

# New NS&I Guaranteed Equity Bond offers growth potential linked to the FTSE100

Submitted by: pr-sending-enterprises

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National Savings and Investments (NS&I) has announced the launch of a new issue of its Guaranteed Equity Bond. This will offer a potential return that is linked to the FTSE 100 index - up to a maximum of 40% over the 5-year term - without any risk to investors' capital.

For example, if the averaged index end level is 20% greater than the averaged index start level at the end of the 5-year term, £10,000 invested would earn a gross return of £2,000 at the end of the term. If the index end level was 45% greater than the index start level at the end of the term, £10,000 invested would earn a gross return of £4,000, because the maximum return is 40%. The returns are calculated by comparing the start level of the FTSE 100 index (averaged over the first five days of the investment term) to the end level (averaged over the final six months).

While the returns paid on NS&I Guaranteed Equity Bonds (<http://www.nsandi.com/products/geb/index.jsp>) are linked to the FTSE 100 index, NS&I does not invest the money in equities, so investments in the Guaranteed Equity Bond will not be eligible for dividends. Therefore investors may not get as high a return as they might through investing directly in the stock market. However, unlike investments in the stock market, any money invested is guaranteed 100% secure, backed by HM Treasury. If the FTSE 100 index end level is the same as or lower than the start level, investors' initial capital would be returned in full.

Issue 18 of the Guaranteed Equity Bond will be on sale until 11 August 2009 (although it may close earlier if fully subscribed). Investments will earn interest at 0.5% pa gross until the Bond's investment term starts on 26 August 2009. This interest will be paid when the Bond matures. The minimum investment level for this Guaranteed Equity Bond remains at £1,000 and the maximum investment is £1 million per person or £2 million for a joint investment.

This latest Guaranteed Equity Bond launch roughly coincides with the maturity of Issue 8 of NS&I's 5-year Guaranteed Equity Bond on 28 July 2009, which went on sale in June 2004. NS&I has written to investors to inform them that their Bond is about to mature.

ENDS

Notes to Editors:

NS&I's previous Guaranteed Equity Bond issue closed two weeks early as a result of customer demand. NS&I Guaranteed Equity Bond key features (<http://www.nsandi.com/products/geb/keyfeatures.jsp>) and further details available from the NS&I website

About NS&I (<http://www.nsandi.com/>)

NS&I is one of the UK's largest financial providers with almost 27 million customers and over £94 billion invested. It is best known for Premium Bonds (<http://www.nsandi.com/products/pb/index.jsp>), but

also offers Inflation-Beating Savings, Guaranteed Equity Bonds and Children's Bonus Bonds in its range. All products offer 100% security, because NS&I is backed by HM Treasury.

NS&I PR contact:

Gill Stephens  
National Savings and Investments  
375 Kensington High Street  
London  
W14 8SD  
020 7348 93449  
www.nsandi.com

ISDN for interviews: 020 7602 4522

Out of hours: All numbers above diverted to staff mobile phones.