



Illustrations of Taxation Benefits in Capital Protected Growth Plan

Assume stamp prices continue to increase by 10% per annum over next 5 years on a compound basis.
Assume investor exercises option 3.1(d) on expiry of contract period.

Example 1 - joint investment with spouse at level to forecast utilisation of tax free exemption

Example 2 - single investment at level to forecast utilisation of tax free exemption

Example 3 - joint investment with spouse (returns expected above annual tax free exemption)

	10%		
	Example 1	Example 2	Example 3
Sum invested	£36,500	£18,250	£100,000
Value of portfolio at start	£40,556	£20,278	£111,111
Capital Value			
Year 1	£44,611	£22,306	£122,222
Year 2	£49,072	£24,536	£134,444
Year 3	£53,979	£26,990	£147,889
Year 4	£59,377	£29,689	£162,678
Year 5	£65,315	£32,658	£178,946
Profit at end of 5 year investment period	£28,815	£14,408	£78,946
SG trading commission (30% of profit)	£8,645	£4,322	£23,684
Your profit	£20,171	£10,085	£55,262
Annual CGT exemption	£20,200	£10,100	£20,200
Tax payable @ 18% after allowance	£0	£0	£6,311
Capital returned to you	£56,671	£28,335	£148,951
Your % return	55%	55%	49%
Annual return%	11%	11%	10%

Illustrations of Tax Implications with example 1 in annual interest product for comparison

	10% Capital	Interest @ 10% (gross)	Tax @ 40%	Net interest
Sum invested	£36,500			
Capital Value				
Year 1	£38,690	£3,650	£1,460	£2,190
Year 2	£41,011	£3,869	£1,548	£2,321
Year 3	£43,472	£4,101	£1,640	£2,461
Year 4	£46,080	£4,347	£1,739	£2,608
Year 5	£48,845	£4,608	£1,843	£2,765
		£20,575	£8,230	£12,345
Summary				
Initial capital	£36,500			
Gross interest received @ 10% per annum	£20,575			
Less: tax @ 40%	-£8,230			
Final capital	£48,845			
Return per CPGP above	£56,671			
Increase in your return	£7,825	21%		
Analysed as follows:				
Tax saving	£8,230			
Loss of compounding from annual tax impact	£8,240			
	£16,470			
Less: SG trading commission	-£8,645			
	£7,825			

Illustration of Interest Rate Required to Match Expected returns from CPGP

	15.3%	Interest		
	Capital	@ 15% (gross)	Tax @ 40%	Net interest
Sum invested	£36,500			
Capital Value				
Year 1	£39,857	£5,595	£2,238	£3,357
Year 2	£43,523	£6,110	£2,444	£3,666
Year 3	£47,527	£6,672	£2,669	£4,003
Year 4	£51,898	£7,286	£2,914	£4,371
Year 5	£56,672	£7,956	£3,182	£4,774
		£33,620	£13,448	£20,172
Summary				
Initial capital	£36,500			
Gross interest received @ 10% per annum	£33,620			
Less: tax @ 40%	-£13,448			
Final capital	£56,672			
		10%		

Illustrations of Tax Implications with example 3 in annual interest product for comparison

	10% Capital	Interest @ 10% (gross)	Tax @ 40%	Net interest
Sum invested	£100,000			
Capital Value				
Year 1	£106,000	£10,000	£4,000	£6,000
Year 2	£112,360	£10,600	£4,240	£6,360
Year 3	£119,102	£11,236	£4,494	£6,742
Year 4	£126,248	£11,910	£4,764	£7,146
Year 5	£133,823	£12,625	£5,050	£7,575
		£56,371	£22,548	£33,823
Summary				
Initial capital	£100,000			
Gross interest received @ 10% per annum	£56,371			
Less: tax @ 40%	-£22,548			
Final capital	£133,823			
Return per CPGP above	£148,951			
Increase in your return	£15,128	15%		
Analysed as follows:				
Tax saving	£16,237			
Loss of compounding from annual tax impact	£22,575			
	£38,812			
Less: SG trading commission	-£23,684			
	£15,128			

For Illustration Purposes only. Past performance is no guarantee to future performance.