

- **Absolute Percentage Growth**  
Expresses the growth of a fund's value as a percentage over the specified period. A negative figure would indicate a decline.
- **Account Balance**  
Calculated using the value of cleared funds held and/or pending clearance.
- **Account number**  
A unique number for us to identify you as a client.
- **Account View**  
A page which details your cash balance and portfolio status.
- **Accrued Interest**  
Is interest earned but not yet received on a bond or loan, that has accrued since the principal investment, or since the previous coupon payment.
- **Accumulation Unit**  
Units in a unit trust which do not pay income to the investor but which instead redistribute dividend income from the underlying investments back into the capital value of the units.
- **Actively Managed Funds**  
Unlike index Funds (see 'index Funds') these are Funds where the Manager uses his professional judgment to decide which Funds to buy and sell, whilst seeking to out-perform the relevant benchmark.
- **Administration**  
Professional administrator appointed to wind up company with financial problems.
- **Administration Charge**  
The management charge made by your broker for looking after your nominee portfolio or account.
- **Adviser**  
A person who is qualified to discuss your financial affairs in detail, listen to your needs and make appropriate recommendations.
- **AGM**  
Annual General Meeting. The meeting that a company normally holds with its shareholders after announcing its annual results to approve the accounts, re-appoint directors, auditors, etc.
- **AIM**  
The Alternative Investment Market. The London Stock Exchange's market for growing and smaller companies, created in 1995. It enables companies to attain a listing which is affordable, and which does not require them to meet the stringent criteria for full quotation.
- **All or nothing**  
When placing a trade above normal market size via the personal telephone service you may be asked whether you want to trade 'all or nothing' or 'as many as possible'. All or nothing means that stockbrokers will endeavour to trade your entire instruction and in the case that this is not possible your order will not be executed.

- **Allotment**  
The number of shares received on application for a new issue or privatisation. This may be less than the number applied for but will never be more.
- **Allotment Letters**  
Documents representing the right to buy new shares at a stated price in a rights issue, known as the 'call' (see below). It is sometimes possible to sell such shares in a nil-paid form, delivering the allotment letters to the buyer who then pays the call. You can also sell the shares fully-paid if you have paid the call.
- **Alpha**  
The amount by which a fund has outperformed its benchmark, taking into account the fund's exposure to market risk (as measured by Beta). Alpha is also known as the residual return.
- **Analyst**  
An expert in evaluating financial investments such as equities, bonds and Government stocks; undertaking investment research; and making recommendations to institutional and retail investors to buy, sell or hold. Most analysts specialise in a single industry or business sector.
- **Announcements**  
News or information relevant to the security.
- **Annual Management Charge**  
A charge levied by the Fund Manager to cover the cost of investment management and administration, usually for unit trusts and OEICs.
- **Annual Management Charge (AMC)**  
  
This is the fee charged by the Fund Manager for managing the investment. The AMC can be either 'bundled' or 'clean' (see definitions of Bundled Share Class and Clean Share Class).
- **Annual Permitted Subscription (APS)**  
Is the annual ISA Subscription allowance for a deceased person, that can be transferred to their spouse.
- **Annual Report & Accounts**  
A statement of the financial condition of the company and its activities over the past financial year, including Profit and Loss account, Balance Sheet, Notes and a Statement of Cash Flow. All PLCs are obliged to make these available to shareholders and they can be viewed on the company's website or obtained by writing to the company's head office.
- **Annuity**  
An income guaranteed for life paid in return for handing over a lump sum. An annuity is bought at retirement by holders of most personal pension plans and members of money-purchase company schemes.
- **Ask**  
The ask or asking price is the price for which the holder of the shares is willing to sell. The bid price is the opposite.
- **Asset Classes**

Different types of investments with varying degrees of risk, cash, shares, gilts and bonds.

- **At Best**  
An order placed to buy or sell shares at the best price in the market at the time of dealing for the number of shares being traded.
- **At Limit**  
Refer to Limit Order.
- **Authorised Unit Trust**  
A unit trust scheme authorised by the Financial Conduct Authority (FCA) to operate in the UK.
- **Authority to Deal**  
Allowing someone other than yourself to invest on your behalf. You will need to complete the relevant section of our Third-Party Authorisation form to request this.

- **Available to Invest**

Is the value of cleared funds held and/or pending clearance within your EQi Accounts, that you can use to deal or transfer.

- **Avoid Tip**  
An 'Avoid' tip means that the tipster has a negative view of a share.  
These are opinions of the Tipsters and should not be considered as a recommendation to buy, sell or hold.
- **BACS**  
Bank Automated Clearing System. We use this to send funds to, and claim money from your chosen bank account.
- **Balance Sheet**  
A financial statement showing a company's assets, liabilities, and shareholders' equity on a given date, often at the end of the financial year.
- **Balances**  
The amount of cash and stock held on your portfolio.
- **Bank of England**  
The UK's central bank that decides on monetary policies and interest rates.
- **Base Rate**  
The rate at which the Bank of England lends to other banks in the UK. Currently 0.75%
- **Basket**  
A portfolio consisting of more than one security that may or may not replicate an index. For example, a share or equity basket is one that contains shares in more than one company.
- **Bear Document**  
Documents stating that the person in physical possession of them (the bearer) is the owner.
- **Bear Market**

A falling market, or one that is expected to fall - opposite to a bull market.

- **Benchmark**

A benchmark is a standard against which the performance of an asset can be measured.

- **Beneficial Owner**

The true owner of a security. The registered holder of the shares may act as nominee for the actual shareholder.

- **Best Execution**

A firm's commitment to obtain the best price for the relevant order - 'dealing at best'.

- **Beta**

A measure of a fund's sensitivity to market movements.

The beta of the market is 1.00 by definition. A beta of 1.10 shows that the fund has performed 10% better than its benchmark index in up markets and 10% worse in down markets, assuming all other factors remain constant.

Conversely, a beta of 0.85 indicates that the fund is expected to perform 15% worse than the market's excess return during up markets and 15% better during down markets.

- **Bid**

An attempt by one company to take over another.

- **Bid Price**

The price at which a market maker is prepared to buy shares - opposite of the ask price.

- **Bid/Offer Price**

The difference between the buying and selling price of your units. It includes an allowance for the initial charge, if there is one, plus the cost of making the investment.

- **Board of Directors**

Individuals legally responsible for running a company.

- **Bollinger Bands**

Bollinger Bands and the related indicators % and bandwidth can be used to measure the "highness" or "lowness" of the price relative to previous trades. Bollinger Bands are a volatility indicator.

- **Bond Fund**

A fund investing primarily in bonds/fixed interest securities.

- **Bond Issue**

A bond issue raises money for a company in the form of long-term debt. The company makes regular payments of interest to bondholders with repayment of the principal on maturity. The price of bonds can go up and down.

- **Bonds (or fixed interest securities)**

Bonds are effectively loans made by governments or corporations to fund spending or raise capital. They are issued for a specified redemption value at a fixed date in the future and provide the holder with regular interest payments until that time. The value of a bond will generally depend upon the outlook for inflation and interest rates, as well as the underlying security of the issuer. Bonds issued

by UK Government are generally regarded as very low risk and so are often known as 'gilt edged' investments (gilts). Bonds issued by corporations may be less secure and so the issuer may have to pay a higher rate of interest to attract investor's capital.

- **Book Cost**  
Original cost of the stock on the date of purchase or transaction.
- **Broker**  
The intermediary agent between a market maker and an investor, who charges a commission for services provided.
- **Brokerage**  
Commission charged by the broker.
- **Bulking**  
Combining many orders in one company's shares together into one deal. Useful when individual orders are below the minimum dealing size. Also known as aggregation.
- **Bull Market**  
A rising market, or one that is expected to rise - opposite of bear market. Hence the expression a 'bullish market'.
- **Bundled Share Class**  
Sometimes called 'dirty' Funds, this is when the fee that the Fund Manager earns and the trail commission paid to the platform or service provider.
- **Buy Price**  
Price at which you buy shares.
- **Buy Tip**  
  
A 'Buy' Tip is classed as a positive rating of a share's position where the tipster holds a positive view of a share.  
  
These are opinions of the Tipsters and should not be considered as a recommendation to buy, sell or hold.
- **Call bonds**  
The right to redeem outstanding bonds before their scheduled maturity.
- **Cancelled status**  
These are orders that have been cancelled before being dealt, either by you, by our dealers, or if a limit has expired.
- **Capital**  
Financial assets or the financial value of assets.
- **Capital appreciation**  
The growth of the earnings on an investment's principal.
- **Capital gains**

The profit made when any chargeable asset, including stocks, is sold. If a loss is made it is called a Capital Loss.

- **Capital Gains Tax (CGT)**

Tax payable on any gains over the CGT allowance from the sale or disposal of securities stocks or other assets subject to this tax. Tax is payable at a rate of 20%/28% (2020/21 rates) depending on the taxpayer's level of income.

The CGT annual allowance is £12,300.

- **Capital growth**

The increase in an investment's capital value excluding all income.

- **Capitalisation issue**

A means by which a company increases the number of its shares in circulation without raising more capital from existing shareholders. Additional shares are issued to existing shareholders in proportion to their holdings without payment (e.g. two new shares for every one held = a 'two for one' capitalisation issue).

- **Cash 'Available to Invest'**

This is your current cleared cash balance plus any sales, less any purchases, that will settle in the next 3 business days.

- **Cash (or money market) Fund**

These are Funds which invest most of their assets in money market instruments (i.e. cash and near cash, such as bank deposits, certificates of deposit, very short-term fixed interest securities or floating rate notes).

- **Cash bonus**

An extra dividend paid out of exceptional profits which is in addition to a normal dividend.

- **Cash dividend**

A cash payment per share held paid to shareholders net of tax - currently 10% for UK equities. Higher rate taxpayers are still liable for the balance of tax.

- **Cash ISA**

A tax efficient Individual Savings Account that allows you to contribute up to the annual allowance by holding cash. They usually offer interest on cash balances and easy withdrawal.

- **Cash offer**

An all cash offer, usually in a company takeover.

- **Cash settlement**

Payment for deals the day after dealing, (immediate payment at T+1).

- **Certificate**

A certificate issued by a company that certifies key information and the number of shares owned by the shareholder (the registered owner) on the date of issue.

- **Change**

Indicates the % or pence rise or fall of a security during a given time period.

- **Common stocks**  
Securities that represent an ownership interest in a corporation, usually US.
- **Company reports**  
A statement of the financial condition of the company and its activities over the past financial year. See 'annual report & accounts'.
- **Compliance Department**  
Individuals entrusted with ensuring that a financial institution is compliant with the Financial Services & Markets Act 2000.
- **Compliance Oversight**  
Person appointed within an authorised firm to be responsible for ensuring compliance with the rules.
- **Compounding**  
The ability of an asset to generate earnings, which are then reinvested to generate their own earnings. Interest earned in one period then earns additional interest during each subsequent period.
- **Compulsory acquisition**  
Once 90% of acceptances have been received, the bidding company has the right to purchase the remaining 10% of shares in issue at the offer price.
- **Conduct of Business Rules**  
Rules established by 2000 Financial Services & Markets Act dictating how firms conduct their business, particularly in terms of the relationship between firm and client.
- **Consideration**  
The value of the number of shares multiplied by the price, before any other charges have been levied.
- **Consistency of performance analysis**  
Usually in relation to Funds, an indication of previous years' performance taking each year in isolation enabling you to compare one year to the next.
- **Consolidated Tax Certificate**  
This document is intended to aid you in your personal tax returns to HMRC. This is sent to all our clients and details all the dividends you have received in your UK account in the previous financial tax year. Not applicable for tax-efficient accounts such as ISAs.
- **Consolidation**  
Method of reducing number of shares in issue - i.e. 1 new share for say every 50 originally held.
- **Contract for Difference (CFD)**  
A Contract for Difference is an arrangement made in a futures contract (Derivative), whereby differences in settlement are made through cash payments, rather than by the delivery of physical goods or securities. This is generally an easier method of settlement, because both losses and gains are paid in cash.
- **Contract note**  
Confirmation from the stockbroker of the bargain, including the full title of the stock, price, commission, stamp duty, and the time of the bargain. These must be kept safely for tax purposes.

- **Contributions**  
Payments made into a pension or ISA.
- **Conversion**  
Also known as 'share class conversion' this is the process whereby investments in 'bundled' share classes are moved by EQi into 'clean' share classes.
- **Convertibles**  
Fixed interest investments that can be exchanged for a predetermined number of ordinary shares in the underlying company at the individual's discretion. Preference share dividends are stated net of basic rate tax compared with loan stocks which are stated gross. Conversion terms normally run for a fixed period giving the right to convert into the company's ordinary shares within a predetermined time at a predetermined rate.
- **Corporate action**  
A corporate action refers to any alteration to a Company's share capital or a distribution of benefits. A corporate action might come about as a result of a takeover, merger or acquisition, capital re-organisation, dividend, rights issue or Stock Split.
- **Corporate bonds**  
Debt obligations issued by corporations as an alternative to offering equity ownership by issuing stock. Most corporate bonds pay half-yearly interest and promise to return their principal when they mature. Maturities range from 1 to 30 years.
- **Cost Advantage**  
Firms with a structural cost advantage can either undercut competitors on price while earning similar margins, or they can charge market-level prices while earning relatively high margins.
- **Counterparty risk**  
The risk to each party in a financial contract that the other party, i.e. the counterparty, will not meet its contractual obligations.
- **Countersignature**  
Is an additional signature on a document, provided as authentication.
- **Coupon**  
The rate of interest attached to a bond or loan stock that an investor will receive until redemption.
- **CREST**  
CREST is the electronic settlement system used by Stock Market participants.
- **CRS (Common Reporting Standard)**  
The OECD (Organisation for Economic Cooperation and Development) has followed the US government's introduction of FATCA by expanding the scope of the reporting. This is referred to as the CRS – the Common Reporting Standard. Whereas the FATCA legislation is aimed at preventing US tax evasion, the CRS is aimed at preventing tax evasion among all the countries – including the UK - that are part of the OECD
- **Cum**  
Meaning "with" this is the opposite of Ex, and is used to indicate that the buyer of a security is entitled to participate in whatever forthcoming event is specified. Cum-cap, cum-div, cum-rights etc.



- **Cum-rights / Ex-rights**  
Around the time of a rights issue, the company's shares are described as 'cum-rights' or 'ex-rights'. Cum-rights means that anyone who buys shares in the company will be entitled to subscribe for the new shares; but on and after the date of the new issue, shares become ex-rights, and the right to subscribe to the new shares stays with the seller.
- **Cumulative performance analysis**  
Usually in relation to Funds, total performance return to date calculated by adding each year's performance to the previous year.
- **Currencies**  
Also known as Foreign Exchange (FX or Forex), you have access to some of the major world currency crosses. Currencies are always traded as one currency against another, for example GBP/USD means you are trading sterling against the US dollar.
- **Current liability**  
Money owed to the company and due to be paid within a year, such as accounts payable. Current liabilities are found on the company's balance sheet.
- **Current yield**  
The annual interest on a bond divided by the current market price.
- **Custody Fee**  
The custody is a combination of the base and product fee, it is one low flat quarterly fee that doesn't increase as your investment grows and it can be offset by any dealing commission.
- **Dashboard**  
Is your home screen when logged into your EQi account. This displays your accounts, cash balances, security balances, watchlist, current arrangements, open IPOs and Market data/news.
- **Day trading**  
Where investors, many of whom are professional, try to make money from buying and selling shares throughout the day, netting off the transactions by the end of the day.
- **Deal**  
In stock market terms this means a sale or purchase of securities. Also known as a bargain, transaction or trade.
- **Dealt status**  
Orders that have been dealt in the market and processed through our order entry system.
- **Debenture**  
A loan raised by a company, paying a fixed rate of interest and secured on the assets of the company.
- **Defensive stock**  
Stock of a company with continuous dividend payments, which has demonstrated relatively stable earnings despite poor economic conditions.
- **Delist**

The removal of a security's listing on a stock exchange. This is done when the security no longer exists, the company is bankrupt, the public distribution of the security has dropped to an unacceptably low level, or the company has failed to comply with the terms of its listing.

- **Dematerialised (form)**

Circumstances where securities are held in a book entry transfer system with no certificates as these are held in electronic accounts within CREST.

- **Demutualisation**

Conversion process by which mutually held organisations become publicly listed companies.

Examples include building societies, such as the Halifax, converting to banks.

- **Derivative**

A financial product whose price is dependent upon or derived from one or more underlying assets, e.g. stocks, bonds, commodities, indices etc. The derivative itself is simply a contract between two or more parties. Most derivatives are characterised by high leverage.

- **Dilution Levy**

A charge that fund managers can choose to apply to cover any dealing or other costs they may incur when buying or selling units in their fund. The fund manager can choose to charge this Dilution Levy to the fund itself or to the actual buyers and sellers of the fund. If a Fund Manager does choose to charge a Dilution Levy it will appear as a separate, explicit charge on the contract note.

- **Direct Debit**

An agreement between you and your bank/building society to allow organisations to deduct money automatically from your account. The amounts can vary but the instruction means the organisation will have to give advance notice of amount and dates of collection.

- **Directors' dealing**

Any share transaction, undertaken by the Director of the company in which they are employed.

- **Discount**

When the market price of a newly issued stock is lower than the issue price.

- **Discretionary investment management**

The engagement of an investment adviser who has complete discretion (often within prescribed limits) to manage and invest your capital without reference to you other than at agreed reporting dates. Also called Discretionary Management.

- **Distributions**

Income generated by a unit trust or OEIC, which can be either paid out to the investor or reinvested within the fund (see also income or accumulation units). Frequency of distributions may vary from fund to fund.

- **Diversification**

A risk management technique that mixes a wide variety of investments within a portfolio. The rationale behind this technique contends that a portfolio of different kinds of investments will, on average, yield higher returns and pose a lower risk than any individual investment found within the portfolio.

- **Dividend Reinvestment**

The facility to use dividend payments of a security to reinvest in that particular security.

- **DTI**  
Department of Trade and Industry. Government department responsible for some commercial matters, including monopolies and prosecution of insider dealing.
- **Effective Duration**  
The average time to payment. Also, a measure of the effect of interest rate changes on the price of a fixed income asset or portfolio. Duration is defined in years (a three-year duration means the value of the bond could rise about 3% if interest rates fall by 1%)
- **Effective Maturity**  
The date on which the principal of a debt instrument, i.e. a bond, is due to be paid. For example, the maturity date for a five-year bond issued on 1 November 2014 would be 1 November 2019.
- **Efficient Scale**  
When a niche market is effectively served by one or a small handful of companies, efficient scale may be present.
- **EPS Growth**  
A company's total earnings divided by the current number of shares outstanding. EPS gauges the profitability of the company from the view of the shareholders. It is used to calculate the price-to-earnings ratio P/E.
- **Expected Return**  
The expected return of a particular investment is usually based on its recent historical performance and unfortunately can be highly unreliable and should be treated with healthy scepticism. There is a good reason why regulators require all providers to repeat that prior performance is no indication of future performance.
- **Financial Services and Markets Act 2000**  
Legislation that came into effect in December 2001 and imposes regulations on who is allowed to conduct investment business and how it is conducted.
- **Financial Transaction Tax**  
Financial Transaction Tax (FTT) is a tax that is levied on the purchase of financial instruments such as stocks, shares or FX transactions. Whether tax is applicable, the rates at which they are charged and capitalisation thresholds will vary dependent on the country and their specific tax requirements.
- **Financial year**  
The official tax year dated from 6 April to 5 April the following year.
- **Fixed asset**  
Tangible property used in the operations of a business, but not expected to be consumed or converted into cash in the ordinary course of events.
- **Fixed interest loan**  
Loans issued by a company, the Government (gilts or gilt-edged) or local authority, where the amount of interest to be paid each year is set on issue.
- **Floating rate note**

A floating rate note, often called an FRN or "floater", is a debt instrument that pays a floating interest rate. The interest rate is usually based on an accepted market benchmark rate such as LIBOR. Maturities at issue are usually in the three to five-year range.

- **Flotation**  
Term used when a company has its shares quoted on the stock market for the first time.
- **Foreign dividends**  
These securities can pay their dividends in a variety of combinations dependent on the underlying company, the country of origin and the taxation agreement between the country of origin and the UK. Accordingly, the associated tax credit may be subject to withholding tax from the country of issue at a variety of rates.
- **Forward pricing**  
The pricing of a Unit Trust after the sale and purchase orders of the day have been received and the Funds have been revalued.
- **Fully paid shares**  
Applies to new issues, when the total amount payable in relation to the new shares has been paid to the company.
- **Fund manager**  
This is the organisation that manages the assets being invested in a fund.
- **Fund objective**  
A fund manager's stated goal for your investment.
- **Fund Platform Fee**  
A fee based on the aggregated value of your Fund holdings across all your EQi accounts.
- **Fund size**  
Total value of assets under management in a fund, listed as millions of the currency that the fund prices are quoted on.
- **Funds**  
A generic term used to describe an investment vehicle where a professional investment manager takes the money paid in by multiple individuals and invests it in a wide range of underlying assets – shares, bonds etc - in accordance with the stated objectives of the Fund.  
  
Each investor owns a number of units which represents their holding in that fund and their value is determined by the Net Asset (NAV) of that fund. In the UK these normally mean Unit Trusts and OEICs.
- **Funds Market**  
A selection of over 2,000 fund classes from a selection of well-known fund providers, available to buy and sell online via EQi.
- **Futures**  
Is based on anticipating what the price of a commodity, or a share will be sometime in the future.
- **GBX**

The term GBX is the currency abbreviation for UK Sterling in Pence, e.g.: GBX 128 = £1.28 GBP (UK Pounds). Gilts, Bonds, Funds and other high value equities are often priced in GBP by the issuer but will be shown in GBX on the EQi website unless otherwise stated.

- **Gearing**

Gearing describes the level of company debts, expressed as a percentage of its equity capital. So, a company with a gearing ratio of 60% has levels of borrowing which are 60% of its equity capital. The significance of the gearing ratio is that it shows at a glance how much a company is borrowing and allow you to measure that against your own risk criteria. For investment trusts, borrowings can boost the return on capital and income via the ability to make additional investments.

- **Gilts**

UK government bonds are known as Gilt-Edged Securities or Gilts. Bonds are fixed rate securities issued as debt and repaid at a future date. Many governments issue Gilts to raise money and pay the investor interest. They often have a fixed date for repayment. If the interest rate paid is high, then the Gilt will trade at a premium. When the Gilt is due for repayment will also determine the price. Gilts can be traded in the same way as shares.

- **GMP**

("Guaranteed Minimum Pension") Some occupational pension schemes "contract out" of the State Earnings Related Pension scheme by providing equivalent benefits, known as GMP.

- **Grant of Probate**

Letters of Administration (or Certificate of Confirmation for Investors who are resident in Scotland) is a legal document obtained by courts, appointing someone to deal with the whole estate of the deceased person.

- **Gross**

An amount before deduction of tax or commissions.

- **Growth and Income Fund**

A Fund that seeks earnings growth as well as income. These Funds invest mainly in the ordinary shares of companies with history of capital gains but that also have a record of consistent dividend payments.

- **Growth shares**

An established company in a dynamic sector that produces higher than average growth in profits year after year.

- **Hedge**

A hedge is typically accomplished by making approximately offsetting transactions that will largely eliminate one or more types of risk.

- **Help To Buy ISA**

A tax efficient Individual Savings Account designed to assist first time buyers get on the property ladder. Initial payments can be up to £1,200 with subsequent monthly payments of up to £200. The Government will provide a bonus of 25% on amounts saved between £1,600 and £12,000 upon an eligible house purchase.

- **High**

The highest price that was paid for a stock during a certain period.

- **High income shares**  
Popular with private investors as they generate high income and also have the potential for good capital performance over the long term.
- **High yield bond fund**  
A fund that invests in corporate bonds issued by more risky companies and in return offers a higher rate of interest.
- **High-premium convertible debenture**  
A bond with a long term, high-premium, common stock conversion feature and also offering a fairly competitive interest rate.
- **Historic pricing**  
The pricing of unit trusts based on the last valuation of the fund.
- **HM Revenue & Customs**  
The organisation responsible for the administration and payment UK of tax including Capital Gains Tax, Income Tax and Stamp Duty.
- **Holding company**  
A company that owns the securities of another company, usually with voting control.
- **Holdings**  
The common term for stock held in your account(s).
- **Ichimoku Clouds**  
A multi-faceted indicator designed to give support/resistance levels, trend direction, and entry/exit points of varying strengths. General theory behind this indicator states that if price action is above the cloud, the overall trend is bullish, and if below the cloud, the overall trend is bearish.
- **IFRS**  
International Financial Reporting Standards. These international accounting standards state how particular types of transactions should be reported in financial statements.
- **IMA**  
Investment Managers Association - the trade body for unit trusts and similar Funds, formerly known as AUTIF. Now known as "The Investment Association" as of 2015.
- **In the Money**  
This term refers to, the exercise price of your stock option is more favourable than the current market price of the underlying stock.
- **Income bonds**  
Securities on which interest is only payable out of profits.
- **Income drawdown**  
Also referred to as pension fund withdrawal. This allows investors to delay buying an annuity (until age 75 at the latest) and to take an income direct from their pension fund at retirement. The Inland Revenue sets minimum and maximum levels of income that can be taken from the fund each year. Within these limits the investor can choose any level and change the amount drawn at any time. These limits are set at the outset and will apply for the first 3 years. They are reviewed every 3 years,

after this to take account of the investor's age and the value of his or her fund.

- **Income units**

Units in a Unit Trust which entitle the investor to regular payments of income.

- **Index**

Statistical tools that measure the state of the stock market or the economy based on the performance of shares or other investments, e.g., the FTSE 100 and the Dow Jones Industrial Average.

- **Index funds**

Funds which seek to mirror the returns of a market index (e.g. FTSE 100 Index), by investing directly in the securities, which make up that index. Also see 'tracker Funds'.

- **Index Linked Gilt**

These differ from conventional Gilts because the interest payments and the capital are adjusted in line with the Retail Prices Index. This means that both the interest and the principal on redemption paid by these Gilts are adjusted to take into account any accrued inflation since the Gilt's issue.

- **Indexation Allowance**

Indexation Allowance adjusts chargeable gains for the effects of inflation. It runs from the month the shares were acquired, to the earlier of the month when the shares are disposed of or April 1998. Shares acquired on or after 5 April 1998 do not qualify for indexation allowance.

- **Individual Savings Account (ISA)**

Is a savings scheme that allows individuals to hold cash, shares, funds and other eligible assets in a tax efficient manner.

- **Inflation**

An increase in the general price level of goods and services in an economy over a period of time. When inflation is high, the value of your money can decrease as things generally cost more.

- **Information Ratio**

Information ratio is a risk-adjusted performance measure. The information ratio is a special version of the Sharpe Ratio in that the benchmark doesn't have to be the risk-free rate.

- **Initial charge**

The charge levied on investors by the Fund Manager when units/shares are purchased. Also often known as front-end-load.

- **Initial offer**

The first offer made by a company for another company's shares. If the offer becomes successful, it will then go "unconditional" and eventually becomes "compulsory".

- **Innovative Finance ISA**

A tax efficient Individual Savings Account that allows you to lend money through FCA-regulated and approved Peer-to-Peer (P2P) lending platforms. They usually offer interest on cash balances and easy withdrawal. Please note; EQi only offer the Shares ISA. For full details on the available range of ISA products, please visit [GOV.UK](https://www.gov.uk)

- **Innovative Finance ISA**

A tax efficient Individual Savings Account that allows you to lend money through FCA-regulated and approved Peer-to-Peer (P2P) lending platforms. They usually offer interest on cash balances and

easy withdrawal.

**Please note;** EQi only offer the Flexible Stocks & Shares ISA. For full details on the available range of ISA products, please visit [GOV.UK](https://www.gov.uk)

- **Insider dealing**  
The illegal act of buying and selling shares on the basis of confidential 'inside' information not available to other investors.
- **Intangible asset**  
An asset which has no physical substance, such as goodwill, patents, trademarks and copyrights.
- **Inter Dealer Broker**  
Member of the London Stock Exchange that acts as a link between firms to enable them to trade with each other anonymously.
- **Interest**  
The return earned for lending money to others. The money you can earn by depositing money in a savings account. You can also earn interest on some types of investments where you are lending money to a company or government, e.g. gilts and bonds.
- **Interim dividend**  
A dividend declared and paid before annual earnings have been determined, generally half-yearly.
- **Interim results**  
These are released after the first 6 months of the financial year by all companies on the stock exchange. They tend to concentrate on profitability or loss and may or may not be used to justify an interim dividend.
- **Intermediary**  
A person or institution empowered to make investment decisions for others. These specialists are knowledgeable about investment alternatives and can achieve a higher return than the average investor can.
- **Inverse ETC**  
Also known as a 'short ETC', this type of exchange traded commodity is designed to perform as the inverse of whatever index or benchmark it is aiming to track. So, if the index loses value, the ETC will gain value and vice versa.
- **Inverse ETF**  
Also known as a 'short ETF', this type of exchange traded fund is designed to perform as the inverse of whatever index or benchmark it is aiming to track. So, if the index loses value, the ETF will gain value and vice versa.
- **Investment**  
The use of capital to create more money through income-producing vehicle or through more risk-oriented ventures. The Financial Services & Markets Act 2000 lists items to be regulated as such include shares, bonds and pensions.
- **Investment Association**



The trade association for the UK investment management industry. Formally known as "Investment Management Association".

- **Investment business dealing**

Advising, dealing or managing investments. Those doing so need to be authorised by FCA.

- **Investment Club**

An organisation which consists of a group of people who meet on a regular basis to pool their money and investment ideas, thus benefiting from shared administration costs. EQi do not offer new Investment Club accounts at this time.

- **Investment fund**

A fund of Funds, owned by one or more investors, that is managed as one entity by one or more managers. The legal structure of the Fund can take many forms and can include unit trusts, investment trusts and OEICs.

- **Investment objective**

General description of the fund's investment objectives and type of securities the fund invests in.

- **Investment Trust**

A collective investment company listed on the London Stock Exchange which invests in the shares of other companies. These have a limited number of shares and the price varies with supply and demand.

- **IPO (Initial Public Offering)**

An IPO is the first sale of stock by a company to the public. This can include the general public, employees and a range of institutional investors where they will have the opportunity to own and trade shares in the company which is listing on the stock exchange.

- **Irredeemable**

Debentures, gilts, and loan stock which have no fixed redemption date or undated. Generally, they are therefore only repayable at the option of the borrower or, as with companies, on a liquidation or in special circumstances such as a takeover.

- **IRS**

International Retail Service. Provided by London Stock Exchange to allow access to trading in international stocks, with dealing and settlement in sterling. Stock is held and settled through CREST. And is the Internal Revenue Service of the United States Federal Government.

- **ISA regulations**

The Individual Savings Account Regulations 1998 (statutory instrument 1998 No. 1870) and any other rules and/or regulations relating to ISAs. This is updated on a regular basis, for the latest version visit the HMRC website.

- **ISA Wrapper**

Is the shelter that allows the collective cash and investments you have accumulated over a period within your ISA to be protected against tax deductions.

- **ISD**

Investment Services Directive. European Union Directive imposing common standards on investment businesses.

- **ISIN**  
International Securities Identification Number.
- **Issue price**  
The price at which shares are offered to investors when a company floats on the stock market.
- **Issuer bid**  
An offer by an issuer to buy back some of its own securities. This is usually done because the company feels the market is undervaluing its securities.
- **Joint account**  
Bank or Sharedealing account owned jointly by two or more people.
- **Joint liability**  
Mutual legal responsibility by two or more parties for claims on the assets of a company or individual.
- **Joint Money Laundering Steering Group (JMLSG)**  
Is a team made up of leading UK Trade Associations in the Financial Service Industry, who's primary role is to provide industry guidance on the interpreting of UK Money Laundering Regulations.
- **Key features**  
This is a document produced by each unit trust providing key features e.g. it states the investment strategy and aims of the trust.
- **Key Information Document (KID)**  
This will give you key facts and figures about a Fund or EQi product.
- **Lapse**  
An option "lapses" if it expires worthless, that is, it has no intrinsic value on expiry.
- **Lapsed rights premium**  
If you do not take up the rights issue, and decide to let the offer lapse, the company may decide to issue to you a lapsed rights premium. The issue of a premium is at the discretion of the company. For clients that lapse, the nil paid shares will be removed from their account once the issue has expired.
- **Letter of Indemnity**  
In a case where the original share certificate has been lost, you will need to complete a letter of indemnity. This is basically a request to the registrar to issue new stock or share certificates to replace an original which has been lost, destroyed or stolen. There may be a charge for this.
- **Leverage**  
Any technique that multiplies the extent of gains and losses, sometimes called 'gearing'. Often this involves the use of financial instruments or borrowed capital to increase the potential return of an investment, whilst usually causing a corresponding increase in the magnitude of possible loss. Accordingly, leveraged investing usually carries significant risk.
- **Leveraged ETC**  
A type of exchange traded commodity which uses financial derivatives to attempt to magnify the returns of an underlying index. Leveraged ETCs can magnify both gains and losses in equal measure, making them very high-risk investments.
- **Leveraged ETF**

A type of exchange traded fund which uses financial derivatives to attempt to magnify the returns of an underlying index. Leveraged ETFs can magnify both gains and losses in equal measure, making them very high-risk investments.

- **Liability**  
A claim on a company's assets.
- **Lifetime ISA**  
A tax efficient Individual Savings Account where the government provide a 25% bonus on eligible first-time house purchases and/or upon reaching age 60. Lifetime ISAs may either be a cash, or a stocks and shares ISA and the maximum yearly contribution is £4,000.  
Any unauthorised withdrawals will be charged at 25% from the 2018/2019 tax year.
- **Limit Expiry period**  
The number of trading days that you instruct EQi to monitor your limit order. This can be for the current trading day only or for a number of trading days up to a maximum of 90.
- **Limit Order**  
An order that specifies the minimum price at which you want to sell, or the maximum price at which you want to buy.
- **Limit Price**  
The maximum or minimum price at which you are willing to buy or sell specified shares.
- **Liquid market**  
A liquid market means there are plenty of shares in a particular company being bought and sold every day.
- **Liquidating Distribution**  
Usually, a distribution made to shareholders as a return of capital from a corporation during its partial or complete liquidation.
- **Liquidation**  
The process of ending a company's existence. A company is obliged or chooses to go into liquidation when it can no longer pay its debts.
- **Liquidity**  
The ability to buy or sell an asset quickly and in large volume without substantially affecting the asset's price.
- **Listed company**  
This is a Public Limited Company whose shares have been admitted to the London Stock Exchange's daily official list. It has to comply with the Exchange's listing regulations.
- **Listing rules**  
Rules book for listed companies which governs their behaviour - commonly known as the Yellow Book.
- **Long dated**  
A Gilt with a life of 15 years or more.
- **Long position**

A long position is when someone buys (holds) a warrant or holds the underlying asset. Contrasts with 'Short position'.

- **Lot Size**  
The minimum number of shares that is able to be purchased or sold.
- **LSE London Stock Exchange**  
Originated as New Jonathans Coffee House in 1773, then it joined the United Kingdom's regional exchanges to form the Stock Exchange of Great Britain. In 1995 the Dublin Stock Exchange left the alliance, then the Exchange became known as the London Stock Exchange.
- **MA Envelope**  
Moving Average Envelope - Is a technical analysis indicator, showing lines above and below a moving average.
- **Mandatory quote**  
The period of time Monday to Friday when all registered market makers in a security must display their prices. For the Stock Exchange Automated Quotes this is 8am to 4.30pm.
- **Market**  
A place where transactions are undertaken including the London Stock Exchange, AIM and PLUS. All exchanges are markets.
- **Market capitalisation**  
The total market value of all of a firm's outstanding shares, calculated by multiplying a firm's share price by the number of shares outstanding.
- **Market index**  
An index such as the FTSE-All Share has a base of 100, or more usually 1000, at a fixed moment in time. For the FTSE, this is January 3rd, 1984. Firms are sometimes given weightings in the index according to their market capitalisation. The index gives the percentage rise or fall in value of the market over the relevant timescale.
- **Market makers**  
Stock Exchange member firms which are obliged to make a continuous two-way price, that is to offer to buy and sell securities during market hours.
- **Market size**  
The number of shares that can be traded at a given quote price. To trade more than this amount would be to trade outside of the market size.
- **Market value**  
The value of an asset based upon the price it would obtain on the open market.
- **Maturity**  
Another word for redemption.
- **Maximum trailing value**  
The maximum number of pence per share that a share price can fall from its peak value, for sales, or rise above its lowest value, for purchases, in order for a Trailing Stop Order to be dealt.
- **Mediums**

Government stocks that have 5 to 15 years until repayment.

- **Merger**  
When 2 or more companies agree to merge into one and pool their interests to avoid the expense of a take-over.
- **Mid price**  
The price half way between the prices quoted in the London Stock Exchange's Daily Official List. The prices found in the newspapers are the mid-price.
- **MiFID**  
MiFID II is EU legislation designed to protect investors, such as yourself, by introducing enhanced obligations for firms, like us, who provide investment and trading services. Its aim is to increase transparency and prevent market abuse.
- **Minimum quote size**  
The minimum number of shares in which market makers are obliged to display prices on.
- **Minimum trailing value**  
The minimum number of pence per share that a share price is required to fall from its peak value, for sales, or rise above its lowest value, for purchases, in order to trigger a Trailing Stop Order.
- **Momentum Investing**  
The strategy of buying stocks whose share prices are rising, in the belief that the price will continue moving in the same direction.
- **Money market fund**  
A highly liquid mutual fund that invests in short-term securities and seeks to maintain a stable net asset value of £1 per share.
- **Morningstar Sustainability Rating**  
The Morningstar Sustainability Rating is a measure of how well the companies held by a fund are managing their ESG risks and opportunities when compared with similar funds. We use company-level ESG data from Sustainalytics, a leading provider of ESG ratings and research, to calculate the rating. All funds with at least 50% of their assets in firms that have been assigned company-level ESG ratings by Sustainalytics will receive a rating.
- **Moving Average Convergence Divergence (MACD)**  
A trend-following momentum indicator that shows the relationship between two moving averages of prices. The MACD is calculated by subtracting the 26-day exponential moving average (EMA) from the 12-day (EMA).
- **Mutual company**  
A company that has no shares but is owned by policyholders or members for example building societies, friendly societies or co-operatives.
- **Mutual Fund**  
See 'Funds' glossary item
- **Name Change**  
Company registers new name but possibly with no effect on shareholder.

- **NASDAQ**  
The National Association of Securities Dealers Automated Quotation, NASDAQ is the second largest Stock Exchange in the USA. Involves many of the US's high technology stocks.
- **Net asset value (NAV)**  
The market value of individual units (unit trusts) / shares (OEICs). It is calculated each business day by adding the value of all investments in the fund's portfolio, then subtracting expenses and dividing the result by the number of units/shares issued. This may be different to the share price.
- **Net Margin**  
This figure is a measure of profitability. It is equal to annual net income divided by revenues over the trailing 12 months. The resulting figure is then multiplied by 100. This figure gives a more accurate picture of a company's recent performance than the most-recent annual net margin figure, which may be more than a year old.  
The company's net income and revenues are found in the income statement of its annual report.
- **Net profit**  
The amount remaining once all company expenses has been deducted.
- **Net relevant earnings**  
Earnings on which personal pension contributions are based. For the employed, this is usually gross remuneration (including bonuses and other taxable benefits) less any allowable business expenses (e.g. professional membership subscriptions paid for by the employer). For the self-employed they are broadly equivalent to taxable profits.
- **Net sales**  
Gross sales less any taxes, returns, allowances and discounts or rebates given to clients.
- **Network Effect**  
The network effect occurs when the value of a company's service increases for both new and existing users as more people use the service.
- **New issue**  
A company going to the market for the first time. New shares are issued into the market.
- **NIKKEI**  
The index of the 225 leading stocks that are traded on the Tokyo Stock Exchange
- **Nil paid shares**  
When a Rights Issue is announced, you receive nil paid rights in your account to indicate your right (but not obligation) to participate in the Rights Issue. Nil paid rights can be sold in the Market (although they have a limited life span - please contact us if you want to sell). If you decide to take up the rights issue, you cannot then sell your nil paid rights.
- **No-load fund**  
An open-ended investment that imposes no front-end charge on investors.
- **Nominal value**  
Under current UK law companies must have a nominal or par value. The nominal value of most company shares is 25p. Nominal value is of very little significance to a shareholder, since what matters is the market price of the shares. Shares have no fixed value; they are only worth what others

will pay for them.

- **Nominee**  
Legal agreement where one person or firm holds shares on behalf of another, who remains the beneficial owner.
- **Non optional / mandatory**  
A corporate action which shareholders have approved or for which shareholder approval is not necessary. Upon the effective date all outstanding securities must be exchanged for new securities and or cash.
- **Normal Market Size**  
Calculated on the previous year's average daily turnover of each individual stock and is currently 2.5% of the total volume of shares for each company. Market makers are not obliged to give a quote for a transaction above normal market size.
- **Occupational pension**  
A type of pension scheme provided by an employer, who must make contributions into it.
- **OEIC**  
Open Ended Investment Companies (OEICs) are hybrids of unit trusts but with a company structure not unlike an investment trust. Like a unit trust, they trade at NAV, are priced daily and are not quoted on any exchange. This makes them easier to market across Europe. Other differences include single pricing and an umbrella structure.
- **Offer**  
This indicates that a shareholder is prepared to sell at a particular price.
- **Offer for Sale**  
One method by which a company can issue new shares and gain stock market listing. The company or its advisers invite the public to buy shares not yet in issue at a given price. Sometimes there is a minimum subscription level and if subscriptions fall below this level, the issue will be aborted.
- **Offer for Subscription**  
Here the company coming to the market prepares all the necessary documentation itself and invites applications for the shares. Very rarely used now.
- **Offer price**  
The price at which a market maker will sell shares to investors, therefore the price that the buyer pays. This is generally lower than the bid price. The difference between the two is known as the bid/offer spread.
- **Offset**  
This is where the fees for certain trades and services can be deducted from the custody fees owed.
- **Ongoing Charge**  
A fund's ongoing Charge (previously known as Total Expense Ratio or TER) is intended to reflect the normal recurring costs associated with managing the fund and include the management fee together with any directors' fees, audit and tax compliance, custody, administration, marketing and insurance expenses.
- **Open offer**

Often accompanies additional share placings by quoted companies and gives the right to claw back shares, usually at below the market price that have been placed with instructions.

- **Opening price**

The price at which a stock starts dealing. Can refer to market opening or to when stock first became listed.

- **Optional / voluntary offer**

An offer in which a client must make a decision in which to participate or not, e.g. Open Offer.

- **Order**

A dealing instruction submitted to EQi.

- **Order expiry period**

The number of trading days that you instruct EQi to monitor a particular order. This can be for a number of trading days up to a maximum of 90.

- **Ordinary shares**

A common form of share. The holder of ordinary shares are the owners of that company, the holders also receive dividends which vary in amount.

- **Oversubscribed**

Circumstances where people have applied for more shares than are available in a new issue.

- **Panel on Takeover and Mergers (PTM)**

The body that ensures that takeovers and mergers are conducted fairly on behalf of all shareholders.

- **Pari passu**

This term is usually used to describe new issues of securities which have the same rights as similar issues already in existence. It means "equal in all respects."

- **Passive/tracker Funds**

These are investment Funds that are designed to follow or 'track' an index, for example, the FTSE100. The Fund Manager does not take 'active' investment decisions.

- **PEG Ratio**

The price/earnings to growth ratio (PEG ratio) is a stock's price-to-earnings (P/E) ratio divided by the growth rate of its earnings for a specified time period.

The PEG ratio is used to determine a stock's value while taking the company's earnings growth into account, and is considered to provide a more complete picture than the P/E ratio.

- **Personal pension**

A tax-efficient way to accumulate savings for retirement. Contributions into a pension fund receive tax relief and a proportion of the eventual pay-out can be taken tax free from age 50. The remainder must be used (either on retirement or by age 77) to buy an annuity to provide income for the rest of the investor's life. Personal pensions can be either individual arrangements or provided by an employer (known as Group Personal Pensions) although unlike an occupational pension there is no requirement for the employer to contribute.

- **Phased retirement**



Personal pension holders who do not wish to take their pension all at once can stagger purchase of annuities over several years.

- **Physical Fund**

Most ETFs, like Traditional Funds, buy the underlying investments (shares and other assets) on the reference index that the ETF is seeking to track. These are known as standard or 'physical ETFs'. If you invest in an ETF, you won't directly own the underlying investments that the ETF buys (the ETF will own these); instead you will own units or shares in the ETF.

- **Physical Sample**

Instead of holding all assets that constitute an index, the product holds a sample of some of the index constituents.

- **PIB**

Permanent Interest-Bearing Shares are fixed interest-bearing investments issued by building societies and are listed on the London Stock Exchange.

- **Placing**

Term used to describe when a company's broker contacts his own clients and offers the shares to them. The general public will not necessarily be offered any shares.

- **Platform**

This is the name given to a distributor of investment Funds and other retail investment products. They will provide a range of services including administration. EQi is a platform service provider.

- **Platform fees**

Historically Fund Managers (for Unit Trusts and Open-Ended Investment Companies) used to pay Financial Advisors and Trading Platforms a "Trail Commission" out of the Annual Management Charge collected from the Fund. This covered the costs of administering the funds, which are held on a third party platform, on our behalf.

EQi, along with other platforms, now applies a Funds Platform Fee: this is charged if a customer has held Funds during the relevant time period. For full details of our charges please [click here](#).

- **Portfolio**

A selection of different investments held by you.

- **Portfolio manager**

A named individual who is responsible for the initial construction and the ongoing running of a client's portfolios to meet investment goals agreed with the client.

- **Portfolio valuations**

A statement of your holdings and their market value at any given point.

- **Power of Attorney**

The legal document that allows you to appoint one or more persons to make decisions on your behalf.

- **Preference shares**

Similar to ordinary shares but preference shares normally pay a fixed dividend and rank ahead of ordinary shares for dividend payment and in a company liquidation.

- **Price / Earnings Ratio**

The share price of a company divided by the earnings per share. A high P/E ratio implies that the company is well thought of for its future prospects.

- **Price / Earnings To Growth Ratio**

Used to determine the relationship between the price, earnings per share, and the forecast growth of a Company the basic formula for which is Price earnings ratio / Forecast growth.

- **Price Cashflow Ratio**

The stock's price dividend by the company's cashflow per share.

- **Product**

A product is the account type you hold with us e.g. Dealing Account (Joint Dealing/Company/Investment Club Dealing account), Flexible Stocks & Shares ISA, Lifetime ISA, SIPP or Child Trust Fund.

- **Property ETFs**

Property ETFs are designed to offer a liquid and low cost exposure to the property asset class. They typically track property indices by investing in exchange listed real estate companies or real estate investment trusts around the world or in a specific country.

- **Prospectus**

A formal written document describing the history, background of managers, fund objectives, a financial statement and other essential data of the company that wants to sell its shares on the stock market.

- **PTM Levy**

A nominal charge of £1 on deals with considerations of £10,000 and over paid to the Panel for Takeovers and Mergers.

- **Quartile ranking**

Categorises Funds within a sector into 4 equal bands based on their performance over a specified period. Top or first quartile contains the top 25% of Funds, through to the bottom or 4th quartile which contains the bottom 25% of Funds.

- **Quoted price**

The price at which you can deal at when placing a buy or sell order. You will be supplied with this prior to confirming your order.

- **Rate of Change (ROC)**

Is often used in reference to momentum, generally expressed as a ratio. Graphically represented as the slope of a line.

- **Real-time**

Without any delay. Some stockbroking systems only allow you to access prices which are delayed - they can be up to 20 minutes behind the actual prices at any moment. With EQi you can access real-time prices - the prices at which buying and selling is actually taking place in the market.

- **Record date / books closed date**

The date on which the registrar of a company physically loses its books for the purpose of distributing a benefit to shareholders. This is not the date at which the entitlement is determined.

- **Redeemable preference**

Provisions for the redemption of these shares at a predetermined date.

- **Redemption**

In relation to shares means the purchase back by a company of some of its own shares.

- **Redemption yield**

Gives a total return on the investment, taking into account the fact that whilst earning interest a capital gain/loss may be made by owning the bond to completion.

- **Registered holder**

The name that appears on the company register as the holder of the stock.

- **Registrar**

An organisation that takes responsibility for maintaining a company's share register, which lists the registered holders of the stock.

- **Regular Investment**

The ability to instruct regular monthly, quarterly and annual investments automatically.

- **Reinvestment unit trusts**

These are a sub section of income unit trusts whereby the dividend is utilised by the Fund Managers who purchase additional units, this payment carries an associated tax credit.

- **Relative Strength Index (RSI)**

A momentum oscillator that measures the speed and change of price movements. RSI oscillates between zero and 100.

- **Remat/Rematerialisation**

Rematerialisation is the process by which a EQi customer can get their electronic holdings converted into physical certificates. Your details will be held directly on the share register and EQi will no longer hold the asset on your behalf.

- **Retail price index**

A means to measure inflation based upon the price of a selection of family goods.

- **Return**

The amount by which your investment increases as a result of interest or dividend income and capital growth.

- **Return on capital employed (ROCE)**

A measure of the returns that a company is realising from its capital employed. It is commonly used as a measure for comparing the performance between businesses and for assessing whether a business generates enough returns to pay for its capital costs.

- **Reverse takeover**

The process of a smaller company taking over a larger one, or when the company being bought will be the dominant part of the new company.

- **RIE**

Recognised Investment Exchange, a status that is achieved once recognised by the FCA.

- **Rights Issue**

The issue of new shares by a company to raise cash, these shares are normally offered to existing shareholders in proportion to their holdings.

- **Risk adjusted performance**

Gives an indication of the performance taking into account the risk level.

- **Risky Buy**

A 'Risky Buy' indicates that the tipster has a positive view of a share.

These are opinions of the Tipsters and should not be considered as a recommendation to buy, sell or hold.

- **RSP**

RSP stands for Retail Service Provider. They are 'Market Making' institutions. They quote prices at which they will buy and sell a given quantity of shares in an individual company.

- **Running a book**

Firms who are buying and selling stock for themselves hoping to profit from price differences are said to run a book in that stock.

- **SAYE**

Save As You Earn. Employer run schemes for employees to buy shares in the company.

- **Scaling down**

When a new issue is oversubscribed, the procedure whereby applicants receive a proportion of the number of shares for which they applied.

- **Scheme of Arrangement**

Variation on a takeover or capital restructure.

- **Screener/Selector**

These allow you to filter the investment universe to more easily find and choose the investment you want.

- **Scrip dividends**

Scrips and enhanced scrip dividends - in this instance the company will announce that shares can be offered in lieu of a cash dividend.

- **Scrip issue**

This is where investors in a company are given shares free of charge by the company as a 'bonus'. The result is to increase the number of shares in issue.

- **Sector**

Investment Funds are grouped into a variety of sectors reflecting their investment strategy and objectives. E.g. Global Growth, UK Equity Income and Specialist. Dividing Funds into sectors makes it easier to make comparisons between similar Funds.

- **Sector average**

Shows the average of all Funds within the same sector.

- **Sector ranking**

Shows the position of a Fund relative to equivalent Funds in the same sector.

- **Sector Specific**

Is when a fund takes into account exposure to a single sector. The performance will then be matched with the performance of the sector in which they are investing.

- **Securities**

The general name given to shares, bonds and similar investments that are often traded on the stock market.

- **Securities house**

General term for a bank/financial institution that conducts securities investment business.

- **SEDOL**

The identification number for investments. SEDOL stands for Stock Exchange Daily Official List.

- **Sell Rating**

A 'Sell' rating can mean two things 1) the tipster has a negative view of a share 2) The tipster thinks that the share has performed as well as is likely and there are no further gains to be had.

These are opinions of the Tipsters and should not be considered as a recommendation to buy, sell or hold.

- **SETS**

Stock Exchange Electronic Trading System. Order driven electronic trading system employed to deal in the FTSE 100, FTSE 250 and other liquid listed UK securities.

- **Settled/Settlement**

The delivery of cash and/or securities in respect of an asset purchase or sale. They can also refer to the clearance of cash for other activities such as dividend or interest payments.

- **Settlement date**

The date that any monies outstanding for deals placed needs to be paid by.

- **Settlement Period**

A settlement period is the completion of a transaction. This is time between the transaction and settlement when monies and stock are due either to or from the market. Standard stock market settlement for shares is currently two working days. Unit Trusts and OEICs do not trade in the same way and have four working day settlement period. You can reinvest your sales proceeds before settlement, but you cannot withdraw the proceeds until the trade has settled.

- **Share certificates**

A certificate issued by a company that certifies key information and the number of shares owned by the shareholder (the registered owner) on the date of issue.

- **Share class**

Most Fund Managers offer different classes of shares or units in each of their Funds, e.g. A class, B class, Retail class, I class etc. These different classes of shares have different levels of Annual Management Charge (AMC) and are designed for different kinds of investors e.g. they can have a different minimum investment amount per transaction.

- **Share class conversions**

Also known as 'conversions' this is the process whereby investments in 'bundled' share classes are moved by EQi into 'clean' share classes.

- **Share Incentive Plan (SIP)**  
Gives you the opportunity to acquire shares in your company of employment.
- **Share option**  
The right (but not the obligation) to buy shares at an agreed upon price within a given time frame or on a certain date.
- **Shares**  
Companies divide their capital into units called shares. Owning shares brings rights – a stake in the business – but also the risk of losing the investment. Although OEICs are Funds, they issue shares which represent a share in the net asset value of their Fund, and will issue new shares as new investors invest money.
- **Shares ISA**  
Allows you to invest your annual ISA allowance within an account you can deal. There are risks attached but the potential for higher returns.
- **Sharesave**  
Sharesave or Save As You Earn (SAYE) is a tax-efficient cash saving scheme that lets you save towards buying shares in your employer/company. At the end of the savings period you have the opportunity (option) to buy shares in your company or take out your savings in cash.  
  
The scheme has 2 components: a savings contract and a share option.
- **SIPP**  
Self Invested Personal Pension. A SIPP is a form of personal pension giving the holder control over how the fund is invested.
- **Special Dividend**  
A special dividend, (also known as an extra dividend) is a payment made by a company to its shareholders. It is a one-time distribution of corporate earnings, which usually stem from exceptional profits during a given quarter or period and that the company declares to be separate from the typical recurring dividend cycle.
- **Specialist sector**  
Specific investment type. Identifies industry sector of specific investment focus, for example Government bonds, commodity shares, smaller companies, index tracking and convertible bonds.
- **Spin-Off**  
Company splits off part of business into new company and issues shares in it to existing shareholders.
- **Spread**  
The difference between the Bid and the Offer Price.
- **Stamp duty / Stamp Duty Reserve Tax (SDRT)**  
These are the UK government taxes, charged on the purchases of shares and units.
- **Stock exchange**

A market in which securities are bought and sold, eg, stocks, shares and gilts and bonds.

- **Stock split**

The division of a company's outstanding common shares into a larger number of common shares. A three-for-one split by a company with one million shares outstanding would result in three million shares outstanding.

- **Stockbroker**

The agent that buys and sells shares on your behalf and earns commission on the value of the transaction.

- **Stocks**

Generally used as another word for equities. Technically, this more accurately refers to fixed interest securities.

- **Stop Order**

An order to buy/sell shares when the share price rises to or above/falls to or below a specified stop price. When buying, a Stop Order is used to make an investment but only when an upward trend in the share price has been established. When selling, a Stop Order is used as protection from a sudden fall in the share price or lock-in profits already made.

- **Stop order (to sell)**

Also known as a Stop Loss Order. An order to sell shares when the share price falls to or below a specified stop price. Used to cap the amount you are prepared to lose on a holding.

- **Stop price**

The price at which a Stop order is triggered. For purchases the stop price acts as a minimum price you will pay if an investment is made and for sales the stop price acts as the maximum price you will receive if a holding is sold.

- **Strike Price**

A Strike Price is the price at which a specific derivative contract can be exercised.

- **Sub-Division**

Issue of additional shares of a lower nominal value to increase liquidity & spread share owner base.

- **Subscription**

Offer to exchange subscription shares or warrants for ordinary shares at a fixed price.

- **Swaps**

Financial agreements to exchange securities. Swaps benefit both parties involved in the 'swap' and can be based on interest rates, stock indices, currency exchange rates and commodity prices. For example, in an interest rate swap, company A pays a fixed interest rate and company B pays a variable interest rate. Company A believes that interest rates will go down so is happy to 'swap' interest rates with company B. The swap also suits company B as they do not want to take the chance that the rate will increase and are looking to lock in their interest payments with a fixed rate. Therefore the 'swap' is mutually beneficial to both parties.

- **Synthetic Fund**

Synthetic ETFs rely on synthetic rather than physical holdings of the underlying shares or other assets whose performance they are aiming to replicate. This means that the fund will not directly own the underlying assets but will use complex products called derivatives provided by financial

instructions to achieve their investment objectives.

- **Synthetic Risk and Reward Indicators (SRRI)**  
The Synthetic Risk and Reward Indicator (SRRI) was defined in 2009 by the Committee of European Securities Regulators (CESR) with the aim of providing investors with a method of assessing a fund's risk.
- **T+**  
Refers to the settlement period that is allowed once a security has been traded. T+ 5 would mean that settlement will occur 5 business days after the transaction day.
- **Takeover**  
The purchase of one company by another. A takeover can be a friendly acquisition bid where the management would co-operate negotiating the best price, or it could be an unfriendly bid, where the management tries to use various defensive strategies to repel the bidder.
- **Tax year**  
This runs between 6 April and 5 April of the following year and is used for assessment of income tax and capital gains tax.
- **TechMARK**  
All listed technology companies from the FTSE 100 giants to the small are in the techMARK index.
- **Tender offer**  
An offer where potential investors are asked to stipulate the price per share that they are willing to pay.
- **Tip Source**  
If a share tip originated in a magazine, newspaper, website or blog etc. that is referred to as the 'Source'.
- **Total Expense Ratio (TER)**  
Total Expense Ratio, or TER, measures the total costs of a Fund investment and can be applied to fund structures such as Unit Trusts, OEICs, Exchange Traded Funds and Exchange Traded Commodities. Typically the TER will consist of the annual management charge (the fee that the fund company charges annually to manage the Fund, typically commission paid to Fund managers) plus 'other' charges incurred with running the Fund. These other charges can consist of share registration fees, fees payable to auditors, legal fees, and custodian fees. The TER is calculated by dividing the total cost by the fund's total assets and is denoted as a percentage. It may vary from year to year.
- **Tracker Funds**  
Funds which track the performance of a specific share index. Usually they invest in companies in the same proportion that they make up the index.
- **Tracking Error**  
Tracking error is the difference between a portfolio's returns and the benchmark or index it was meant to mimic or beat. Tracking error is sometimes called active risk.
- **Trading channels**  
The various channels available to EQi clients for placing trades - online, by phone and post.
- **Trading hours**  
The period of time that the market is open and you can place a trade instantly - Monday to Friday (08.00 to 16.30) excluding bank holidays. You can place an order outside of trading hours online, but



it won't execute until the market is open.

- **Trail commission**

This is a payment made by the Fund Manager to a platform service provider or adviser in return for services such as distribution, advice and administration relating to holdings in Funds. No trail commission is paid on holdings which are purchased from 6th April 2014. This does not mean that the AMC on that particular class of Fund will be reduced.

- **Trailing Stop order**

An order to buy / sell shares when the share price rises from its lowest price/falls from its future peak price by a specified number of pence. When buying, a Trailing Stop order is used to make an investment at a price which is relative to the lowest price of the share but only when an upward trend has been established. When selling, a Trailing Stop order is used to maximise the potential profit of a holding by selling relative to the peak price of the shares.

- **Transaction Reference**

A unique reference number given to a deal.

- **Transfer**

The movement of Cash/Securities from one account type or provider to another.

- **Transfer forms**

Forms needed to transfer ownership of securities from one owner to another.

- **Treasury**

The UK Government's finance department.

- **Trusts**

A trust is a legal device for preserving and protecting assets.

- **UCITS**

Undertaking for Collective Investment in Transferable Securities. A type of collective investment (or fund) that allows financial institutions to operate freely throughout the European Union on the basis of a single authorisation from one member state.

- **Uncleared Credit**

Are funds pending clearance to your account. These funds can deal and be transferred but cannot be withdrawn until clearance is complete.

- **Unconditional / wholly unconditional**

The bidding company making the offer has received acceptances of 90% or more of the shares, and all other criteria have been satisfied.

- **Undersubscribed**

Circumstances where people have applied for fewer shares than are available in a new issue.

- **Unit**

Investors purchase units in unit trusts in a similar way to buying shares in companies. The price of a unit is linked directly to the value of the fund's underlying holdings, known as the net asset value (NAV).

- **Unit trusts**

Unit trusts are "open-ended" collective investments. They pool unit holders' Funds which are invested on their behalf by a professional manager. Here, you can buy and sell units of your chosen Funds(s) where they will be created and/or cancelled with demand. Most are priced and traded daily, the price per unit directly reflects the underlying net asset value of the Fund.

- **Unquoted shares**

Shares in some companies, most often smaller ones are unquoted or not listed. The reason companies are unquoted is either because they do not want to be listed, preferring to run their business privately, or because they are too small to be listed even on the AIM.

- **Valuation point**

The time at which the Fund Manager calculates the price of units (unit trusts)/shares (OEICs).

- **Volatility**

A measure of the amount of movement in the price of a stock.

- **Volume**

The number of shares traded in a given period.

- **Voting right**

The rights of shareholders to vote on matters proposed to the owners of the company.

- **W-8BEN**

A form to be completed to claim a reduced rate of, or exemption from withholding tax as a resident of a foreign country with which the United States has an income tax treaty.

- **Windfalls**

Free shares given to members of a mutual society when it becomes a PLC

- **Withdraw/Withdrawal**

Debiting cash from your EQi accounts and depositing into your nominated bank account. You can only withdraw cleared funds.

- **XD**

An abbreviated term for 'Ex-Dividend' date

- **Yield**

The total annual gross dividend payment divided by the share price, multiplied by 100.

- **Zero-coupon**

A security that pays no interest, they are sold well below the face value and the investor gets the return in the form of Capital Gains.