

What are New Issues and IPOs?

A New Issue or an Initial Public Offering (IPO) is a method of bringing a company to the market to raise money in return for a shareholding in the company. Similarly, a number of companies have also issued bonds via the Order Book for Retail Bonds (ORB), in return for a fixed or variable rate of return.

There are many reasons why companies offer shares and/or bonds to the public, including but not limited to:

- To raise new capital
- To increase market liquidity
- To raise their public profile
- To widen their shareholder base
- To use the money raised to finance further acquisitions

New Issues and IPOs: Don't Miss Out!

To ensure you don't miss out, register for our New Issue/IPO alert service where we will endeavour to make you aware of the latest New Issue/IPO news as soon as it becomes available. This information is often extremely time sensitive and, as a result, we only provide this service by e-mail.

Please register to be kept informed about forthcoming New Issues and IPOs:



Call your local **Redmayne-Bentley branch** or **0113 243 6941**



E-mail: **info@redmayne.co.uk**



Visit: **www.redmayne.co.uk/ipos**

Investments can fall in value and your capital is at risk. The payment of income and the return of capital could be in jeopardy in the event that the parent company has problems meeting its financial obligations.

Risk vs Reward

Please see below for each of the potential benefits of subscribing to New Issues and IPOs, there are also a number of potential risks.

What are the benefits?

- Shares and bonds (usually issued at par), are often attractively priced to appeal to investors at issue.
- There is usually no commission or settlement and compliance charge payable for most New Issues and IPOs through Redmayne-Bentley.
- Shares and bonds are exempt from stamp duty when purchased at issue.
- Shares and bonds are usually ISA, JISA and/or SIPP eligible, offering the opportunity to receive gross interest with no further tax liability. However, tax treatment depends on the specific circumstances of each individual and may be subject to change in the future.
- High demand at issue may carry through into the secondary market and push the price up.
- The issuing company may also include some additional benefits for 'founding shareholders' eg. discounts on goods/services.
- Bonds may pay higher rates of interest than high street banks and building societies pay on cash deposit accounts.

What are the risks?

- Investments can fall in value and you may lose some or all of the amount you have invested.
- The payment of income and the return of capital could be in jeopardy in the event that the parent company has problems meeting its financial obligations.
- New Issues and IPOs can be closed early, scaled back or withdrawn at short notice depending on demand. If a scale back does occur you may not receive the full amount you have applied for, or even any at all.
- Retail bonds are not protected by the Financial Services Compensation Scheme.
- New Issues do not always come to market at a premium.
- Retail bonds have less liquidity when trading if the company raises only a low amount of capital.
- If bonds are not index-linked, and the rate of inflation rises, the value of the money you get back in real terms will be lower.

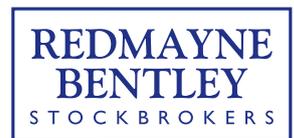
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