

UK duo team up to launch structured products advisory with £600m AUA

15 December 2017
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Frank Coplestone, Levendi Capital

Frank Coplestone (*pictured*), the former global head of equities structured products at Jefferies in London, has teamed up with Cube Investing's chief David Stuff to launch Levendi Capital, an independent structured products investment advisory boutique focused on client services in product origination, innovation, sourcing and execution.

After a number of years building Jefferies' global structured products and light exotics over-the-counter (OTC) business which had an initial focus on the bank's Emea platform, in 2016 the bank's focus shifted to the US which resulted in Coplestone parting ways with the bank.

"For personal reasons, I wished to remain based in London, so, as the business growth was in originating from New York, it was mutually agreed that I would leave Jefferies to pursue other interests in London," said Coplestone, adding that this opened up an [opportunity to relaunch Levendi](#) with the backing of a Family Office and partnering with structured products veteran, David Stuff.

"We have recently launched Levendi Investment Management, which is a investment advisory firm that advises on the use of structured products and derivatives, particularly when incorporated into funds and portfolios," said Coplestone. "Levendi is based in London and currently has more than £600M of assets under advice. We offer a

combination of structured product expertise, quantitative assessment of risk and return and independent asset and portfolio valuations."

The firm is in the final stages of launching a Ucits Structured Products Fund aimed at delivering a target return of 6% + GBP 3m Libor p.a. The fund strategy focuses upon maximizing the probability of achieving the target return and minimizing the risks of drawdown, according to Coplestone.

"We are taking a Structured Products Ucits path for a number of reasons," said Coplestone. "Firstly, given the regulatory focus on the distribution of bespoke structured products, we believe that offering a regulated fund with a similar return profile whilst adhering to the investment guidelines of a UCITS framework will be attractive to investors. Secondly, there is growing demand across the marketplace for Structured Product-linked fund solutions, as seen by the success of other SP Funds that have launched relatively recently."

The fund, which will be an Irish-domiciled Ucits fund, is expected to be launching next month having secured £60m+ of seed investment. The fund will comprise of three share classes including an Accumulation share class for Institutional investors and two retail share classes, one being an Accumulation share class and the other a Distribution share class that aims to pay 5% a year.

In addition to the fund offering, part of the Investment Advisory mandate will be to advise on the use of structured products as a candidate for inclusion to a portfolio allocation framework and offering advice to structured product-based portfolio managers, according to Copplestone.

"We are partnering with investors who seek an independent appraisal of their portfolios with the benefit of advice and detailed analysis of the risk-return profile of their investments," said Copplestone. "With the advent of Mifid 2, we are seeing early successes in the advisory services of the Levendi mandate. We are seeking to become a leading figure in providing access to structured product investments, research, analysis and independent appraisal of the risk/return profiles of product(s), Funds or Portfolios."

Levendi Capital is the renaming of Cube Investing as an entity, "a new chapter for us with a focus on the professional and institutional side of the market", according to Stuff.

"The change into Levendi Capital reflects our change of orientation towards the professional investment space with a primary focus on the structured products fund we are about to launch on the fund management side," said David Stuff. "However, Levendi

Capital will also leverage what we have been doing in the investment management side."

On the retail side of things Levendi will continue to offer research and analytics but has no aspiration to be a product provider, according to Stuff.

"We plan to continue offering manufacturing and distribution services for structured products in the institutional segment and professional investors in their needs to develop products and understand the products by providing the analytics framework to comply with Mifid 2 and other regulatory requirements," said Stuff.

[Cube Investing](#) was launched in 2014 as a specialist manufacturer and promoter of structured products for retail and professional investors. Cube appears as the [third party provider](#) and [distributor](#) of six products in the UK 28 products, according to SRP data. **SRP**

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