

## Frequently Asked Questions

Frequently asked questions	Preference Shares	Permanent Interest Bearing Shares (PIBS)	Subordinated Bonds - Ex PIBS	Debentures
<b>Who issued them?</b>	Public Limited Companies	Building Societies	Ex Building Societies who have converted to Public Limited Companies	Public and Private Limited Companies
<b>How safe are they?</b>	As safe as the issuing company. Prices will also depend on the economic and interest rate environment	As for prefs	As for prefs	As for prefs
<b>What yields are currently available? And what are the main stocks available?</b>	Refer to our latest weekly Preference, PIBS and Debenture lists	As for prefs	As for prefs	As for prefs
<b>How can I get Preference and PIBS offer lists?</b>	New lists appear on the Fixed Interest page of our website every Wednesday. Brokers and institutional investors can receive these by e-mail	As for prefs	As for prefs	As for prefs
<b>In what form do they pay income?</b>	Dividends - usually twice a year	Interest - twice a year	Interest – usually twice a year	Interest – twice a year
<b>Do they pay a fixed coupon?</b>	Yes, apart from one or two participating or floating rate issues	Yes, apart from one or two floating rate issues	As for PIBS	Yes
<b>Can the issuer stop payment of income?</b>	Yes - dividends are at the discretion of directors, but the company would not then be able to pay an ordinary dividend	Yes - the board may suspend interest payments if they feel it necessary	As for PIBS	Not without triggering a default
<b>Is income cumulative?</b>	Usually yes, although most bank issues are non-cumulative	No	Usually, yes	Missed income payments would trigger a default. Holders would be owed the redemption amount plus any accrued interest
<b>Where do they rank for income and capital?</b>	After all debt, but before ordinary shares	After all lenders, depositors and share accounts	After all other debt, but before ordinary shares	Before unsecured creditors, preference shares and ordinary shares
<b>Can I put them in an ISA or SIPP?</b>	Yes	Yes	Yes	Yes

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<b>What size can I deal in?</b>	Subject to marketability, any whole number of shares	Round amounts of 1,000 up to 100,000 depending on the issue	Usually round amounts of 1,000 up to 50,000 depending on the issue	Usually any whole number of shares
<b>Are the shares redeemable?</b>	Generally not, but some issues are callable at the company's option	No, but some issues are callable at the society's option	No, but some issues are callable at the company's option	Yes
<b>Are dealing prices displayed on the screen?</b>	Yes	Yes, with one or two exceptions	As for PIBS	Most larger issues are, yes.
<b>Do I have to pay Stamp Duty?</b>	Yes - 0.5% on purchases	No	Not on UK issues	No
<b>What would I get in a solvent winding-up?</b>	It depends on the rights of the individual stock	100p	100p	Usually the higher of par or the price which would correspond to a specified gilt yield
<b>What is normal settlement?</b>	T + 2 , ie two working days - but we can arrange different settlement	As for prefs	As for prefs	As for prefs
<b>How is accrued income settled?</b>	Dealt "dirty" as with equities, ie accrued dividend is included in the price, which falls when the stock is marked ex dividend	Dealt clean of interest as with bonds, ie interest is settled separately at the time of dealing	As for PIBS	As for PIBS
<b>How do I work out the income yield?</b>	Divide the coupon by the price, after adjusting the price to allow for net accrued dividend and Stamp Duty	Divide the coupon by the price	As for PIBS	As for PIBS
<b>Will I get my money back when I sell?</b>	It depends on the market price - you may get back more or less than you paid	As for prefs	As for prefs	As for prefs
<b>Can I deal online?</b>	Yes - we supply automated dealing prices to many stockbrokers offering online dealing	As for prefs	As for prefs	As for prefs
<b>How is the income taxed outside an ISA or SIPP?</b>	Dividends up to £5000 are received tax free. Dividends above this are taxed at 7.5% (basic rate), 32.5% (higher rate) and 38.1% (additional rate)	Interest is paid gross. A basic rate taxpayer will retain 80% of gross interest. Higher rate taxpayers retain 60% and additional rate payers 55%	As for PIBS	As for PIBS

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What is the difference between the “Leading Prefs and PIBS” list and the “Pref and PIBS Offer” list?	The “Leading Pref” list (in landscape format) is a regular listing of yields on all leading issues. The “Pref and PIBS Offer List” (portrait format) highlights stocks where we have a natural offer, and may also include offers of less marketable issues	As for prefs	As for prefs	As for prefs
Why should I do my deals with Canaccord Genuity?	Because we have many years of experience dealing in prefs and PIBS: and because we have outstanding dealing capabilities	As for prefs	As for prefs	As for prefs
I'm a fund manager / institutional investor / independent financial advisor - how can I deal?	Phone Chris Burgoyne on 020 7523 8471 and we will set up your account	As for prefs	As for prefs	As for prefs
I'm a broker with a stock exchange member firm - how can I deal?	Phone Chris Burgoyne on 020 7523 8471 or STX 67925 to deal	As for prefs	As for prefs	As for prefs
I'm a private individual with a sizeable sum to invest (i.e. over £100,000) - how can I deal?	Phone our wealth management division on 020 7523 4554 or <a href="#">Send Mail</a>	As for prefs	As for prefs	As for prefs
I'm a private individual with a smaller sum to invest - how can I deal?	Phone your usual stockbrokers and ask them to contact Chris Burgoyne on 020 7523 8471 or STX 67925	As for prefs	As for prefs	As for prefs