and decumulation phases for pension investors, both because of the capital protection elements and also the ability to deliver consistent and fixed income with minimal risk to capital.

IDAD was established in 2002 and operates in markets around the world with wealth advisers and institutions.

Clive Moore, Managing Director at IDAD:

'Thom and the team have been working hard on the UK market over recent years and it complements (and benefits from) our international and institutional businesses. It is still surprising how poor the take up of investments is in the UK, especially at a time when the consensus is that stock markets will become significantly more volatile in the next few years. It is very difficult for retail investors to access structured deposits other than through financial advisers, as very few platforms make them available (surely a Consumer Duty risk they'll spot before it's too late).

For IFAs, using structured products (especially structured deposits) is remarkably easy, and quite a few of the competent investment platforms allow for easy access and integration into client portfolios. Post Consumer Duty, the legacy Fund Supermarkets shouldn't have long to survive, especially if they don't adapt to allow investments in lower cost, more efficient products.'

Full product details, as well as details of current offers available from IDAD at www.IDAD.co.uk

Sources Bank of England, Structured Product Review.