Cater Allen
PRIVATE BANK

GROWTH PLAN 14

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The Cater Allen Growth Plan 14 (GP14) is a structured deposit which provides your client with an opportunity to benefit from a potential return of 1.2 times any growth in the FTSE 100 Index with no capped maximum return. The Plan will also return the full amount your client originally invested when the product reaches maturity, regardless of the performance of the FTSE 100 Index.

Your client's return is determined by comparing the Initial Index Level (which is the closing level of the FTSE 100 Index on 17 August 2012; the Commencement Date of the Plan) with the Final Index Level (calculated by averaging the closing level of the FTSE 100 Index on 13 selected dates over the course of the last 12 months of the Plan from 17 August 2017 to 17 August 2018), and multiplying the positive percentage difference between the two levels by 120% (with no capped maximum return) of the Original Investment. Averaging at the end of the Plan term is designed to smooth the performance of the FTSE 100 Index. Whilst this could reduce the benefits of a rising market, it also reduces the adverse effects of a falling market.

The Plan also provides your client with the peace of mind that their Original Investment will be returned to them at the end of the Plan's six year fixed term, irrespective of the performance of the Index. Their Original Investment is held on deposit by Cater Allen Private Bank and afforded the same degree of protection and Financial Services Compensation Scheme (FSCS) cover as any other deposit account held by the bank.

Product Features	
Fixed Term	6 years
Maximum return at maturity	The Original Investment in full, plus a return on the Original Investment that reflects 120% of any rise in the Index (subject to averaging over the last 12 months of the Plan) before tax.
Minimum return at maturity	Original Investment only
Minimum Deposit	£5,640
Suitable for direct, cash ISA, cash ISA transfer, SIPP, SSAS or Offshore Bond investment	

Key Dates	
Start of offer period	28 May 2012
End of offer period	20 July 2012 or earlier if sold out
Commencement Date	17 August 2012
Averaging period	17 August 2017 – 17 August 2018
Maturity Date	21 August 2018

WINNER
Investment Life & Pensions Moneyfacts Awards 2011
Best Structured Products Service

Investment Life & Pensions Moneyfacts
Four Star Rating
Cater Allen Growth Plan 14
28/05/12/ - 20/07/12

Probability of the level of return provided by the Growth Plan 14 based upon historical FTSE 100 Index data

The table below and the graph opposite utilise historical FTSE 100 Index data – the movements from the inception of the Index (on 3 January 1984) until the date on which the data for this document was drawn (9 May 2012) – to illustrate the percentage of scenarios in which the Cater Allen Growth Plan 14 would have made a payment in addition to the return of the client's Original Investment (and what that payment would have been in percentage terms). The table and graph also show the percentage of scenarios in which the Plan would have just returned the client's Original Investment in full at maturity.

	Number of Observations	%
Total number of 6 Year Observations	5665	100%
Observations where no return would have been achieved in addition to the repayment of the Original Investment	1084	19.14%
Observations where a return of less than 10% gross would have been achieved	356	6.28%
Observations where a return of between 10% gross and 20% gross would have been achieved	462	8.16%
Observations where a return of between 20% gross and 30% gross would have been achieved	390	6.88%
Observations where a return of between 30% gross and 40% gross would have been achieved	142	2.51%
Observations where a return of between 40% gross and 50% gross would have been achieved	290	5.12%
Observations where a return of between 50% gross and 60% gross would have been achieved	290	5.12%
Observations where a return of between 60% gross and 70% gross would have been achieved	353	6.23%
Observations where a return of over 70% gross would have been achieved	2298	40.56%
Average Return	69.32%	

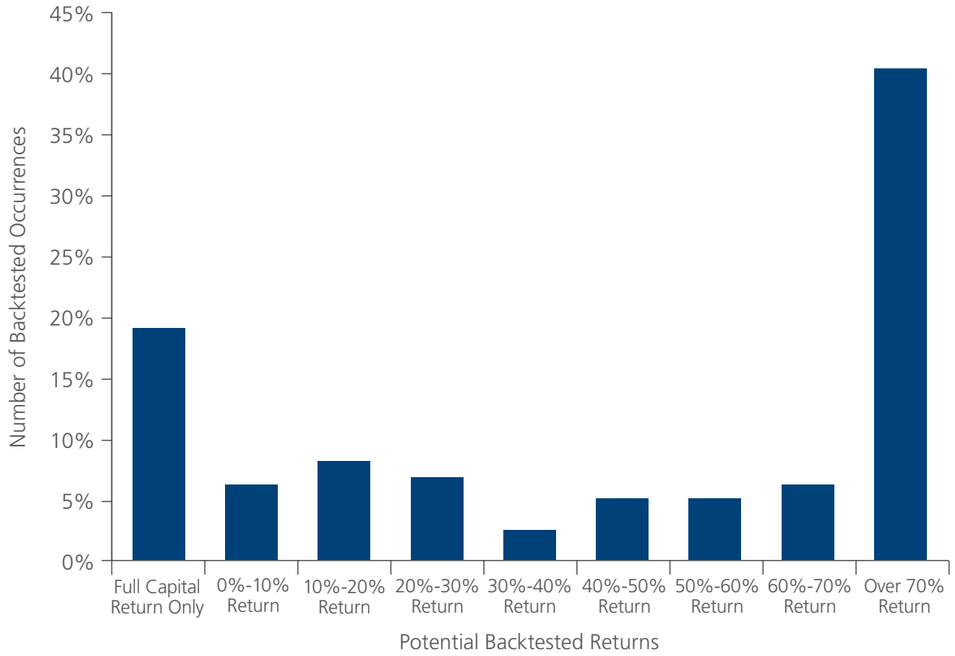
Source: Bloomberg as at 9 May 2012

Please note: Past performance is in no way a guide to future performance or returns achievable through the Cater Allen Private Bank Growth Plan 14.

Backtesting performance is hypothetical and is provided for information purposes to indicate historical performance had the Plan been available over the relevant period(s) based on information provided by Bloomberg.

In 40.56% of the 5665 observations run with the historical FTSE 100 Index data, a return of over 70% of the Original Investment would have been paid to the client (calculated by averaging the closing level of the FTSE 100 Index on 13 selected dates over the course of the last 12 months of the Plan), in addition to the repayment of their Original Investment in full at maturity.

In 19.14% of the 5665 observations run with the historical FTSE 100 Index data, the Final Index Level was below the Initial Index Level and therefore the client's Original Investment would have been returned in full at maturity but no additional return would have been paid.



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FTSE 100 Index historical performance versus the returns which would have been achieved with the Cater Allen Growth Plan 14

This graph shows the comparative performance between the Cater Allen Growth Plan 14 and the FTSE 100 Index over the same six year term.

The grey line illustrates (at any given point on it) the percentage increase or decrease in the FTSE 100 Index (with no averaging and no dividend yield) compared to a starting point/initial level six years prior.

The blue line represents (at any given point on it) the percentage return provided by the Cater Allen Growth Plan 14 if the Plan matured on that date at the end of the same six year term.

Source: Bloomberg as at 9 May 2012

— 6 Year Hypothetical performance of the Growth Plan 14 (including averaging in the final year of the Plan)

— 6 Year Performance of the FTSE 100 Index (with no averaging and no dividend yield)

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Credit Ratings

A company's credit rating is a way of assessing the likelihood that it will be able to pay any monies it owes (although this does not provide assurance that the company cannot fail). All deposits held with Cater Allen Private Bank are fully and unconditionally guaranteed by Santander UK plc. The table below shows the long term credit ratings given by prominent credit ratings agencies, Standard & Poor's and Fitch, to six banks which act as issuers or counterparties for structured products available in the marketplace currently.

	Standard & Poor's	Outlook	Fitch	Outlook
Santander UK plc	A	Stable	A+	Stable
Barclays Bank plc	A+	Stable	A	Stable
HSBC Bank plc	AA-	Stable	AA	Negative
Morgan Stanley	A-	Negative	A	Stable
RBS plc	A	Stable	A	Stable
Investec Bank plc	–	–	BBB-	Negative

Source: Bloomberg as at 1 May 2012

Rating	Standard & Poor's: Explanation of Rating
AAA	'An obligation rated 'AAA' has the highest rating assigned by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is extremely strong.'
AA	'An obligation rated 'AA' differs from the highest-rated obligations only to a small degree. The obligor's capacity to meet its financial commitment on the obligation is very strong.'
A	'An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong.'
BBB	'An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.'

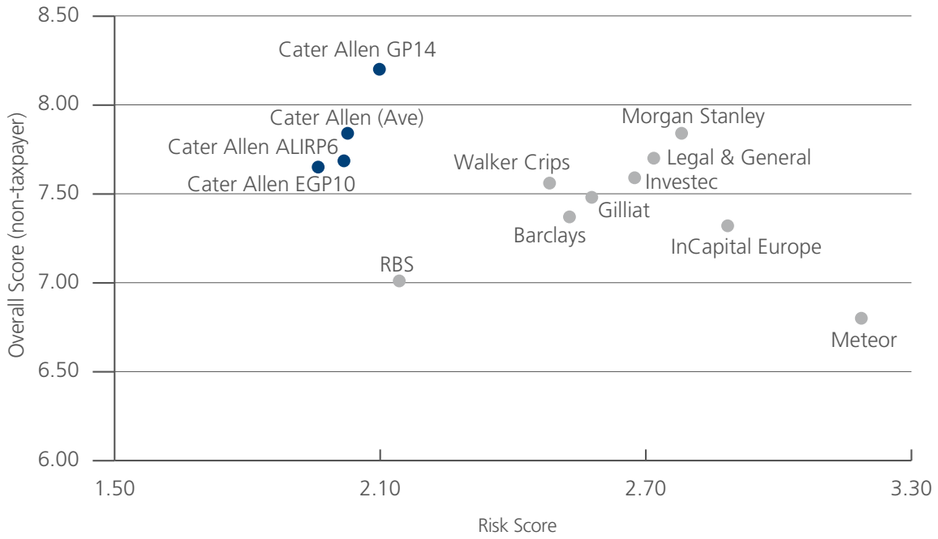
Rating	Fitch: Explanation of Rating
AAA	'AAA' ratings denote the lowest expectation of default risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.
AA	'AA' ratings denote expectations of very low default risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.
A	'A' ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.
BBB	'BBB' ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity.

For ratings from AA down to and including CCC, a plus sign ('+') or minus sign ('-') is used as a modifier to describe whether an issuer is near the top or the bottom of the rating category.

Sources: Standard & Poor's, "Standard & Poor's Ratings Definitions" 31 October 2011, Fitch Ratings "Definitions of Ratings and Other Forms of Opinion" April 2012

Overall Score (non-taxpayer) versus Risk Score by Product Provider (comparing Plans live on FVC website as of 14 May 2012)

This graph has been compiled using data from independent structured product analysts Future Value Consultants (FVC). The chart represents how the Growth Plan 14 (based on draft report as at 14 May 2012) compares with those of other providers based upon their averaged 'Overall Score' (rated 0-10; encompassing the Plans' transparency, value and return scores [non-taxpayer]) and their averaged 'Risk Score' (rated 1-5). The Plans included in the analysis are all those that were open for investment on 14 May 2012, with each Plan's respective scores being the first version published by FVC.



Future Value Consultants (FVC) is an independent company which reviews new product launches and provides free research reports on each Plan via their website www.futurevc.co.uk. Included in each research report are scores given out of 10 for transparency, value and return, as well as a measure of the product's level of risk, known as the riskmap rating. The riskmap rating is a number between 1 and 5, with 1 being the least risky and equivalent to the level of risk found on a deposit account, and 5 being the riskiest and equivalent to the level of risk found holding single stocks and high risk funds.

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