

## ANNUAL LOCKED-IN RETURN PLAN 5



This Term Sheet forms part of the Key Features and should be read along with the Terms and Conditions and Product Guide (CAPB1089).

Product Features	
Term	6 years
Maximum return at maturity	Return of your Original Investment at maturity plus up to six annual locked-in returns, each equivalent to 6.50% gross of your Original Investment for each year that the FTSE 100 Index is at or above the Initial Index Level (this would be 39% of your Original Investment over the term of the Plan, equivalent to 5.64% AER variable)
Minimum deposit	For applications made on or before 5 April 2012 – £5,340. For applications made on or after 6 April 2012 – £5,640.
Suitable for direct, cash ISAs for 2011/12 and 2012/13 tax years, cash ISA transfer, SIPP, SSAS or Offshore Bond investment	

Key Dates	
Start of offer period	23 February 2012
Deadline for receipt of application and cheque for new 2011/12 cash ISA	30 March 2012
Deadline for receipt of cash ISA transfer application	12 April 2012
Deadline for receipt of application and cheque for direct investment or new 2012/13 cash ISA	19 April 2012
End of offer period	19 April 2012 or earlier if sold out.
Deadline for receipt of cash ISA transfer proceeds	4 May 2012
Commencement Date	18 May 2012
Annual Index Observation Dates	20 May 2013, 19 May 2014, 18 May 2015, 18 May 2016, 18 May 2017, 18 May 2018
Maturity Date	22 May 2018



## How does the Plan work?

### Commencement (18 May 2012)

The Initial Index Level is the closing level of the FTSE 100 Index on 18 May 2012.

### First Annual Index Observation Date (20 May 2013)

Is the closing level of the FTSE 100 Index on 20 May 2013 the same or higher than the Initial Index Level?

Yes



A return equivalent to **6.50% gross** of your Original Investment before tax is locked-in and the Plan continues.

No



You will not receive a locked-in return in this year. The Plan continues.

### Second Annual Index Observation Date (19 May 2014)

Is the closing level of the FTSE 100 Index on 19 May 2014 the same or higher than the Initial Index Level?

Yes



A return equivalent to **6.50% gross** of your Original Investment before tax is locked-in and the Plan continues.

No



You will not receive a locked-in return in this year. The Plan continues.

### Third Annual Index Observation Date (18 May 2015)

Is the closing level of the FTSE 100 Index on 18 May 2015 the same or higher than the Initial Index Level?

Yes



A return equivalent to **6.50% gross** of your Original Investment before tax is locked-in and the Plan continues.

No



You will not receive a locked-in return in this year. The Plan continues.

### Fourth Annual Index Observation Date (18 May 2016)

Is the closing level of the FTSE 100 Index on 18 May 2016 the same or higher than the Initial Index Level?

Yes



A return equivalent to **6.50% gross** of your Original Investment before tax is locked-in and the Plan continues.

No



You will not receive a locked-in return in this year. The Plan continues.

### Fifth Annual Index Observation Date (18 May 2017)

Is the closing level of the FTSE 100 Index on 18 May 2017 the same or higher than the Initial Index Level?

Yes



A return equivalent to **6.50% gross** of your Original Investment before tax is locked-in and the Plan continues.

No



You will not receive a locked-in return in this year. The Plan continues.

### Sixth Annual Index Observation Date (18 May 2018)

Is the closing level of the FTSE 100 Index on 18 May 2018 the same or higher than the Initial Index Level?

Yes



A return equivalent to **6.50% gross** of your Original Investment before tax is locked-in.

No



You will not receive a locked-in return in this year.

### Maturity (22 May 2018)

Your Original Investment is repaid in full plus any accumulated annual locked-in returns.

## What will I get back?

The Annual Locked-In Return Plan is a **structured deposit** which will return your Original Investment if it is held to maturity on 22 May 2018.

If on the Annual Index Observation Date the closing level of the Index is at or above the Initial Index Level recorded on the Commencement Date, the Plan will lock-in a return equivalent to 6.50% gross of your Original Investment for that year. Otherwise, there is no return for that year. At the end of the term, the returns (if any) for each year will be added together to determine the final return. Your Original Investment will be returned to you with any annual locked-in returns at maturity.

### Examples of possible returns on an Original Investment of £20,000:

Example 1	Index Level End year 1	Index Level End year 2	Index Level End year 3	Index Level End year 4	Index Level End year 5	Index Level End year 6	Final return at maturity
Initial Index Level (5500)	5620	5510	5500	5750	6480	6100	
Annual Locked-In Return	£1,300	£1,300	£1,300	£1,300	£1,300	£1,300	£7,800

**Example 1:** The FTSE 100 Index is at or above the Initial Index Level for all six Annual Index Observation Dates. In this case the Plan will lock-in six annual returns each equivalent to 6.50% gross of your Original Investment. This is 39% gross overall (equivalent to 5.64% AER variable). The Original Investment amount is repaid at maturity (£20,000) with the cumulative locked-in returns totalling £7,800.

Example 2	Index Level End year 1	Index Level End year 2	Index Level End year 3	Index Level End year 4	Index Level End year 5	Index Level End year 6	Final return at maturity
Initial Index Level (5500)	5920	5499	5620	5850	4740	5500	
Annual Locked-In Return	£1,300	£0	£1,300	£1,300	£0	£1,300	£5,200

**Example 2:** The FTSE 100 Index is at or above the Initial Index Level for four of the six Annual Index Observation Dates (years 1, 3, 4 & 6). In this case the Plan will lock-in four annual returns each equivalent to 6.50% gross of your Original Investment. In years 1, 3, 4 & 6. This is 26% gross overall (equivalent to 3.93% AER). The Original Investment amount is repaid at maturity (£20,000) with the cumulative locked-in returns totalling £5,200.

Example 3	Index Level End year 1	Index Level End year 2	Index Level End year 3	Index Level End year 4	Index Level End year 5	Index Level End year 6	Final return at maturity
Initial Index Level (5500)	5499	4950	4900	5375	5425	5400	
Annual Locked-In Return	£0	£0	£0	£0	£0	£0	£0

**Example 3:** The FTSE 100 Index is below the Initial Index Level for all six Annual Index Observation Dates. In this case the Plan will not pay any of the annual locked-in returns. Only the Original Investment amount is repaid at maturity (£20,000).

The size of any annual locked-in return is fixed at the outset and will not vary irrespective of the extent of the Index growth between Annual Index Observation Dates or during the term of the Plan.

The Plan has a fixed term and any locked-in returns will be payable only at the end of that fixed term. You will not benefit from any locked-in returns if you decide to cash in your Plan before the end of the fixed term and if you do so you could get back less than you paid in.

Please remember there is no guarantee that the Index will rise or behave the way it has done in the past.

## Are there any charges?

There is no initial charge and all of your money will be fully invested in the Plan. For information, charges (which will be up to but will not exceed 5.50% of your Initial Deposit) are already included in the product terms and won't affect your Initial Deposit or your potential returns.

From the charges detailed above, if you have a Financial Adviser, an amount up to 3% will be paid by Cater Allen as remuneration (commission) to your Financial Adviser. This does not affect your Initial Deposit or your potential returns.

Financial Adviser commission is based on the Initial Deposit amount only.

If less than the maximum commission is paid to your Financial Adviser, the difference will be added to your Initial Deposit. Commission rebates will not be accepted on cash ISA or ISA transfer monies.

## Credit Rating

A company's credit rating is a way of assessing the likelihood that it will be able to pay any monies it owes. All deposits held with Cater Allen Private Bank are fully and unconditionally guaranteed by Santander UK plc. This guarantee is dependent upon the continued solvency of Santander UK plc. Standard & Poor's, an independent provider of credit ratings, rate companies on a scale from 'AAA' for those that they regard as the most secure, to 'D' for the least secure. As at 14 February 2012, Santander UK plc has been given a credit rating of 'A+' by Standard & Poor's with a negative long term outlook which means that in their opinion, Santander UK plc has a strong capacity to meet its financial commitments.

For further information about the Annual Locked-In Return Plan 5 and to download an application form please visit [www.caterallen.co.uk/structured-products](http://www.caterallen.co.uk/structured-products) or call us on **0800 028 1200**.

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## Key definitions

### Initial Deposit

The amount you pay into the Plan with your application.

### Original Investment

The Initial Deposit plus any rebated Financial Adviser commission. This amount is held on deposit with Cater Allen Private Bank.

### Index

The FTSE 100 Index is a capitalisation-weighted index of the 100 most highly capitalised companies traded on the London Stock Exchange. This product is not in any way sponsored, endorsed, sold or promoted by FTSE International Limited.

### Initial Index Level

The closing level of the Index on 18 May 2012.

### Commencement Date

The date when the Initial Index Level is taken at 18 May 2012.

### Annual Index Observation Dates

The six dates on which the closing level of the Index is reviewed to determine whether you will receive an annual locked-in return.

### AER

AER stands for Annual Equivalent Rate. This shows what the interest rate would be if we paid interest and added it to your plan each year. The AER is variable and will depend on the performance of the FTSE 100 Index. Gross is the rate before income tax is taken off. Your return will only be paid at the end of the term.

### Maturity Date

The date on which the Plan ends. This date is 22 May 2018.

