

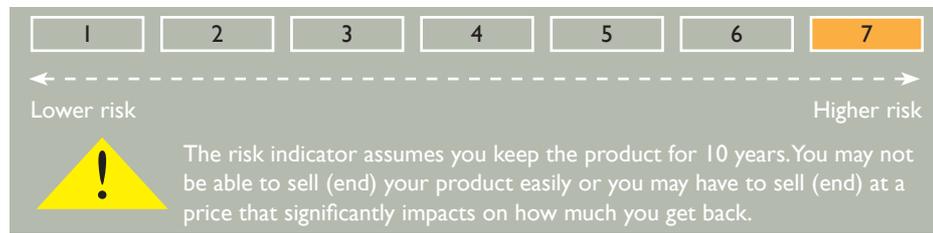
# KEY INFORMATION DOCUMENT



<b>Purpose</b>	<p>This document provides you with key information about this investment product. It is not marketing material.</p> <p>The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.</p>														
<b>Product</b>	<b>PRIP name:</b>	LIBOR based Interest Rate Cap – Upfront payment 10 Year term													
	<b>PRIP manufacturer:</b>	Coutts & Co ('Coutts')													
	<b>Contact number for PRIP manufacturer:</b>	Please call 020 7293 0788 for more information or visit <a href="http://coutts.com">coutts.com</a>													
	<b>Competent Authority:</b>	Coutts is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority.													
	<b>Date:</b>	The date of this Key Information Document is 12 January 2018													
<b>You are about to purchase a product that is not simple and may be difficult to understand.</b>															
<b>What is this product?</b>	<b>Type:</b>	An Over the Counter Derivative (OTC) contract – Interest Rate Cap – Upfront payment													
	<b>Objective:</b>	<p>The objective of this product is to protect you from rising interest rate payments you may incur under a separate variable rate borrowing contract (for example a loan linked to an official variable interest rate such as LIBOR).</p> <p>The product achieves its objective by Coutts agreeing the terms of an OTC contract with you under which you agree to pay Coutts a premium.</p> <p>In return, on each agreed payment date, if the variable rate exceeds the cap rate, Coutts will pay you a variable amount equal to the difference between the two on the agreed nominal amount. If the variable rate is less than the cap rate, you will receive nothing.</p> <p>Depending on the value of the variable rate relative to the cap rate over the life of the product, it may record an overall gain or loss, illustrative figures for a premium ('investment') of GBP10,000 are set out in the Performance Scenarios table overleaf.</p> <p>The illustrative terms are set out below and the exact terms agreed with you at execution will be set out in a transaction confirmation.</p> <table border="0" data-bbox="611 1473 1437 1644"> <tr> <td><b>Fixed term</b></td> <td>Ten years</td> <td><b>Variable rate</b></td> <td>3m ICE LIBOR payable quarterly</td> </tr> <tr> <td><b>Nominal amount</b></td> <td>£95,057.00</td> <td><b>Cap rate</b></td> <td>0.50% payable quarterly</td> </tr> <tr> <td><b>Premium</b></td> <td>£10,000</td> <td></td> <td></td> </tr> </table>		<b>Fixed term</b>	Ten years	<b>Variable rate</b>	3m ICE LIBOR payable quarterly	<b>Nominal amount</b>	£95,057.00	<b>Cap rate</b>	0.50% payable quarterly	<b>Premium</b>	£10,000		
<b>Fixed term</b>	Ten years	<b>Variable rate</b>	3m ICE LIBOR payable quarterly												
<b>Nominal amount</b>	£95,057.00	<b>Cap rate</b>	0.50% payable quarterly												
<b>Premium</b>	£10,000														
	<b>Intended retail investor:</b>	This product is intended for clients of Coutts who are classified as MiFID retail investors and who have borrowings linked to a variable benchmark interest rate (such as LIBOR) and who are looking to obtain protection over the rising cost of those borrowings, in whole or in part, by paying a premium which is not-refundable and who intend to hold the product for as long as protection is required against the underlying borrowing exposure. This product is not intended for speculative purposes.													

What are the risks and what could I get in return?

Risk indicator:



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 7 out of 7, which is the highest risk class. This rates the potential loss from future performance at a very high level.

**If the Benchmark rate remains below the Cap Rate no benefit will be derived from owning the Cap (and the premium paid for it).**

This product does not include any protection from future market performance so you could lose some or all of your investment. If Coutts is not able to pay you what is owed, you could lose your entire investment. However, you may benefit from a consumer protection scheme (see the section 'what happens if we are unable to pay you'). The indicator shown above does not consider this protection.

Performance scenarios:

Investment Scenarios	£10,000	1 year	5 years	10 years (recommended holding period)
<b>Stress</b>	What you might get back after costs	£0.00	£0.00	£0.00
	Average return each year	-100.00%	-20.00%	-10.00%
<b>Unfavourable</b>	What you might get back after costs	£0.00	£0.00	£0.00
	Average return each year	-100.00%	-20.00%	-10.00%
<b>Moderate</b>	What you might get back after costs	£5.95	£18.03	£2.04
	Average return each year	-99.94%	-19.96%	-10.00%
<b>Favourable</b>	What you might get back after costs	£583.86	£588.19	£658.55
	Average return each year	-94.16%	-18.82%	-9.34%

This table shows the money you could get back or pay over the next ten years, under different scenarios, assuming that you invest £10,000. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products.

The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the product. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you.

This product cannot be easily cashed in. This means it is difficult to estimate how much you would get back if you cash in before the end of the recommended holding period. You will either be unable to cash in early or you will have to pay high costs or make a large loss if you do so.

The figures shown include all the costs of the product itself. The figures do not take into account your personal tax situation, which may also affect how much you get back.

What happens if Coutts is unable to pay out?

In the event of a default by Coutts, you may suffer a financial loss. In the event of such loss, you will not be entitled to claim compensation from the Financial Services Compensation Scheme or any other investor compensation or guarantee scheme. You may be eligible for compensation from the Financial Services Compensation Scheme if you lose money due to negligent management of your investments, misrepresentation or fraud. Find out more at [www.fscs.org.uk](http://www.fscs.org.uk) or call the FSCS on 0800 678 1100. Coutts is covered by the Financial Ombudsman Service (FOS).

<p><b>What are the costs?</b></p>	<p>The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs. The amounts shown here are cumulative costs of the product itself, for three different holding periods. They include potential early exit penalties. The figures assume you invest £10,000. The figures are estimates and may change in the future.</p> <p><b>Costs over time:</b> The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.</p> <table border="1" data-bbox="611 501 1436 734"> <thead> <tr> <th colspan="4">Investment £10,000</th> </tr> <tr> <th>Scenarios</th> <th>If you cash in after year</th> <th>If end cash in at 5 years</th> <th>If you end at the end of the recommended holding period</th> </tr> </thead> <tbody> <tr> <td><b>Total costs</b></td> <td>£9,960</td> <td>£9,960</td> <td>£9,960</td> </tr> <tr> <td>Impact on return (RIY) per year</td> <td>0%</td> <td>0%</td> <td>0%</td> </tr> </tbody> </table> <p><b>Composition of costs:</b> The table below shows:</p> <ul style="list-style-type: none"> <li>• The impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period;</li> <li>• What the different cost categories mean.</li> </ul> <table border="1" data-bbox="611 869 1436 1462"> <thead> <tr> <th colspan="4">This table shows the impact on return per year</th> </tr> </thead> <tbody> <tr> <td rowspan="2">One-off costs</td> <td>Entry Costs</td> <td>0.32%</td> <td>The impact of the costs already included in the price. This is the most you will pay, and you could pay less.</td> </tr> <tr> <td>Exit costs</td> <td>Nil</td> <td>The impact of the costs of exiting your investment when it matures. See section recommended holding period below for the impact of the costs to terminate the investment prior to its recommended holding period.</td> </tr> <tr> <td rowspan="2">Ongoing costs</td> <td>Portfolio transaction costs</td> <td>N/A</td> <td>The impact of the costs of us buying and selling underlying investments for the product.</td> </tr> <tr> <td>Other ongoing costs</td> <td>N/A</td> <td>The impact of the costs that we take each year for managing your investment.</td> </tr> <tr> <td rowspan="2">Incidental costs</td> <td>Performance fees</td> <td>N/A</td> <td>The impact of the performance fee. We take these from your investment if the product outperforms its benchmark.</td> </tr> <tr> <td>Carried interests</td> <td>N/A</td> <td>The impact of carried interests that we take when the investment has performed better than the specified benchmark.</td> </tr> </tbody> </table>	Investment £10,000				Scenarios	If you cash in after year	If end cash in at 5 years	If you end at the end of the recommended holding period	<b>Total costs</b>	£9,960	£9,960	£9,960	Impact on return (RIY) per year	0%	0%	0%	This table shows the impact on return per year				One-off costs	Entry Costs	0.32%	The impact of the costs already included in the price. This is the most you will pay, and you could pay less.	Exit costs	Nil	The impact of the costs of exiting your investment when it matures. See section recommended holding period below for the impact of the costs to terminate the investment prior to its recommended holding period.	Ongoing costs	Portfolio transaction costs	N/A	The impact of the costs of us buying and selling underlying investments for the product.	Other ongoing costs	N/A	The impact of the costs that we take each year for managing your investment.	Incidental costs	Performance fees	N/A	The impact of the performance fee. We take these from your investment if the product outperforms its benchmark.	Carried interests	N/A	The impact of carried interests that we take when the investment has performed better than the specified benchmark.
Investment £10,000																																										
Scenarios	If you cash in after year	If end cash in at 5 years	If you end at the end of the recommended holding period																																							
<b>Total costs</b>	£9,960	£9,960	£9,960																																							
Impact on return (RIY) per year	0%	0%	0%																																							
This table shows the impact on return per year																																										
One-off costs	Entry Costs	0.32%	The impact of the costs already included in the price. This is the most you will pay, and you could pay less.																																							
	Exit costs	Nil	The impact of the costs of exiting your investment when it matures. See section recommended holding period below for the impact of the costs to terminate the investment prior to its recommended holding period.																																							
Ongoing costs	Portfolio transaction costs	N/A	The impact of the costs of us buying and selling underlying investments for the product.																																							
	Other ongoing costs	N/A	The impact of the costs that we take each year for managing your investment.																																							
Incidental costs	Performance fees	N/A	The impact of the performance fee. We take these from your investment if the product outperforms its benchmark.																																							
	Carried interests	N/A	The impact of carried interests that we take when the investment has performed better than the specified benchmark.																																							
<p><b>How long should I hold it and can I take money out early?</b></p>	<p>This product is designed to be held until the end of the recommended holding period, which will be set out in the confirmation for this product, and it is not a product which can be transferred or terminated without our consent. Early termination may occur in the event of a default or disruption situation, or if you and Coutts agree in Coutts' discretion for it to be terminated early, in which case, you may not be entitled to any repayment of premium.</p> <p>This will be calculated by reference to prevailing market conditions and include any costs incurred by us in terminating any related financial instrument or trading position. Please note that such break costs may be substantial. Unless set out in the Exit costs table above, we do not charge any other additional costs or charges.</p>																																									
<p><b>How can I complain?</b></p>	<p>If you are not satisfied with any aspect of our service or products, please advise your private banker or wealth manager in person, in writing, by telephone or email. If your complaint relates to your private banker or wealth manager, please advise their managing director. Their details are available on request by calling +44 (0)20 7649 9654.</p> <p>If you would like more information or a leaflet describing our complaints procedures, please ask at any of our offices, call +44 (0)20 7649 9654 or refer to the 'Coutts Complaints Handling Policy' section at <a href="http://coutts.com/important-information-and-fscs.html">coutts.com/important-information-and-fscs.html</a></p>																																									
<p><b>Other relevant information</b></p>	<p>The full terms and conditions of the product are set out in the confirmation, as supplemented and amended by the applicable definitions and master agreement terms. These latter documents can be provided on your request. The product terms provide amongst other things that if certain exceptional events occur, Coutts may terminate the product early. These events principally relate to your financial condition.</p>																																									