Tempo's first plan maturities …

TEMPO'S FIRST PLAN MATURITY: DELIVERING *'ALPHA BY CONTRACT'*

Our first kick-out product, **Tempo Long Kick-Out Plan - June 2018 (Issue 1): Option 1 *('LKO1')*,** reached its year-3 kick-out anniversary in June 2021

Tempo LKO1 contractually defined: if the FTSE 100 EWFD closed at or above 90% of the start level on this kick-out anniversary date, the plan would kick-out, generating a return of 7.3% for each year that the plan ran and repaying the initial investment

The FTSE 100 EWFD closed at 99.54% of the start level in June 2021
- the plan therefore matured early - generating 21.90% for investors (equivalent to 7.3% p.a. simple / 6.82% compound)
- the plan also repaid investor's capital in full (without any explicit charges impacting investors' initial capital or the stated level of return)

Tempo Long Kick-Out Plan - June 2018 (Issue 1): Option 1 *('LKO1')* FTSE 100 EWFD; FTSE 100

	START LEVEL (22.06.2018)	YEAR-3 LEVEL (22.06.2021)	3-YEAR PERFORMANCE
TEMPO LKO1	100	121.90	21.90%
FTSE 100 EWFD	1,061.62	1,056.74	-0.46%
FTSE 100 (PRICE RETURN)*	7,682.27	7,090.01	-7.71%
VANGUARD FTSE 100 INDEX ACC**	120.56	123.94	2.80%

Comparison of Tempo LKO1 with the FTSE 100 EWFD and FTSE 100 highlights the **strong performance of the FTSE 100 EWFD** compared to the FTSE 100 and the **significant outperformance of** both the FTSE 100 EWFD and the FTSE 100 by Tempo LKO1.

Tempo LKO1 delivered **21.9% over 3yrs compared to 2.8%** for the FTSE 100 tracker: this can be seen as ***'alpha by contract'*** of 19.1%, equal to 6.0% p.a.

The **materially different - and arguably better - risk / return profile** should also be noted:

- Tempo LKO1 was designed to generate **21.9% at Y3 without requiring the FTSE 100 EWFD to rise:** in fact, it would have generated **21.9% at Y3 even if the FTSE 100 EWFD had closed nearly 10 percentage points lower**

- Tempo LKO1 **would have increased the return it generates** at each subsequent kick-out anniversary date, **without the index condition needed to trigger kick-out increasing:** in contrast with active / passive funds, which typically generate increasing returns based on the market / index increasing

- Tempo LKO1 **would have generated 73.00% at Y10 even if the FTSE 100 EWFD had fallen by 10% from the start level, by legally binding contract**: whereas active / passive funds, while benefitting from dividends, would typically need the market / index to have risen materially in order to deliver a similar level of return, also dependent on fund manager skill

- Tempo LKO1 **included a significant level of protection from stock market risk at maturity, that allowed the FTSE 100 EWFD to fall by 40%**

Source: Tempo | Société Générale | Bloomberg Tempo LKO Plan counterparty: Société Générale * Price return only, excluding dividends ** FT.com, NAV to NAV, gross dividends reinvested

Past performance is not a reliable indicator of or guide to future performance and should not be relied upon, particularly in isolation

Tempo's next nine plan maturities: all deliver *'alpha by contract'* …

TEMPO STRUCTURED PRODUCTS

Tempo Long Kick-Out Plan – August 2018 (Issue 2): Option 1 (*'LKO1'*); FTSE 100 EWFD; FTSE 100			
The terms of Issue 2, LKO1 defined: if the FTSE 100 EWFD closed at or above 90% of the start level on this kick-out anniversary date, the plan would kick-out, generating a return of 7.3% for each year that the plan ran and repaying the initial investment.			
	Start level (24.08.2018)	Year 3 level (24.08.2021)	3 year performance
Tempo Issue 2, LKO1	100	121.90	21.90%
FTSE 100 EWFD	1,042.10	1,073.75	3.04%
FTSE 100 (price return)*	7,577.49	7,125.78	-5.96%
Vanguard FTSE 100 Index Acc**	120.05	125.72	4.72%

Tempo LKO1 delivered 21.90% over 3 years compared to 4.72% for the FTSE 100 tracker: this can be seen as *'alpha by contract'* of 18.86%, which is equivalent to 5.93% p.a. The materially different – and arguably better – risk / return profile should also be recognised:
- Tempo LKO1 would have generated 21.90% at year 3 even if the FTSE 100 EWFD had closed c.13 percentage points lower. • Tempo LKO1 would have increased the return it generates at each subsequent kick-out anniversary date, without the index condition needed to trigger kick-out increasing.
- Tempo LKO1 would have generated 73.00% at year 10 even if the FTSE 100 EWFD had fallen by 10% from its start level. • Tempo LKO1 included a defined and significant level of protection from stock market risk that would have allowed the FTSE 100 EWFD to fall by 40% at the end date.

Tempo Long Kick-Out Plan – August 2018 (Issue 2): Option 2 (*'LKO2'*); FTSE 100 EWFD; FTSE 100			
The terms of Issue 2, LKO2 defined: if the FTSE 100 EWFD closed at or above 100% of the start level on this kick-out anniversary date, the plan would kick-out, generating a return of 6.85% for each year that the plan ran and repaying the initial investment.			
	Start level (24.08.2018)	Year 3 level (24.08.2021)	3 year performance
Tempo Issue 2, LKO2	100	120.55	20.55%
FTSE 100 EWFD	1,042.10	1,073.75	3.04%
FTSE 100 (price return)*	7,577.49	7,125.78	-5.96%
Vanguard FTSE 100 Index Acc**	120.05	125.72	4.72%

Tempo LKO2 delivered 20.55% over 3 years compared to 4.72% for the FTSE 100 tracker: this can be seen as *'alpha by contract'* of 15.83%, which is equivalent to 5.02% p.a. The materially different – and arguably better – risk / return profile should also be recognised:
- Tempo LKO2 would have generated 20.55 % at year 3 even if the FTSE 100 EWFD had closed c.3 percentage points lower. • Tempo LKO2 would have increased the return it generates at each subsequent kick-out anniversary date, without the index condition needed to trigger kick-out increasing.
- Tempo LKO2 would have generated 68.50% at year 10 even if the FTSE 100 EWFD had fallen by 35% from its start level. • Tempo LKO2 included a defined and significant level of protection from stock market risk that would have allowed the FTSE 100 EWFD to fall by 40% at the end date.

Source: Tempo | Société Générale | Bloomberg Tempo LKO Plan counterparty: Société Générale * Price return only, excluding dividends ** FT.com, NAV to NAV, gross dividends reinvested

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Tempo's next nine plan maturities: all deliver *'alpha by contract'* …

TEMPO STRUCTURED PRODUCTS

Tempo Long Kick-Out Plan – August 2018 (Issue 2): Option 3 *('LKO3')*; FTSE 100 EWFD; FTSE 100

The terms of Issue 2, LKO3 defined: if the FTSE 100 EWFD closed at or above 100% of the start level on any kick-out anniversary date, the plan would kick-out, generating a return of 10.75% for each year that the plan ran and repaying the initial investment.

	Start level (24.08.2018)	Year 3 level (24.08.2021)	3 year performance
Tempo Issue 2, LKO3	100	132.25	32.25%
FTSE 100 EWFD	1,042.10	1,073.75	3.04%
FTSE 100 (price return)*	7,577.49	7,125.78	-5.96%
Vanguard FTSE 100 Index Acc**	120.05	125.72	4.72%

Tempo LKO3 delivered 32.25% over 3 years compared to 4.72% for the FTSE 100 tracker: this can be seen as *'alpha by contract'* of 27.53%, which is equivalent to 8.44% p.a. The materially different – and arguably better – risk / return profile should also be recognised:
● Tempo LKO3 would have generated 32.25% at year 3 even if the FTSE 100 EWFD had closed c.3 percentage points lower. ● Tempo LKO3 would have increased the return it generates at each subsequent kick-out anniversary date, without the index condition needed to trigger kick-out increasing.
● Tempo LKO3 would have generated 107.50% at year 10 even if the FTSE 100 EWFD had not risen from its start level. ● Tempo LKO3 included a defined and significant level of protection from stock market risk that would have allowed the FTSE 100 EWFD to fall by 40% at the end date.

Tempo Long Kick-Out Plan – October 2018 (Issue 3): Option 1 *('LKO1')*; FTSE 100 EWFD; FTSE 100

The terms of Issue 3, LKO1 defined: if the FTSE 100 EWFD closed at or above 90% of the start level on this kick-out anniversary date, the plan would kick-out, generating a return of 7.4% for each year that the plan ran and repaying the initial investment.

	Start level (24.08.2018)	Year 3 level (24.08.2021)	3 year performance
Tempo Issue 3, LKO1	100	122.20	22.20%
FTSE 100 EWFD	929.79	1,061.63	14.18%
FTSE 100 (price return)*	6939.56	7,277.62	4.87%
Vanguard FTSE 100 Index Acc**	110.36	129.57	17.41%

Tempo LKO1 delivered 22.20% over 3 years compared to 17.41% for the FTSE 100 tracker: this can be seen as *'alpha by contract'* of 4.79%, which is equivalent to 1.57% p.a. The materially different – and arguably better – risk / return profile should also be recognised:
● Tempo LKO1 would have generated 22.20% at year 3 even if the FTSE 100 EWFD had closed c.24 percentage points lower. ● Tempo LKO1 would have increased the return it generates at each subsequent kick-out anniversary date, without the index condition needed to trigger kick-out increasing.
● Tempo LKO1 would have generated 74.00% at year 10 even if the FTSE 100 EWFD had fallen by 10% from its start level. ● Tempo LKO1 included a defined and significant level of protection from stock market risk that would have allowed the FTSE 100 EWFD to fall by 40% at the end date.

Source: Tempo | Société Générale | Bloomberg Tempo LKO Plan counterparty: Société Générale * Price return only, excluding dividends ** FT.com, NAV to NAV, gross dividends reinvested

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Tempo's next nine plan maturities: all deliver *'alpha by contract'* …

TEMPO STRUCTURED PRODUCTS

Tempo Long Kick-Out Plan – October 2018 (Issue 3): Option 2 *('LKO2')*; FTSE 100 EWFD; FTSE 100

The terms of Issue 3, LKO2 defined: if the FTSE 100 EWFD closed at or above 100% of the start level on this kick-out anniversary date, the plan would kick-out, generating a return of 6.85% for each year that the plan ran and repaying the initial investment.

	Start level (24.08.2018)	Year 3 level (24.08.2021)	3 year performance
Tempo Issue 3, LKO2	100	120.55	20.55%
FTSE 100 EWFD	929.79	1,061.63	14.18%
FTSE 100 (price return)*	6939.56	7,277.62	4.87%
Vanguard FTSE 100 Index Acc**	110.36	129.57	17.41%

Tempo LKO2 delivered 20.55% over 3 years compared to 17.41% for the FTSE 100 tracker: this can be seen as *'alpha by contract'* of 3.14%, which is equivalent to 1.04% p.a. The materially different – and arguably better – risk / return profile should also be recognised:
- Tempo LKO2 would have generated 20.55% at year 3 even if the FTSE 100 EWFD had closed c.14 percentage points lower.
- Tempo LKO2 would have increased the return it generates at each subsequent kick-out anniversary date, with the index condition needed to trigger kick-out decreasing.
- Tempo LKO2 would have generated 68.50% at year 10 even if the FTSE 100 EWFD had fallen by 35% from its start level.
- Tempo LKO2 included a defined and significant level of protection from stock market risk that would have allowed the FTSE 100 EWFD to fall by 40% at the end date.

Tempo Long Kick-Out Plan – October 2018 (Issue 3): Option 3 *('LKO3')*; FTSE 100 EWFD; FTSE 100

The terms of Issue 3, LKO3 defined: if the FTSE 100 EWFD closed at or above 100% of the start level on any kick-out anniversary date, the plan would kick-out, generating a return of 11.10% for each year that the plan ran and repaying the initial investment.

	Start level (24.08.2018)	Year 3 level (24.08.2021)	3 year performance
Tempo Issue 3, LKO3	100	133.30	33.30%
FTSE 100 EWFD	929.79	1,061.63	14.18%
FTSE 100 (price return)*	6939.56	7,277.62	4.87%
Vanguard FTSE 100 Index Acc**	110.36	129.57	17.41%

Tempo LKO3 delivered 33.30% over 3 years compared to 17.41% for the FTSE 100 tracker: this can be seen as *'alpha by contract'* of 15.89%, which is equivalent to 5.04% p.a. The materially different – and arguably better – risk / return profile should also be recognised:
- Tempo LKO3 would have generated 33.30% at year 3 even if the FTSE 100 EWFD had closed c.14 percentage points lower.
- Tempo LKO3 would have increased the return it generates at each subsequent kick-out anniversary date, without the index condition needed to trigger kick-out increasing.
- Tempo LKO3 would have generated 111.00% at year 10 even if the FTSE 100 EWFD had not risen from its start level.
- Tempo LKO3 included a defined and significant level of protection from stock market risk that would have allowed the FTSE 100 EWFD to fall by 40% at the end date.

Source: Tempo | Société Générale | Bloomberg Tempo LKO Plan counterparty: Société Générale * Price return only, excluding dividends ** FT.com, NAV to NAV, gross dividends reinvested

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Tempo's next nine plan maturities: all deliver *'alpha by contract'* …

TEMPO STRUCTURED PRODUCTS

Tempo Long Kick-Out Plan – December 2018 (Issue 4): Option 1 *('LKO1')*; FTSE 100 EWFD; FTSE 100			
The terms of Issue 4, LKO1 defined: if the FTSE 100 EWFD closed at or above 90% of the start level on this kick-out anniversary date, the plan would kick-out, generating a return of 8.5% for each year that the plan ran and repaying the initial investment.			
	Start level (28.12.2018)	Year 3 level (29.12.2021)	3 year performance
Tempo Issue 4, LKO1	100	125.50	25.50%
FTSE 100 EWFD	895.37	1,076.15	20.19%
FTSE 100 (price return)*	6,733.97	7,420.69	10.20%
Vanguard FTSE 100 Index Acc**	107.70	132.67	23.18%

Tempo LKO1 delivered 25.50% over 3 years compared to 23.18% for the FTSE 100 tracker: this can be seen as *'alpha by contract'* of 2.32%, which is equivalent to 0.77% p.a. The materially different – and arguably better – risk / return profile should also be recognised:
● Tempo LKO1 would have generated 25.50% at year 3 even if the FTSE 100 EWFD had closed c.30 percentage points lower. ● Tempo LKO1 would have increased the return it generates at each subsequent kick-out anniversary date, without the index condition needed to trigger kick-out increasing.
● Tempo LKO1 would have generated 85.00% at year 10 even if the FTSE 100 EWFD had fallen by 10% from its start level. ● Tempo LKO1 included a defined and significant level of protection from stock market risk that would have allowed the FTSE 100 EWFD to fall by 40% at the end date.

Tempo Long Kick-Out Plan – December 2018 (Issue 4): Option 2 *('LKO2')*; FTSE 100 EWFD; FTSE 100			
The terms of Issue 4, LKO2 defined: if the FTSE 100 EWFD closed at or above 100% of the start level on this kick-out anniversary date, the plan would kick-out, generating a return of 7.75% for each year that the plan ran and repaying the initial investment.			
	Start level (28.12.2018)	Year 3 level (29.12.2021)	3 year performance
Tempo Issue 4, LKO2	100	123.25	23.25%
FTSE 100 EWFD	895.37	1,076.15	20.19%
FTSE 100 (price return)*	6,733.97	7,420.69	10.20%
Vanguard FTSE 100 Index Acc**	107.70	132.67	23.18%

Tempo LKO2 delivered 23.25% over 3 years compared to 23.18% for the FTSE 100 tracker: this can be seen as *'alpha by contract'* of 0.07%, which is equivalent to 0.023% p.a. The materially different – and arguably better – risk / return profile should also be recognised:
● Tempo LKO2 would have generated 23.25% at year 3 even if the FTSE 100 EWFD had closed c.20 percentage points lower. ● Tempo LKO2 would have increased the return it generates at each subsequent kick-out anniversary date, with the index condition needed to trigger kick-out decreasing.
● Tempo LKO2 would have generated 77.50% at year 10 even if the FTSE 100 EWFD had fallen by 35% from its start level. ● Tempo LKO2 included a defined and significant level of protection from stock market risk that would have allowed the FTSE 100 EWFD to fall by 40% at the end date.

Source: Tempo | Société Générale | Bloomberg Tempo LKO Plan counterparty: Société Générale * Price return only, excluding dividends ** FT.com, NAV to NAV, gross dividends reinvested
Past performance is not a reliable indicator of or guide to future performance and should not be relied upon, particularly in isolation.

10 out of 10: Tempo plan maturities delivered *'alpha by contract'* …

TEMPO STRUCTURED PRODUCTS

Tempo Long Kick-Out Plan – December 2018 (Issue 4): Option 3 *('LKO3')*; FTSE 100 EWFD; FTSE 100			
The terms of Issue 4, LKO3 defined: if the FTSE 100 EWFD closed at or above 100% of the start level on any kick-out anniversary date, the plan would kick-out, generating a return of 12.75% for each year that the plan ran and repaying the initial investment.			
	Start level (28.12.2018)	Year 3 level (29.12.2021)	3 year performance
Tempo Issue 4, LKO3	100	138.25	38.25%
FTSE 100 EWFD	895.37	1,076.15	20.19%
FTSE 100 (price return)*	6,733.97	7,420.69	10.20%
Vanguard FTSE 100 Index Acc**	107.70	132.67	23.18%

Tempo LKO3 delivered 38.25% over 3 years compared to 23.18% for the FTSE 100 tracker: this can be seen as *'alpha by contract'* of 15.07%, which is equivalent to 4.79% p.a. The materially different – and arguably better – risk / return profile should also be recognised:
• Tempo LKO3 would have generated 38.25% at year 3 even if the FTSE 100 EWFD had closed c.20 percentage points lower. • Tempo LKO3 would have increased the return it generates at each subsequent kick-out anniversary date, without the index condition needed to trigger kick-out increasing.
• Tempo LKO3 would have generated 127.50% at year 10 even if the FTSE 100 EWFD had not risen from its start level. • Tempo LKO3 included a defined and significant level of protection from stock market risk that would have allowed the FTSE 100 EWFD to fall by 40% at the end date.

- **10 out of 10! Tempo first plan maturities, across Issues 1, 2, 3 and 4, all delivered *'alpha by contract'*:**
  - all ten of Tempo's first Long Kick-Out Plan maturities, across Issues 1, 2, 3 and 4, delivered *'alpha by contract'*, outperforming the typical tracker fund, with a materially different - and arguably better - risk / return profile
  - the outperformance ranged from 0.023% p.a. to 8.44% p.a.: however, it is important to recognise the USPs of structured products and the different risk / return profiles of the plans, vis-à-vis typical active and passive funds
  - the key points of difference are highlighted under each table: we produce full maturity performance and comparison overviews for each of our plan maturities, which can be found via our website:

    … https://tempo-sp.com/our-products/matured-products-performance-analysis-and-comparison
  - our plan maturities add to the sector's evidence that structured products work, helping highlight the significant and important USPs of structured products and the specific merits of Tempo's plan design and approach

Source: Tempo | Société Générale | Bloomberg Tempo LKO Plan counterparty: Société Générale * Price return only, excluding dividends ** FT.com, NAV to NAV, gross dividends reinvested

The *EVIDENCE* that structured products work (cont'd) …

TEMPO STRUCTURED PRODUCTS

- **Objective analysis of the long term, granular, comprehensive and incontrovertible facts re UK retail structured product performance clearly evidences the efficacy of structured products and the potential merits of including structured products in diversified portfolios**

- **Particularly in a challenging and potentially low returns environment, it may be difficult to identify investment options which can reasonably be considered more likely to generate viable levels of return, with such attractive risk / return profiles, than structured products:**
  - noting that the majority of the structured products are designed so that they generate positive returns without requiring the stock market to rise, with many products also allowing it to fall, with a defined and significant level of protection from stock market risk at maturity

- ***When the facts change, I change my views … what do you do?:***
  - remembering that we are in a challenging (and potentially long term, low returns) environment; and
  - recognising that there are some things which active and passive funds can't do, which structured products can

TEMPO STRUCTURED PRODUCTS

UK structured products past performance: facts and analysis *'When the facts change, I change my views. What do you do?'*

Despite some criticisms, from some commentators, in some quarters, in the past, detailed analysis of the performance of maturing structured products in recent years highlights the potential virtues, merits and efficacy of investors including structured products in portfolios.

Matured structured products performance over the last year: Jan 2018 – Dec 2018

StructuredProductReview's annual review of structured products which matured in 2018 showed that 358 of the 381 products which matured delivered positive returns for investors. None of the products which matured in 2018 delivered a loss.

It is also interesting to compare the performance of maturing structured products to mutual fund performance in 2018:

Retail structured products	Mutual funds
381 retail structured products matured in 2018	2,592 mutual funds in the UK Investment Association universe
No maturing structured products created a loss for investors	2,377 (c.92%) funds produced a negative return in 2018
358 (c.94%) generated positive returns, with an average return of 6.33% p.a.	202 (c.8%) funds produced a positive return
The average return of the top quartile products was 9.25% p.a.	Only 3% of funds delivered a return of more than 2%
Just 23 products (c.6%) returned capital only	13 (c.0.5%) funds produced a return of exactly zero

Source: StructuredProductReview | Source: Fundsmith

The above statistics do not compare apples with apples, as the mutual fund performance is looked at over just the one year, while many of the structured products that matured over the year will have run for longer than just one year. However, the main point is that 2018 was clearly a challenging year for mutual funds (after a long period of positive returns, which served many investors well), while it was another strong year for structured products, as part of a trend that has been developing, following significant improvements in the sector over the last decade.

Matured structured products performance over the last 3 years: Jan 2016 – Dec 2018

Independent research specialist Future Value Consultants (FVC) reviewed all structured products which matured over the last 3 years.

927 structured products matured between January 2016 and December 2018
The average annualised return of all products combined was 6.77%
The average annualised return of the capital-at-risk products was 7.45%
No maturing structured products created a loss for investors

Source: Future Value Consultants

Matured structured products performance over the last 10 years: Jan 2009 – Dec 2018

Most recently, StructuredProductReview reviewed all structured products which were launched and matured over the last 10 years:

3670 structured products matured between January 2008 and December 2018
3613 (98.45%) generated positive returns or repaid capital: with an average return of 6.23% p.a.
The average return of all maturing capital-at-risk products was 7.9% p.a.
The average return of all maturing capital-at-risk kick-out products was 8.55% p.a.
Only 57 (1.55%) maturing structured products created a loss for investors Only 5 of these products were single index, linked solely to the FTSE 100
The average duration of all maturing structured products was 3.78 years

Source: StructuredProductReview

These past performance facts evidence the potential virtues, merits and efficacy of investors including structured products in diversified and balanced portfolios. In fact, particularly in a more challenging market environment, it may be hard to identify investment funds or products more likely to deliver strong positive returns than 'best of breed' structured products, especially those which are designed to generate positive returns without requiring the stock market to rise, with a defined level of protection if the stock market falls.

Past performance is not a guide to future performance and should not be relied on, especially in isolation. The value of all investments, including structured products and mutual funds, can fall as well as rise.

The merits and potential benefits of *'long'* plan options …

TEMPO STRUCTURED PRODUCTS

- **For professional advisers / investors who believe that markets can be expected to rise over time and that market risk can be mitigated through time, it follows that the longer the time horizon of an investment:**
  - the greater the likelihood of positive returns being generated, i.e., mitigating the *'upside market risk'*, that markets don't rise; and
  - the lower the likelihood of losses being experienced, i.e., mitigating the *'downside market risk'*, of markets falling (especially where an end of term barrier is being used for a structured product)
- **We think longer-term time horizons and longer maximum terms, focussing on the simple merits and potential benefits of *'time*', can optimise the risk / return profiles of structured products:**
  - we therefore offer *'long'* plan options, which focus on the simple merits and potential benefits of time:

    … **longer maximum investment terms** (e.g., 10 years), mitigating both upside and downside market risk;

    … **combined with short term kick-out potential** (e.g., early maturity from year 3, with daily liquidity);

    … **combined with defensive investment strategies** (e.g., strategies that can generate positive returns without needing the market to rise, and / or with options that allow it to fall)
  - notably, it should be understood that a *'long'* kick-out plan will kick-out at the same anniversary as a shorter-term plan, if the market / index conditions for kick-out are met
  - however, a *'long'* kick-out plan includes a *'tail',* that only comes into play in scenarios where a shorter-term plan wouldn't kick-out successfully, providing additional time and opportunities for successful kick-out
  - it should also be understood that a *'long'* kick-out plan designed with its first kick-out later than the more common 1st or 2nd year anniversary can offer higher potential returns than the lower, capped level of returns offered by comparable products which are designed to kick-out earlier (noting our plans intra-term liquidity)

Exclusive use of the FTSE 100 EWFD for our plans in the UK …

TEMPO STRUCTURED PRODUCTS

- **The FTSE 100 Equal Weight Fixed Dividend Custom Index *('FTSE 100 EWFD')* is a FTSE Russell index:**
  - the FTSE 100 EWFD was developed to provide the potential for improved structured product terms
  - improved terms can include: **lower** end of term barrier levels; **lower** conditions for positive returns to be generated; and **higher** potential returns
- **The FTSE 100 EWFD comprises the same 100 stocks as the FTSE 100, uses the same methodology re quarterly reviews and constituents, and adheres to the same FTSE Russell FTSE UK Index Series Ground Rules as the FTSE 100 - however, as its name suggests, it differs in two important ways:**
  - **the *'EW'*:** the 100 companies in the FTSE 100 EWFD are all equally weighted at 1% by FTSE Russell, instead of being weighted according to their market capitalisation
  - **the *'FD'*:** the FTSE 100 EWFD is based on a total return index, including all dividends paid by the companies: however, a fixed dividend of 50 points per year is deducted when FTSE Russell work out the index level
  - the FTSE 100 EWFD will perform differently to the FTSE 100, due to the equal weighting and fixed dividend: returns from plans linked to it might be higher or lower than returns from similar plans linked to the FTSE 100
  - it is important that investors carefully consider the level of the FTSE 100 EWFD, the level of its fixed dividend, and the outlook for its future level: we identify the target market for investors in these plans as investors who have a positive view of the future level of the FTSE 100 EWFD, over the medium to long term
  - we explain the FTSE 100 EWFD in detail, in plain English, in our plan brochures and in the collateral inputs we provide for professional advisers, including via our website and video webinar series:

    … website resources page: https://tempo-sp.com/adviser-resources/about-the-ftse-100-ewfd

    … video webinar recording: https://register.gotowebinar.com/recording/6983375893567734796

Important notice

- **Structured products are not suitable for everyone - in addition to understanding the USPs of structured products, professional advisers also need to understand their risks and limitations:**
  - structured products present counterparty risk, which needs to be understood and accepted: the potential returns of a structured product and the repayment of money invested in a structured product usually depend on the financial stability of the issuer and counterparty throughout the investment term
  - the level of return a structured product generates may be capped and / or less than the level of return generated by direct investment in the stock market or via active or passive funds
  - the terms of structured products can predefine what can be expected at maturity and at certain other dates, such as potential 'kick-out' and early maturity dates: but these terms do not apply during the investment term
  - the value of structured products during the investment term may be affected by various factors: while accessing an investment is usually possible, during normal market conditions, this is not guaranteed
  - past performance is not a reliable indicator of or guide to future performance and should not be relied upon, particularly in isolation: the value of investments and the income from them can go down as well as up
  - capital is at risk and investors could lose some or all of their capital

- **The *'Important risks'* section of our website highlights the key and other risks of structured products:**
  - www.tempo-sp.com/home/important-risks

- **Professional advisers should access and read the relevant plan documents relating to any structured product plan of interest, in particular: the plan brochure; *'if / then …'* summary; plan application pack, including, the terms and conditions of the plan; and the issuer's securities prospectus, final terms sheet and key information document *('KID')*, before making a recommendation to their clients**

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