



Innovative Solutions. Immaculate Service.



Structured Product Guide

www.meteoram.com

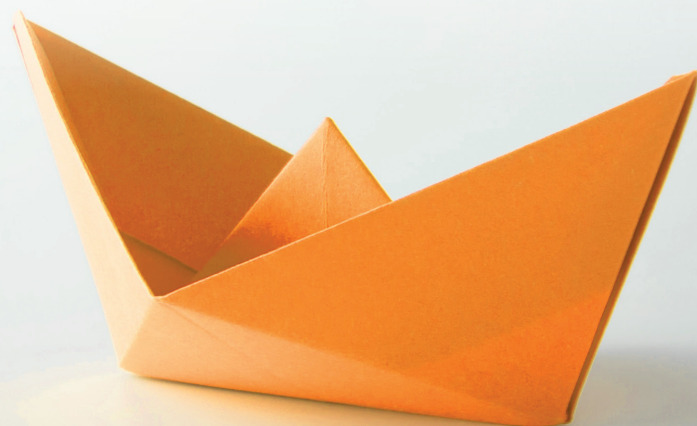
Introduction

This guide has been designed to give investors an insight into the structured products offered by Meteor. Inside, you will find detailed explanations of some of the most popular varieties of structured product in the UK retail investment market, along with examples of the types of products available from Meteor.

All our products have been designed for various groups of investors, details of which are contained in the relevant product brochures. Investing in one of our products may put an investor's capital at risk and investors could lose some, or all, of their investment.

Please note that the example products in this guide are for illustration purposes only and the actual products on offer may have different profiles.

The information in this document should not be relied upon when making investment decisions. We recommend investors seek financial advice and read any relevant Plan Brochures in full before making investment decisions.





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Why Meteor?

Situated in the centre of London, Meteor Asset Management offers a range of high quality structured products for both retail and professional investors, whilst providing an unrivalled client service experience.

As one of the largest structured product providers in the UK, we have consistently provided investors with compelling opportunities to achieve their financial goals over the last decade. As well as offering a standard range of structured products to the wider public, we

also offer a bespoke service that provides tailored solutions to satisfy specific client needs.

The professional relationships cultivated by our team are vital to the Company's success and have positioned us at the forefront of both institutional and investors' minds for the research, sourcing and construction of effective investment strategies. Our solutions embrace all major currencies and asset classes including equities, commodities and real estate.

Our customer focused model incorporates a robust product governance policy and access to a wide range of counterparties, along with an online valuation and monitoring system that allows investors and advisers to monitor their holdings with ease.

We don't just believe in building relationships, we believe in building trust.



**Established in
2006**



**Over 500
live products**



**Over 2000 firms
have introduced
business to us**



What is a Structured Product?

A structured product is a pre-packaged investment where various elements are bundled together to create a single cohesive strategy, in which the investment return and risk conditions are fixed at the outset, thereby providing known outcomes in various market conditions.

A structured product can be designed to match an investor’s view of future potential market conditions. In addition, they can provide regular income, track a particular index and even pay an investment return when markets are falling.

The returns under a structured product are linked to the performance of an underlying asset or assets, which is normally a single index or basket of indices.

They can be designed to capture a number of market views or investment strategies within a single package and can be tailored to suit any investor need.

Structured products typically have a set maximum duration, where at the end of the term the product matures, if it hasn’t already done so.

Product shapes on offer

Meteor offers a wide range of structured products in various formats. Our most popular products are:



Kick Out

Includes a feature that allows early maturity



Supertracker

Tracks the performance of the underlying asset(s)



Income

Designed to provide a stream of payments



Fixed Term Options

Designed to provide a single payment at maturity

Risk to Capital

Structured products can come with varying levels of potential risk to the initial capital invested and our products contain a certain level of capital protection.



Capital at Risk

Capital return is dependent on the performance of the underlying asset(s) and solvency of the counterparty



Capital Protected

Capital is protected against the performance of the underlying asset(s) but subject to counterparty solvency



Deposit

Capital is held in deposit with the counterparty and is covered by FSCS compensation rules

Types of Capital Protection

Structured Capital at Risk Products (SCARPs)

Although structured products can put your capital at risk, certain features are used to limit that risk. One such method is to use protection barriers whereby the underlying asset(s) may fall in value before your capital becomes at risk.

A protection barrier can be built into structured products at point of construction and the three key capital protection decisions we will take when creating a retail product are:

- the type of protection barrier
- the level of the protection barrier, and
- how frequently the underlying asset is observed during the investment term.

Capital Protected Structured Products

Capital protected structured products offer 100% capital protection against the performance of the underlying asset(s).

Although your capital is protected against the performance of the underlying(s), there are still other factors that may put your capital at risk such as counterparty risk.

Structured Deposits

Designed to provide a full return of the amount deposited, irrespective of the performance of the underlying(s).

The return of your net subscription is still dependent on the deposit taker being able to meet its obligations to pay the amounts due.

If the deposit taker were to collapse or fail you could lose some, or all, of the amount you placed in the product, as well as any interest to which you otherwise might have become entitled. This is subject to your potential eligibility for compensation from the Financial Services Compensation Scheme ('FSCS').

The compensation limit from the FSCS per banking group is £85,000. This includes any other investments or cash held with the deposit taker outside of the Meteor product.

Capital Protection Barriers

At maturity, if the product has not matured with an investment return, the capital may be at risk.



European Protection Barrier

- European protection barriers allow an underlying to fall by a fixed amount before triggering a capital loss
- A European protection barrier is observed only once and only compares the final level of the underlying(s) with its start level
- If the barrier has been breached, then the capital loss will be equal to the percentage fall in the underlying(s)



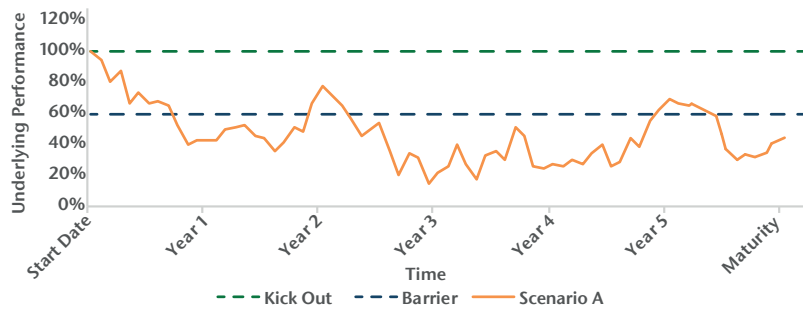
American Protection Barrier

- American protection barriers allow an underlying asset to fall by a fixed amount before triggering a potential capital loss
- American protection barriers look at the close of business level or intra-day levels of the underlying(s) on every day the product is in force
- If the underlying asset(s) breach the protection barrier on any day, then capital will be at risk even if the underlying(s) recover to above the protection by the end of the investment term
- If the product has not matured early, and the protection barrier has been breached during the term, capital loss will be determined by the final level of the underlying(s)
- If the product has not matured early and the protection barrier has not been breached during the term, the initial investment will be returned in full



European Protection Barrier Examples

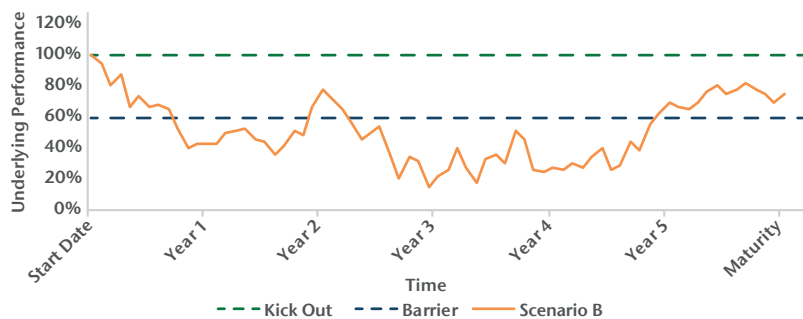
A kick out product with a 60% European protection barrier and the potential to kick out every year if the underlying is above its start level. It reaches the final date and has not experienced an early maturity. The client invested £10,000.



Scenario A

The underlying has fallen by 55% and the product matures with no investment return. The investor receives 45% of their initial investment as the European barrier was breached.

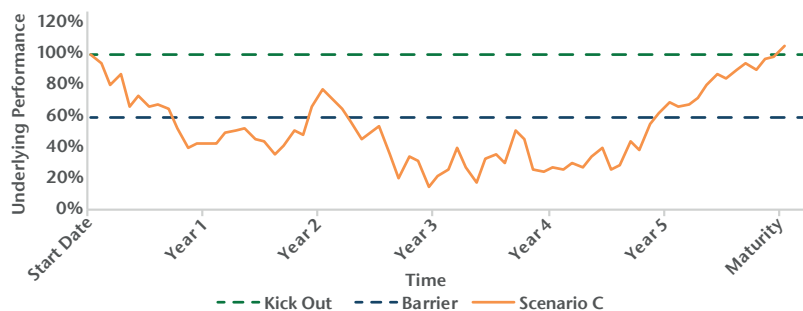
£4,500 returned.



Scenario B

The underlying has fallen by 25% and the product matures with no investment return. The investor receives 100% of their initial investment as the European barrier was not breached.

£10,000 returned.



Scenario C

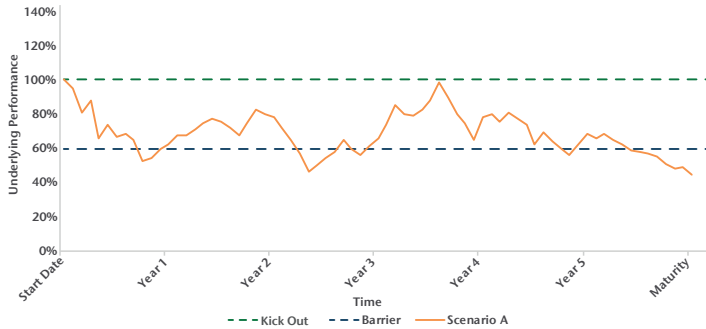
The underlying is above its final observation level. The investor receives 100% of their initial investment plus growth and the European protection barrier is not triggered.

£10,000 plus investment return.



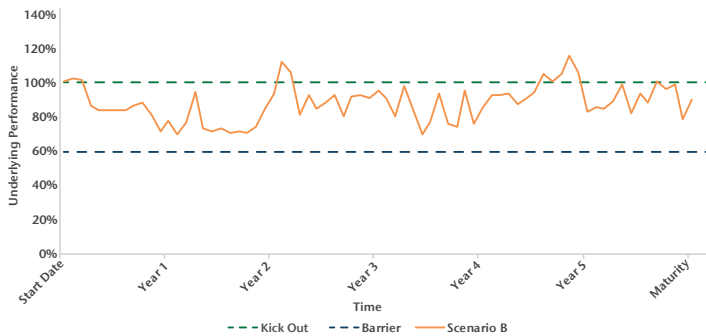
American Protection Barrier Examples

A kick out product with a 60% American protection barrier and the potential to kick out every year if the underlying is above its start level. It reaches the final date and has not experienced an early maturity. The client invested £10,000.



Scenario A

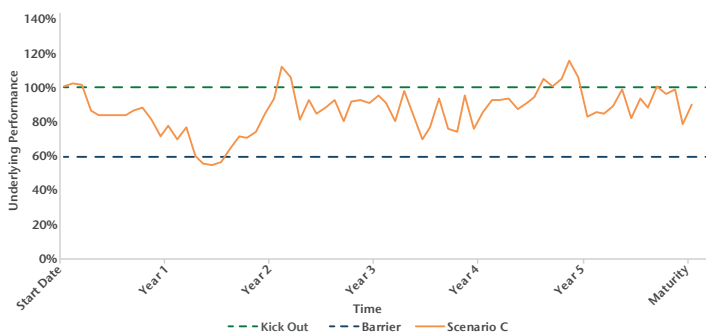
The underlying asset has fallen by 55% during the term and ended 55% below its start level. The product matures and the investor receives 45% of their initial investment back as the American barrier was breached during the term. £4,500 returned.



Scenario B

The underlying fell by up to 25% during the term and ended 10% below its start level. The product matures with no investment return and the investor receives 100% of their initial investment back as the American barrier was not breached.

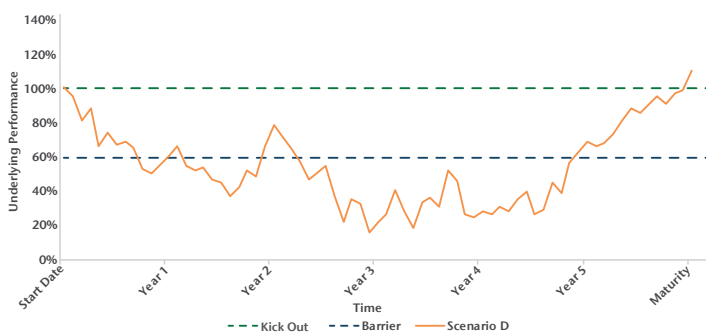
£10,000 returned.



Scenario C

The underlying fell by up to 45% during the term and ended 10% below its start level. The product matures and the investor receives 90% of their initial investment back as the American barrier was breached during the term.

£9,000 returned.



Scenario D

The underlying fell up to 85% during the term but ended 10% above its start level. The American Barrier was breached but the underlying recovered by the end. The full capital is returned plus any potential investment return.

£10,000 plus investment return.



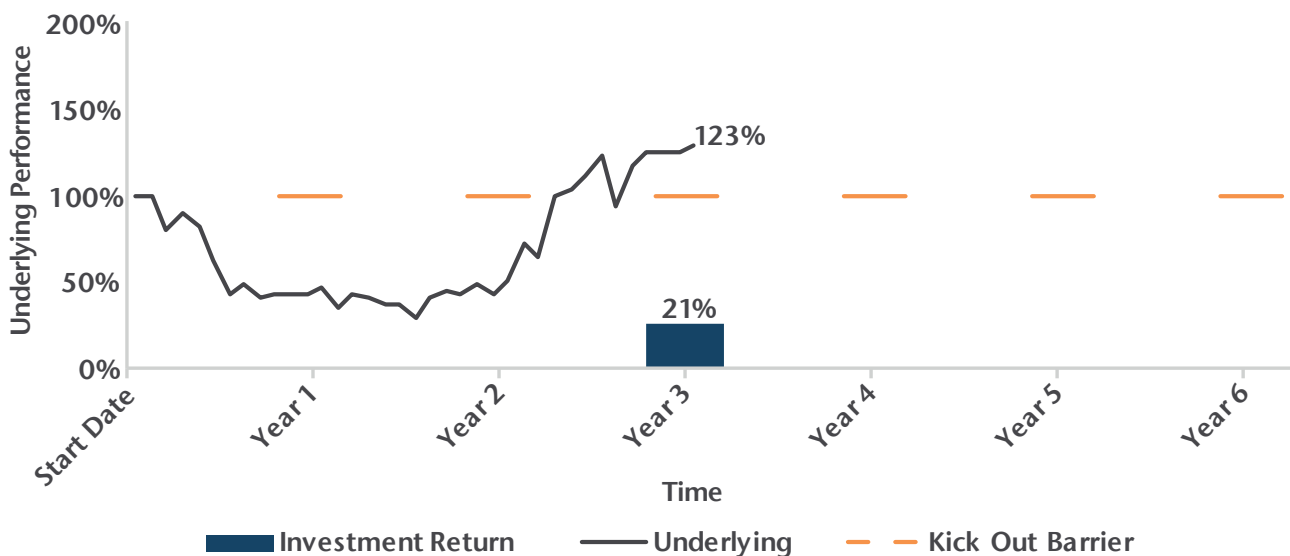
Kick Out Products

- A kick out product, also known as an autocall, is a form of structured product which can automatically mature ('kick out') prior to the final maturity date.
- Dates are set where the performance of the underlying asset(s) is evaluated against preset conditions.
- If the conditions are met at the appropriate date, then an investment return is achieved and the product matures early.
- If the conditions are never met, then the product will run for the contracted full term.

Example

The chart below shows the timeline of a hypothetical kick out product.

In this example, the condition for kick out is for the underlying to be at or above 100% of its start level on an annual observation.



Assuming an initial investment of £10,000 and a potential gross investment return of 7% per annum (non-compounded) the investor would have received an investment return of 21% on their initial investment after 3 years. This is because the underlying asset was at least 100% of its start level on the third observation date.

If the underlying asset was below the kick out condition on every observation date (it is only the market levels on the fixed observation dates that are relevant) until the final observation date, the investor would not receive an investment return.

Kick Out Variations

We offer a number of **capital-at-risk** kick out shapes. The below are some of our most popular.



Kick Out

- Potential to kick out every set number of months/years
- Underlying(s) need to be at or above their start level to kick out
- Investment return increases linearly each observation



Kick Start

- Potential to kick out every set number of months/years
- Underlying(s) need to be at or above their start level to kick out
- Investment return is weighted more heavily towards the first observation and increases by a smaller, regular amount thereafter



Step Down/Defensive

- Potential to kick out every set number of months/years
- Underlying(s) need to be at or above a reference level that decreases by a small amount at each subsequent observation.
- At the final observation the underlying(s) only need to be at or above a set percentage of the strike level to generate an investment return
- Investment return increases linearly each observation



Super Step Down/Defensive

- Potential to kick out every set number of months/years
- Underlying(s) need to be at or above a reference level that decreases by a significant amount each subsequent observation.
- At the final observation the underlying(s) only need to be at or above a relatively low percentage of the strike level to generate an investment return
- Investment return increases linearly each observation

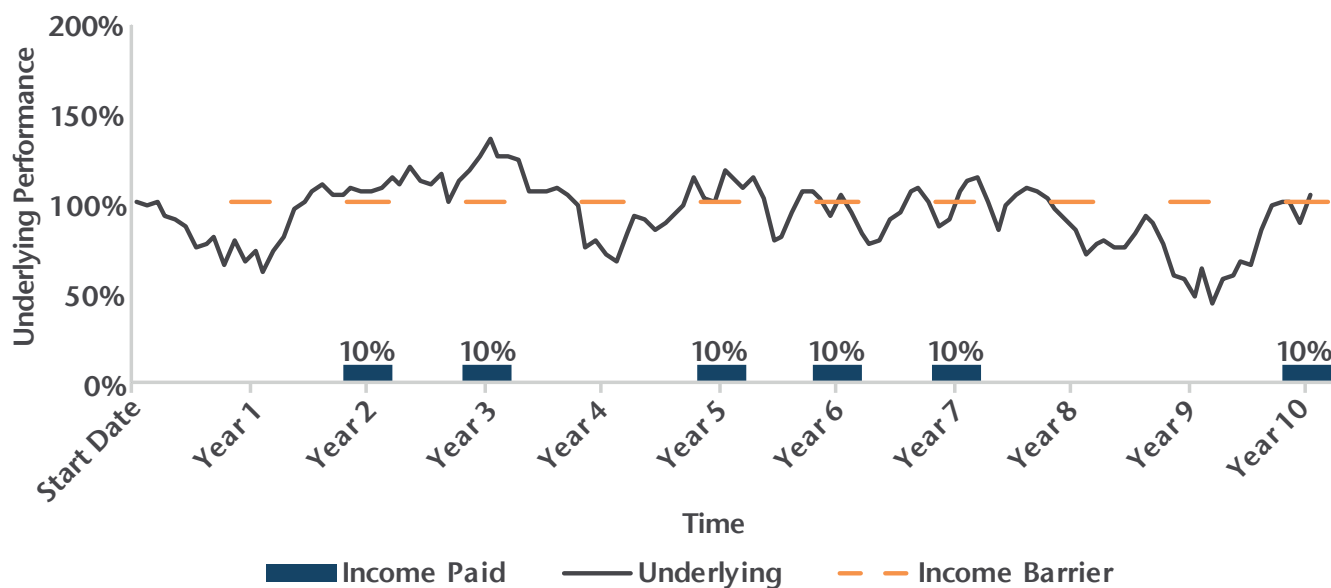


Income Products

- An income product is designed to provide a steady stream of payments over a fixed period.
- Some products pay a fixed income regardless of the performance of the underlying asset(s). These are commonly known in the industry as a reverse convertible.
- Income can be paid monthly, quarterly or annually.
- Some products pay a certain amount of income determined by the performance of the underlying asset(s). These are known as conditional income products.
- Some can include a kick out feature, and these may also be referred to as phoenix products.
- Some can include a memory feature, where previously missed income is paid if a condition is met.

Example

The chart below shows the timeline of a hypothetical conditional income product.



In this example, the condition for an income payment requires the underlying asset to be at or above 100% of its start level.

Assuming an initial investment of £10,000 and a potential gross income of 10% each year, the investor would have received an income payment in 6 of the 10 years. In years 1, 4, 8, and 9, the underlying was below the income barrier and so no income was paid in those years.

In total the investor has received £6000 in income payments over the lifetime of the product. If the underlying asset was below its start level on all 10 observation dates, the investor would not receive any income at all. If however, the product had a memory feature built in, then all of the payments would have been made, albeit not in a linear manner.

Income Variations

We offer a number of **capital-at-risk** income shapes. The below are some of our most popular.



Fixed Income

- A fixed income is paid every period regardless of performance in underlying(s)



Conditional Income

- Income is paid after each pre-determined observation point if the underlying(s) is/are at or above a certain level



Income Accrual

- Income is accrued daily dependent on the performance of the underlying asset(s)
- Accrued income is paid after the end of each observation period



Contingent Income Kick Out

- Income is paid after each pre-determined observation point if the underlying(s) is/are at or above a certain level
- Potential to kick out after a set number of months
- If a kick out occurs, the product matures early, no further income is paid and the initial investment is returned



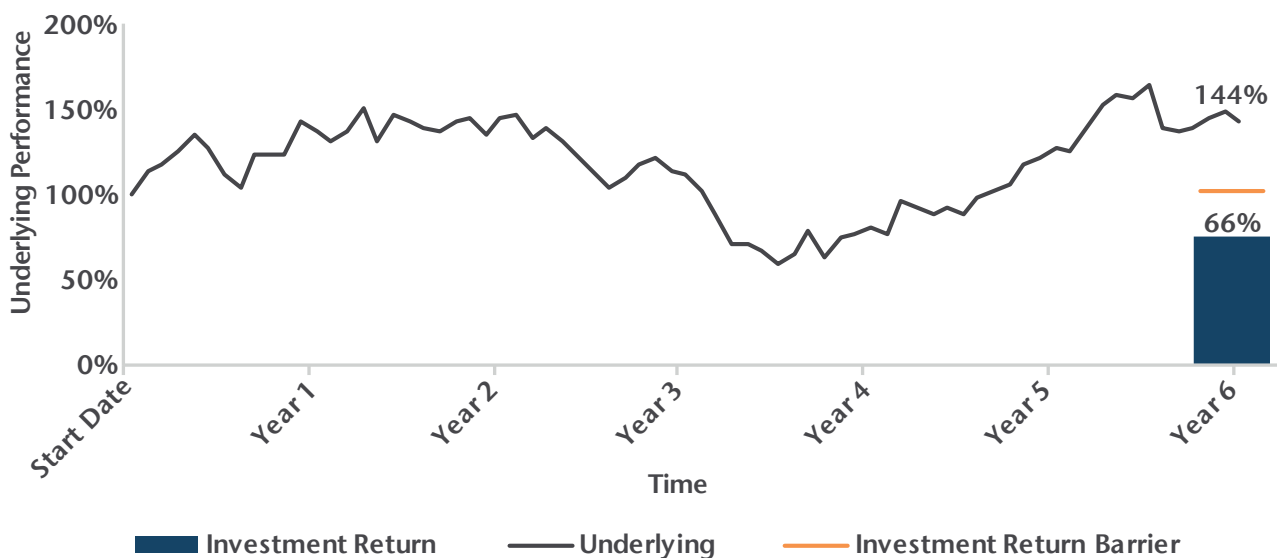
Growth Products

Supertrackers

- A supertracker product, also known as a participation product, is designed to pay a multiple of the rise in the underlying asset(s).
- Investment returns are calculated by the rise in the underlying asset(s).
- Supertracker products may sometimes have a cap on the maximum investment return.
- A product with a participation rate of 100% would receive 1% growth for every 1% rise in the underlying asset. A product with 150% participation would receive 1.5% growth for every 1% rise in the underlying asset.

Example

The chart below shows the timeline of a hypothetical supertracker product.



In this example, the product runs to the final observation where the level of the underlying is evaluated to determine any investment return.

Assuming an initial investment of £10,000 and a 1.5% investment return for every 1% the underlying is above its start level, in this example the investor would have received a 66% return on their initial investment after 6 years. This is because the underlying asset finished 44% above its start level at the final observation ($44\% \times 1.5 = 66\%$).

If the underlying asset was below 100% of its start level at the final observation, the investor would not receive an investment return.



Supertracker Variations

We offer a number of **capital-at-risk** supertracker shapes. The below are some of our most popular.



Supertracker

- Investment return is a fixed multiple of the increase in the performance of the underlying asset compared to its start level
- Investment return can be either capped or uncapped



Defensive Supertracker

- Investment return is a fixed multiple of the increase in the performance of the underlying asset compared to a set percentage of the start level
- Investment return is generally capped



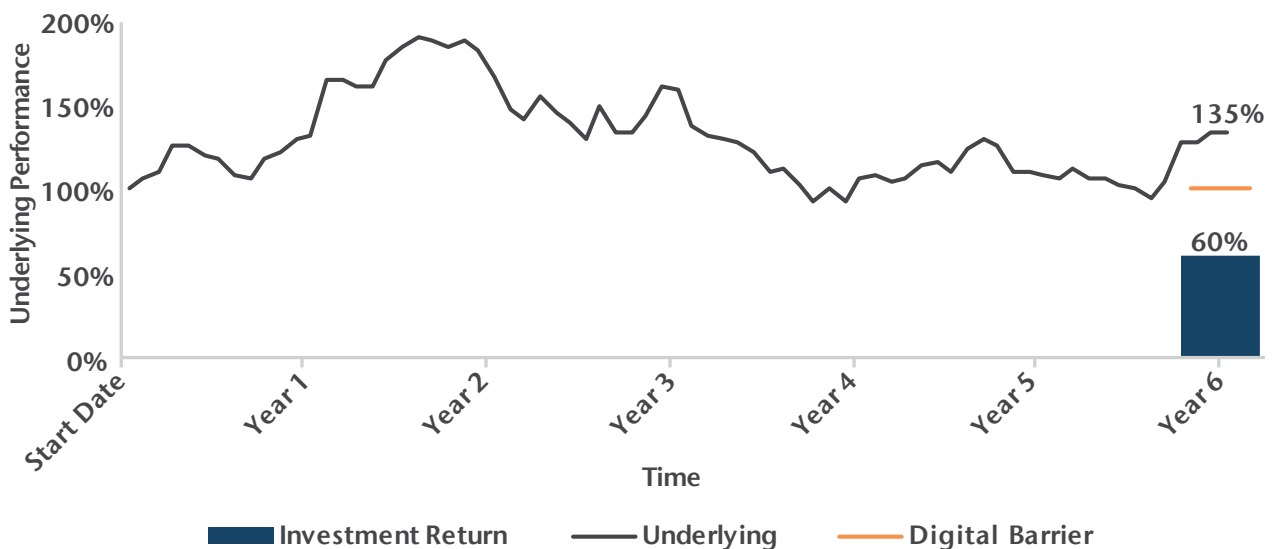
Fixed Term Options

Digital products

- A digital product is designed to pay an investment return at the end of the term.
- The investment return is based on the performance of the underlying asset(s) at the final observation.
- There are no opportunities for the product to mature early.
- The potential investment return is fixed from the outset.
- The investment return has the potential to be higher or lower than the actual performance of the underlying asset(s).

Example

The chart below shows the timeline of a hypothetical digital product.



In this example, the condition for an investment return is if at the final observation, the underlying asset is at or above 100% of its start level, an investment return of 60% is paid.

Assuming an initial investment of £10,000 and a potential gross investment return of 60% at maturity, the client would receive the 60% investment return even though the underlying has only risen by 35%. This is because the underlying asset was above its start level at the final observation.

If the underlying asset was below its start level on the final observation, the investor would not get an investment return.



Fixed Term Variations

We offer a number of **capital-at-risk** fixed term digital shapes. The below are some of our most popular.

Growth

- Potential investment return is fixed at the start
- No early maturity
- Investment return paid at the maturity date is dependent on the performance of the underlying asset(s) over the term

Growth Accrual

- Growth payment at maturity
- The total growth payment is accrued depending on the performance of the underlying asset(s) at pre-determined points over the product term
- No early maturity
- The accrued investment return is paid at the maturity date

How to Invest

There are many ways to invest in a structured product with us. We have separate application forms for each format.



Direct



ISA



Pension



Trust



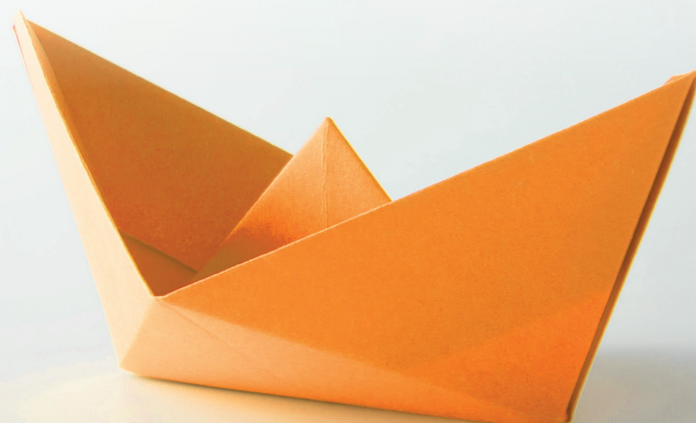
Company



Platform

You can apply by post or online. Application forms can be found at the back of our product Brochures. You can also download additional forms from our website or apply online at www.meteoram.com.

We do not offer financial advice or guidance on tax issues. However, we believe that it is important to seek such advice before you invest, to ensure that you choose an investment, which is appropriate for you.





Getting in Touch

Contact us

-  www.meteoram.com
-  sales@meteoram.com
-  020 7904 1010
-  55 King William Street
London
EC4R 9AD

Connect with us

-  www.linkedin.com/company/meteor-asset-management
-  www.twitter.com/meteorassetmgmt

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Financial Conduct Authority: 25 The North Colonnade, Canary Wharf, London E14 5HS.

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Meteor Asset Management Limited
55 King William Street
London EC4R 9AD
Tel +44 (0)20 7904 1010
Fax +44 (0)20 7283 1355
Email info@meteoram.com
Web www.meteoram.com