

Tempo Structured Products

FTSE 100 FDEW Long Growth Accelerator Plan June 2019 - Option 2




Summary information

Report	5197
Provider	Tempo Structured Products
Issuer	SG Issuer
Plan Manager	Tempo Structured Products

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Provider page:	Tempo Structured Products

Documents from the product provider

Brochure	
KID	
TICS Report	

Product features

- Returns equal to 6 times market growth
- Market growth measured from defensive strike (90% of initial level)
- Maximum product payoff of 280% of initial investment
- Single autocall point
- Potential return of 102.5% at 5 years
- Minimum level of 110% required for autocall meaning the underlying has to rise
- European barrier of 60%

Key product information

Product type	Growth Autocall	ISA Transfer date	07 Jun 2019
Vehicle	Plan	Closing date	21 Jun 2019
Capital	At risk	Strike date	28 Jun 2019
Aim	Growth	Final market date	28 Jun 2029
Investment Length	10 years	Report published	30 Apr 2019
Product currency	GBP		
Asset style	Single		
Counterparty	Societe Generale		
Underlying Asset	FTSE 100 Fixed Dividend Equal Weight Custom Index		
Issuer credit rating	S&P: A , Moody's: A1 , Fitch: A		
Credit rating band	A band (Lower median rating taken to determine band)		
Tax wrapper(s)	Direct investment , ISA , ISA transfer , SIPP/SSAS , Trustees of a trust , Corporate/Commercial , Charities , Offshore bond , Direct Investment (for Joint Accounts)		
Min/Max Investment	Minimum: £5,000. The overall ISA limit is £20,000 for the 2019/2020 tax year		
ISIN	GB00BFRNJB07		
PRIIPs SRI	5		

Product description

Participation	600%	Barrier type	European
Strike	90%	Num of AC points	1
Cap	280%	Date of first AC point	28 Jun 2024
Zero coupon bond	100%	First AC level - return	110 - 202.5
Downside gearing	100%	Buffer	-10%
Barrier	60%		

Potential Returns:

This product is classified by FVC as a 'Growth Autocall'.

This is a growth product with an autocall feature. If the underlying asset is above the required autocall level of 110% after 5 years, the product will mature early, returning the initial investment in addition to a fixed return of 102.5%.

If the product is not called on the autocall date, the product continues to its full term. At maturity this product pays the investor returns equal to 6 times any growth in the FTSE 100 Fixed Dividend Equal Weight Custom Index, measured from 90% of the strike level, subject to a cap of 280% on total returns. For example, if the final underlying asset is 20 percentage points higher than 90% of the strike level, i.e. the FTSE 100 Fixed Dividend Equal Weight Custom Index finishes at 110% of its strike level, the investor will be paid a return of 120% plus capital investment.

Capital Repayment:

The product has a European barrier. This means that the barrier is observed at maturity only. The barrier is set at 60% of the strike level and will be breached if the final level of the underlying asset is below 60% of the strike level. If the FTSE 100 Fixed Dividend Equal Weight Custom Index finishes below the European barrier of 60% on the final day of the investment some capital is lost.

If the product has not been called on the observation date, the repayment of capital will depend on whether or not the final level of the FTSE 100 Fixed Dividend Equal Weight Custom Index is below the barrier level.

If the underlying asset finishes below the 60% barrier, the investor will be paid an amount equal to the final level of the underlying asset, with respect to its strike level. For example, if the final level of the FTSE 100 Fixed Dividend Equal Weight Custom Index is 40% of its strike level and therefore the barrier is breached, the investor will be returned 40% of their capital investment.

Assessment

Figure 1 : Statistics

This figure shows some key statistics of the product and compares them to averages of other open products in the market. Full details of the methodology can be found [here](#)

The overall, price and return scores are expressed on a scale of 0-10 with 10 representing the most favourable. The price score is derived from our estimate of value for money while the return score gives an indication of risk-adjusted return prospects. The overall score is the average of the price and risk scores.

The riskmap is expressed on a scale of 0 to 10, where 0 represents lowest risk and 10 the highest. It is calculated from contributions from market risk and credit risk which are shown separately. The maturity and duration (expected maturity) are also stated.

	This product	All products	All At risk
Overall score	8.76	7.98	7.7
Price score	7.94	7.87	7.37
Return score	9.58	8.08	8.02
Riskmap (0-10 scale)	5.58	3.24	4.03
Market riskmap	5.25	2.8	3.7
Credit riskmap	0.33	0.45	0.32
Maturity	10	7.07	7.68
Duration	7.9	4	3.75

Figure 2 : Payoff chart

This chart shows a sample of simulated outcomes of the final underlying value and the product payoff for the structured product to help identify the risk and return prospects of the investment.

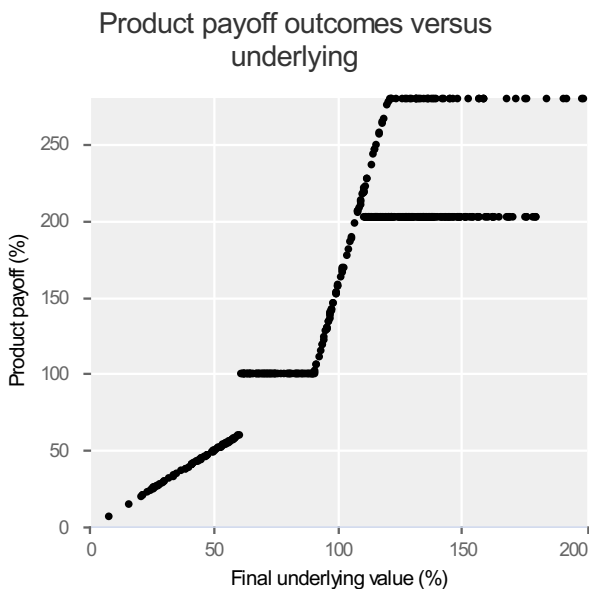
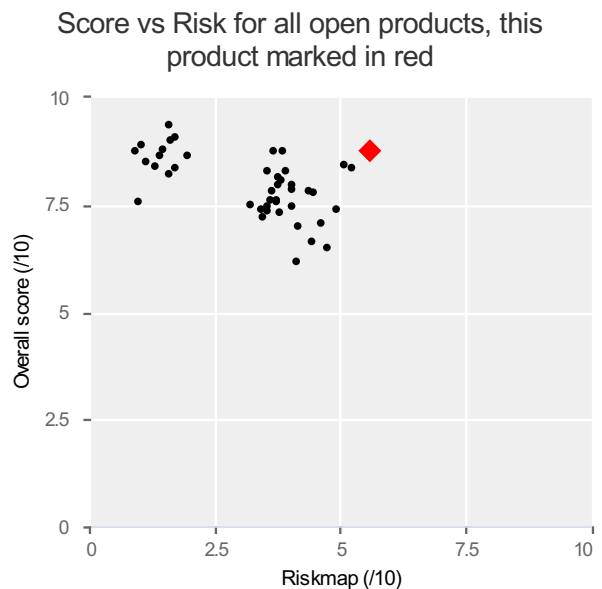


Figure 3 : Comparison chart

This chart plots the riskmap and overall score for all products on report centre, which shows all products listed on this site which are open for investment. The current product is shown with a red marker.



Breakdown of results and outcomes

Figure 4 : Investor results summary

Summary of possible product performances. Calculations from forward looking simulation (market risk only). This table shows a number of mutually exclusive outcomes of product performance classifications and associated statistics.

Result	Investment length (years)	Average payoff (%)	Simulated probability (%)
Autocall on 28 Jun 2024 if at or above 110%	5.00	202.50	42.10
Return above full capital at maturity	10.00	226.31	25.01
Full capital return	10.00	100.00	16.86
Capital loss	10.00	40.93	16.03

Figure 5 : Prospects for return of capital

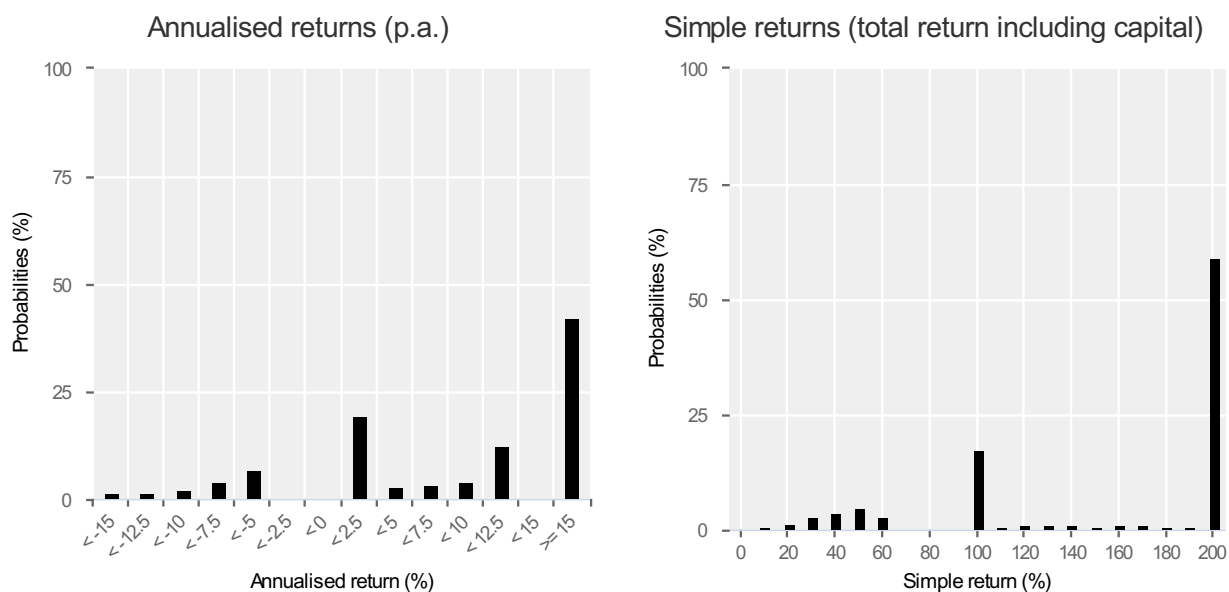
This figure shows prospects for return of capital, calculating whether the return might be greater than, equal to or lower than capital invested. These calculations use probabilities from forward looking simulations.

Outcome	Simulated probability
Return less than capital	16.03
Return exactly capital	16.86
Return more than capital	67.11

Figure 6 : Charts of product outcomes (annualised and simple returns)

Charts of distribution of structured product returns based on forward looking simulation.

These two charts illustrate the probabilities of return. The first chart shows the annualised return of the product in 2.5% buckets. The second chart shows the simple return of the product. Both of these charts are market risk only.



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Structured Edge is the structured product research service from FVC. As well as all the latest product research it has a searchable database, comparison tools, rankings, news and education. It can be accessed at www.structurededge.co.uk

About FVC

Future Value Consultants (FVC) is a research and analytics consultancy, specialising in structured product research, stress testing structured products, independent valuations and index calculation.

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