


TEMPO

STRUCTURED PRODUCTS

PART OF THE ALPHA REAL CAPITAL FAMILY OF COMPANIES

- GOVERNANCE OVERVIEW -
INCLUDING CONSUMER DUTY, PRODUCT AND DISTRIBUTION GOVERNANCE

‘Doing the right things’

FOR PROFESSIONAL ADVISER USE ONLY
- NOT FOR USE WITH CLIENTS -

Introducing the Alpha Real Capital family of companies (*'Alpha'*) ... TEMPO STRUCTURED PRODUCTS

KEY ALPHA STATISTICS:

(as at 31 Mar 2022)

£4.5bn

AUM

170+

Professional team

4

Core areas

Headquartered in London, Alpha Real Capital was founded in 2005 as an international, co-investing, investment management and wealth management solutions business:

- Alpha Real Capital LLP sits at the heart of the Alpha Real Capital family of companies (*'Alpha'*), which benefit from materially common ultimate beneficial ownership

A 170+ professional team operates across the UK, Europe and Asia, focusing on 4 core areas: i) real estate investment management; ii) long income and index-linked income; iii) infrastructure, social impact and renewable energy; and iv) wealth management solutions

The *'Alpha way'* is to identify specialist teams with expertise in areas of strategic focus and interest and to support these teams to deliver best-in-class investor solutions:

- Alpha teams benefit from centralised resources, including: financial; operational; compliance; research; marketing; business development and capital-raising
- ... and from Alpha's fundamental interest to *'do the right things'*

The *'Alpha DNA'* is evident across the Alpha range of funds, products and services:

- Alpha aims to deliver good outcomes, with attractive risk / return profiles for investors, with exemplary support and service for business partners, professional advisers and investors

Alpha engages with institutional investors, professional investors (including family offices, UHNW and HNW private investors) and professionally advised retail investors:

- on the retail side, Alpha operates through TIME Investments and Tempo Structured Products

Integrity ...

*“Integrity is about having principles and doing the right things.
It is about being honest, acting in good faith and doing the right things.
It is about doing the right things, even when no one is watching”*

Our approach ...

*Our approach to ‘redefining structured products and structured deposits’
for professional advisers and their clients
is focused on ‘doing the right things - and doing simple well’*

Our aim ...

*Our aim is to ‘do the right things’, for the right reasons,
delivering good outcomes for professional advisers and their clients*

- **Ensuring that client-centric, best practice governance and compliance, with the aim of delivering good outcomes for investors, has been embedded at the heart of all that we do since our inception:**
 - we recognise that good governance is a core value, not just a regulatory requirement
 - our aim is to meet / surpass regulatory rules and requirements, expectations and guidance
- **We believe that best practice governance and compliance is:**
 - first and foremost, client-centric
 - second, best for the professional adviser firms which we work with
 - third, best for us as a business: an opportunity for us to demonstrate best practice, raise the sector bar, and show how we think structured products and structured deposits can and should be done
- **We think professional advisers share these views and want to be confident of cultural integrity and client-centric, best practice governance and compliance in the providers they deal with:**
 - noting that we also think that achieving best practice process and good outcomes for investors requires the parties involved in manufacturing and distribution to work closely together in a joined-up approach

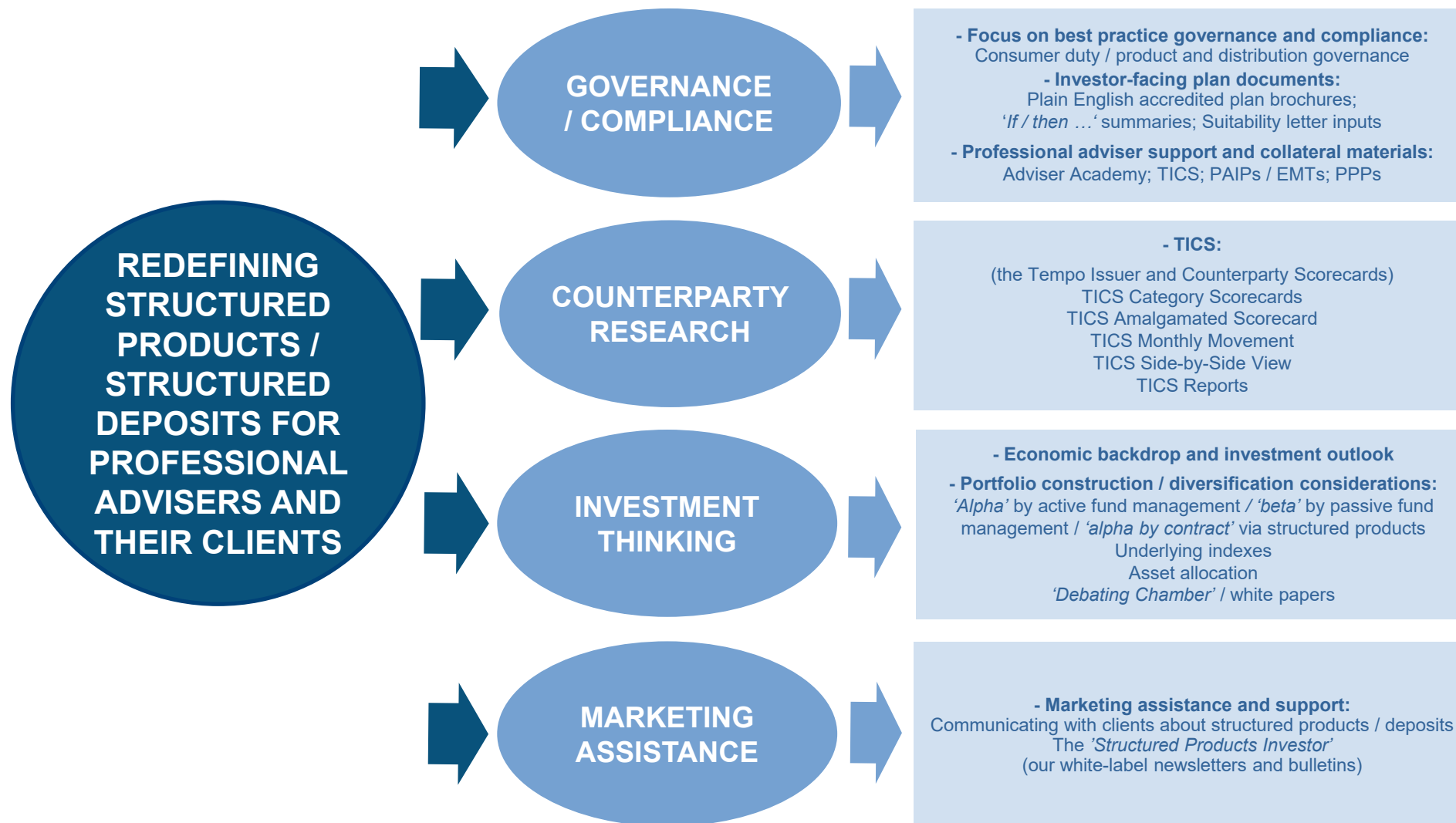
- Our approach to *‘redefining structured products and structured deposits’* for professional advisers and their clients is focused on *‘doing the right things - and doing simple well’*:
 - we have tried to think through, establish and support a more rigorous, tighter, better - and safer - approach to structured products and structured deposits ...

... better and safer for who?

- **First and foremost, we aim to put investors first:**

- if we and the professional advisers who use our plans together deliver good outcomes for investors then everybody (investors, advisers, ourselves, issuers / counterparties, etc.) is in a good place
- with this in mind, critically, we aim to design fundamentally good investments, which increase the likelihood of delivering good outcomes and decrease the likelihood of poor outcomes: which our governance policies and procedures, specifically including our product governance process, are designed to help ensure:
 - ... it should be recognised that a good outcome can mean different things to different investors and be more than just whether a positive return has been generated; it can and does also mean the overall risk / return profile of a product, its role within a diversified portfolio and the target market that it was designed for
- importantly, as with all forms of investment there are risks involved but we are as clear about the potential risks as we are about the potential returns of our products, for both investors and professional advisers, and we focus on explaining everything using plain English which everyone should be able to understand

- **Second, we have worked exceptionally hard on providing a bar-raising level and calibre of materials, input and support for professional advisers using structured products / deposits with their clients:**
 - this is both generally and specifically for each of our plans
 - our aim is to help strengthen professional adviser understanding and working knowledge of structured products and structured deposits, including portfolio construction and diversification considerations and regulatory requirements and expectations
 - our approach to client-centric, best practice governance and compliance is designed to help professional advisers strengthen what they do, including their initial and ongoing plan manager due diligence, their product research, and how they give, explain and document the advice that they give to their clients



PROD (3.3.11(3)) states that
'... distributors [e.g., professional advisers] should consider the impact that the selection of a manufacturer [e.g., plan managers, who are 'co-manufacturers'] could have on clients, in terms of various factors, including the financial strength of the manufacturer'

PROD (3.2.16 (2)) requires manufacturers to make *'...all appropriate information on our product approval process' available to distributors*

FSA Retail Product Development and Governance: Structured Product Review, 2012 Thematic Review: *'Firms should carry out sufficient due diligence into the counterparty and not rely solely on credit rating agencies ...' / 'We expect firms to look more broadly than just the credit rating, such as the rating, outlook, credit default swap ['CDS'] spreads and other market information, as well as 'fundamentals' on the issuer's balance sheet.'*

- Focus on best practice governance and compliance:
Consumer duty / product and distribution governance

- Investor-facing plan documents:
Plain English accredited plan brochures;
'If / then ...' summaries; Suitability letter inputs

- Professional adviser support and collateral materials:
Adviser Academy; TICS; PAIPs / EMTs; PPPs

- TICS:

(the Tempo Issuer and Counterparty Scorecards)
TICS Category Scorecards
TICS Amalgamated Scorecard
TICS Monthly Movement
TICS Side-by-Side View
TICS Reports

- Economic backdrop and investment outlook

- Portfolio construction / diversification considerations
'Alpha' by active fund management / 'beta' by passive fund management / 'alpha by contract' via structured products
Underlying indexes
Asset allocation
'Debating Chamber' / white papers

- Marketing assistance and support:

Communicating with clients about structured products / deposits
The 'Structured Products Investor'
(our white-label newsletters and bulletins)

Consumer duty, PRIN and PROD: in respect of the consumer duty and under the principles for businesses ('PRIN') section of the FCA handbook which incorporates the product governance sourcebook ('PROD') distributors 'must:

- *act to deliver good outcomes for retail customers (PRIN 2.1.1); act in good faith towards retail customers (PRIN 2A.2.1), avoid causing foreseeable harm to retail customers (PRIN 2A.2.8), enable and support retail customers to pursue their financial objectives (PRIN 2A.2.14); [and note their] key obligations in relation to product governance / products and services, price and value, consumer understanding and supporting consumers (PRIN 2A.1.10 (3));*
- *understand the product you distribute to your clients (PROD 3.3.1 (1));*
- *assess the compatibility of the product with the needs of your clients, taking into account the identified target market of end clients (PROD 3.3.1 (2));*
- *not distribute a product unless its distribution arrangements are consistent with the product providing fair value to retail customers (PRIN 2A.4.16 (1));*
- *and ensure that the product is distributed only when this is in the best interests of your client (PROD 3.3.1 (3)).'*

- **Of course, saying this is one thing:**
 - but demonstrating and evidencing that we mean it and that we do what we say is key
 - noting also that PROD (3.2.16 (2)) requires manufacturers to make *'all appropriate information on our product approval process'* available to distributors
- **We are proactive and transparent in providing details of our product governance process - and in explaining and discussing why we do what we do and how we do it:**
 - our **product governance process** comprehensively details how we conceive, design, develop, distribute and manage our products through their lifecycle
 - our product governance process includes **various steps, groups and committees**, which incorporate **various inputs, checks, controls and sign-offs**, in a consensus-driven decision-making approach
 - each group / committee operates with **clearly documented terms of reference**, detailing their: purpose and objectives; attendees; voting members / quorum; conduct; inputs and outputs
 - we create and retain **audit trails** of our product governance process in practice, including the dates of and minutes from the group and committee meetings involved throughout our process

- **The following pages detail / explain our consumer duty and product /distribution governance process:**
 - our process involves various steps, groups and committees, which incorporate various inputs, checks, controls and sign-offs, in a consensus-driven decision-making approach
 - our process is designed to ensure that each product we launch is suitable for the identified target market, with reasonable expectations of delivering good outcomes for investors, with consideration of the potential for poor outcomes
 - each step engages multiple participants / stakeholders, to ensure scrutiny and challenge of the business, process and any product, prior to launch
 - full **terms of reference** for each group / committee and **audit trails** of our process in practice, including the dates of the group and committee meetings, are available
 - our process does not end with the launch of a product, but encompasses post-launch monitoring and management, which feeds back into our product governance process with regard to any factors relevant to previously launched existing products and / or potential new future products
 - importantly, our consumer duty and product governance process specifically excludes consideration of the commercial performance of our business against our business plan, instead ensuring that our process focuses exclusively upon end client interests, needs and delivering good outcomes for end clients
- ... throughout the following pages, references to PRIN (e.g. [PRIN 2A.3]) are references to the principles for businesses section of the FCA handbook (which incorporates the consumer duty) and numbers in “[]” (e.g. [3.2.1 (1)]) are references to the FCA product governance sourcebook (*‘PROD’*). Under PRIN 2A.3, compliance with PROD 3 is compliance with the product and services outcome of the consumer duty:
- ... these references help explain why we consider what we consider within our product governance process

1. Product Strategy and Review Group ('PSRG')

The PSRG is the starting point of our investment, investor and product thinking. It includes the identification of potential new product strategies, re-issue of and / or changes to existing products, and the monitoring and review of our product suite.

The PSRG is responsible for preparing our issuer, market and operational risk analysis ('IMORA'), product proposal packs ('PPPs') and product suite monitoring and review packs ('PSMRPs'), for other groups and committees in our process.

2. Consumer Duty Committee ('CDC')

The CDC is a decision-making executive committee, that sits at the heart of our product governance process, that reviews PPPs and PSRPs provided by the PSRG to assess if our products:

- i) have been developed in line with our governance process;
- ii) will meet (or have met) the needs of the target market;
- iii) will be (or have been) distributed through appropriate distribution channels;
- iv) can reasonably be expected to deliver (or have delivered) good outcomes;
- v) can reasonably be expected to be understood and offer (or have offered) fair value, with appropriate support for end clients.

3. Distribution Oversight Group ('DOG') and Operations and Service Review Group ('OSRG')

MI driven distribution, operations, support and service oversight.



Step 1: Product Strategy and Review Group ('PSRG') ...

- **The Product Strategy and Review Group ('PSRG') is Step 1 in our product governance process**
- **Our business and product thinking starts with consideration of four factors:**
 - the economic backdrop and investment outlook
 - portfolio construction and diversification options
 - the characteristics, interests and needs / objectives [3.2.2] of clients of professional advisers
 - relevant management information ('MI'), including from existing products
- **With robust understanding of asset and wealth management, financial planning and advice, and expert knowledge of structured products, the PSRG's purpose and objective is to:**
 - identify potential new products, changes to or other actions for existing products, assessing (including being responsible for issuer, markets and operational risk analysis ('IMORA'), preparing product proposal packs ('PPPs') and product suite monitoring and review packs ('PSMRPs') and stress testing: identifying reasonable expectations for good outcomes for end clients, and monitoring ongoing expectations of good outcomes, with consideration of the potential for poor outcomes) and developing new products, and changes to or actions needed for existing products, for presentation to the Consumer Duty Committee ('CDC')

- **The members of the PSRG are senior members of the Tempo team, including the CEO and COO:**
 - in addition, colleagues from Alpha (including Alpha Real Capital senior executives and senior members of both the institutional and retail side of Alpha) may be invited to participate in the PSRG
 - all members of the PSRG are familiar with the specific regulatory requirements and general issues relating to retail structured products and our '*bar-raising*' aims and approach
 - external inputs / participants in the PSRG are also welcomed and proactively sought, including from economics, investment markets and asset / wealth management specialists
 - professional advisers may be asked to participate in some specific meetings, to provide their perspective:
... inputs representing the thinking and interests of end clients are valued
- **PSRG decisions are consensus-driven and are generally expected to be unanimous:**
 - if a unanimous decision cannot be reached, decisions must be passed by a majority and the senior management / board of the company notified
- **No new product can be launched - including changes to existing products - without the PSRG completing all steps in our product governance process, which must be confirmed to and by the CDC:**
 - no product can be launched - including changes to existing products - without CDC confirmation

- **Inputs to the PSRG include:**

- the PSRG considers various inputs, potentially including: economic and market research; asset management / structured product research; distributor / professional adviser / wealth manager / financial planning views and interests; target market / end client portfolio needs and interests; structured product specific developments, including pricing parameters; input and feedback from distributors / professional advisers; MI regarding past and present products, including post-sales monitoring, performance and recent product launch experience

- **Outputs from the PSRG include:**

- product proposal packs ('PPPs') for each potential new product [3.2.3(1)] and for any major changes to existing products [3.2.3 (2)]
- updated product proposal packs for each re-issue of previously launched products (with only minor changes)
- product suite monitoring and review packs ('PSMRPs'), for presentation to the CDC each quarter
- PSRG meetings are minuted; minutes are circulated to PSRG members; minutes and supporting documents are archived and can be accessed by PSRG members at any point
- the PSRG also makes available:
 - ... 'TICS' (our proprietary Tempo Issuer and Counterparty Scorecards / all scorecards and the TICS Report for an issuer / counterparty bank / deposit taker bank);
 - ... 'CASPA' (our currently available structured products analysis)
 - ... 'CASA' (our currently available savings accounts analysis)

- **The PSRG is responsible for undertaking our issuer, market and operational risk analysis ('*IMORA*'): to ensure thorough analysis and assessment of the three most fundamental risks of structured products:**
 - **issuer / counterparty financial strength / credit risk:** including use of '*TICS*' (our proprietary Tempo Issuer and Counterparty Scorecards)
 - **market risk:** consideration of risks to the repayment of capital invested and regarding the conditions for positive returns (growth or income) to be generated, incorporating stress testing / scenario analysis
 - **operational risk:** assessing the risks we present in our role as plan manager, including our plan administration and custody arrangements
- **Our IMORA process is part of the analysis that we undertake as part of our product governance process for potential new products, the re-issue of existing products, and any changes to existing products:**
 - details of IMORA are included in the product proposal packs ('*PPPs*') which the PSRG presents to the CDC

- **The PSRG produces product proposal packs (*‘PPPs’*) for new products and material changes to products and product suite monitoring and review packs (*‘PSMRPs’*), for presentation to the CDC:**
 - PPPs include details of what we consider and analyse within our product development process, including: product details / overview; target market; distribution; stress testing (identifying reasonable expectations for good outcomes, with consideration of the potential for poor outcomes); risk analysis; pricing and fair value assessment; consumer understanding; and consumer support, including support for any vulnerable clients
 - product suite monitoring and review is formally undertaken on a quarterly basis, but with daily, weekly and monthly MI monitoring on an ongoing basis: any critical events / material change in the risk / return profile of any product / change in outcome expectation is escalated immediately to the CDC
 - PSMRPs summarise and analyse any *‘red flags’* and / or *‘amber flags’* which have been raised during the distributor, product and operations’ daily, monthly, quarterly and annual monitoring / governance processes
 - PPPs and PSMRPs are fundamentally and primarily focussed on whether products and our distribution strategy will meet or are meeting the needs of the identified target market, with reasonable expectations of delivering good outcomes for investors, with consideration of the potential for poor outcomes
 - PPPs and PSMRPs do not focus on commercial aspects, such as our business plan / business performance, other than detailing product pricing / margin as part of the fair value assessment for investors
- **No product can be launched without a product proposal pack being reviewed and approved by the CDC**
- **We make our product proposal packs available to professional advisers for each product we launch:**
 - this provides transparency regarding our process and aids professional advisers in their research and due diligence responsibilities, including assessing the suitability or appropriateness of products for investors

TEMPO PRODUCT PROPOSAL PACK	
1	Product introduction and overview
2	Target market
3	Stress testing <ul style="list-style-type: none"> > identifying reasonable expectations for good outcomes for investors > monitoring ongoing expectations for good outcomes for investors > consideration of the potential for poor outcomes for investors
4	Product risks: 'IMORA' <ul style="list-style-type: none"> > issuer; market: and operational risk analysis
5	Risk/ reward profile vs target market characteristics
6	Distribution
7	Price and fair value assessment
8	Consumer understanding
9	Consumer support <ul style="list-style-type: none"> > including support for vulnerable clients
10	Underlying security details
11	Operational issues / considerations
12	Support and service issues / considerations (professional adviser / investors)
13	Regulatory and compliance issues / considerations
14	Any other issues / considerations

Step 2: Consumer Duty Committee ('CDC') ...

- The Consumer Duty Committee ('CDC') is Step 2 in our product governance process
- The purpose / objective of the CDC is to review the process and outputs of the Product Strategy and Review Group ('PSRG'), in respect of any new products and existing products, including monitoring and reviewing our product suite / book of business in its entirety, in the context of the consumer duty:
 - the CDC will consider new and existing products in respect of both FCA rules / expectations and good practice guidance in respect of the consumer duty principle, cross-cutting rules and outcomes:
 - ... **Principle: act to deliver good outcomes:** requires firms to act to deliver good outcomes for retail consumers, setting higher and clearer standards of protection, requiring firms to put consumer's needs first
 - ... **Cross-cutting rules: 1) act in good faith; 2) avoid foreseeable harm; 3) enable and support consumers to pursue their financial objectives:** defines how firms should act to deliver good outcomes
 - ... **Outcomes: 1) products and services; 2) price and value; 3) consumer understanding; 4) consumer support:** makes it clear to firms that retail consumers should get communications they can understand, products / services that meet their needs and offer fair value, and the support they need, when they need it
- A formal meeting of the CDC and formal approval of any proposed new product or changes to an existing product is required in order to launch or change any product:
 - no new product can be launched - including material changes to existing products - without the PSRG completing all of the steps of our product governance process, which must be confirmed to and by the CDC

THE OVER-ARCHING ‘PRINCIPLE’ OF THE CONSUMER DUTY

ACT TO DELIVER GOOD OUTCOMES FOR RETAIL CUSTOMERS

... requires firms to demonstrably act to deliver good outcomes for retail customers, setting higher and clearer standards of consumer protection, requiring firms to put consumer’s needs first

THE THREE ‘CROSS-CUTTING RULES’ OF THE CONSUMER DUTY

1) ACT IN GOOD FAITH

2) AVOID FORESEEABLE HARM

3) ENABLE AND SUPPORT RETAIL CUSTOMERS TO PURSUE THEIR FINANCIAL OBJECTIVES

... defines how firms should act to deliver good outcomes for consumers

THE FOUR ‘OUTCOMES’ OF THE CONSUMER DUTY

1) PRODUCTS AND SERVICES

2) PRICE AND VALUE

3) CONSUMER UNDERSTANDING

4) CONSUMER SUPPORT

... makes it clear to firms that retail customers should get communications they can understand, products and services that meet their needs and offer fair value, and the support they need, when they need it

- **The CDC is a decision-making executive committee, responsible for assessing that potential new products proposed for launch, or changes to existing products, have been conceived, designed, developed, distributed and managed in line with our product governance process, specifically including FCA rules / expectations and good practice guidance in respect of the consumer duty**
- **The CDC reviews all potential new products and any significant changes to existing products, all of which are presented to the CDC by the PSRG, supported by a product proposal pack ('PPP'):**
 - the CDC reviews all proposed new products and changes to existing products before they can be launched
 - the CDC also reviews post launch MI (presented by the PSRG) to assess that: products can reasonably be expected to deliver good end client outcomes [1.1.3 (3)]; clients were in the target market, through the appropriate distribution channels [1.1.3 (2)]; and that any actions and responsibilities are assigned (if needed)
- **The CDC also reviews / monitors our full product suite / book, on a quarterly basis, utilising product suite monitoring and review packs ('PSMRPs') presented to the CDC by the PSRG, to assess that:**
 - products are performing as expected / functioning as intended [3.2.25] and that it is reasonable to continue to expect good outcomes for investors; and that no crucial event or circumstances have occurred that may affect the risk / return profile of any product, including events / circumstances that may mean that an appropriate action is required [3.2.24], including communication with end clients (through their professional adviser)
- **The CDC reviews and assesses the process, outputs and recommendations of the PSRG, in respect of new products, existing products and the full product suite / book in its entirety:**
 - the CDC also consider any potential changes to policy or procedures that are suggested by the PSRG

- **We aim to design fundamentally good investments, which we believe can reasonably be expected to deliver good outcomes for investors, which our governance policies and procedures, specifically including our product governance process, are designed to help ensure:**
 - we conduct stress testing on all new products, in line with regulatory requirements and following best practice guidelines established by the UK Structured Products Association (*'UKSPA'*)
 - we conduct our stress testing with the assistance of an independent, specialist research provider, Future Value Consultants (*'FVC'*): we make their research reports for all our products available to professional advisers
 - we monitor our products throughout their life cycle to identify any events or circumstances that may affect the risk / return profile of any product:
 - ... including events / circumstances that may mean that communication with investors (through their professional adviser) would be appropriate

- **The CDC will consider whether:**

- our governance policies and processes have been followed for all new and re-issued products:
 - ... this will be done prior to launch for all new products and on a quarterly review basis for all re-issued products
- our products and distribution strategy are meeting or will meet the needs of the identified target market, with reasonable initial and ongoing expectations of delivering good outcomes for investors:
 - ... this is identified through stress testing and risk analysis
 - ... with consideration of the potential for poor outcomes (including loss of capital; no return being generated; and / or the return generated being below the level of return available through other options)
- our daily, monthly, quarterly and annual post launch management information ('MI') evidences that good outcomes have been, are being and / or can reasonably be expected to be delivered
- our policies, processes and MI remain sufficient for determining whether the consumer duty principle, cross-cutting rules and outcomes expectations have been and can reasonably be expected to continue to be met

- **FCA PRIN 2.A: ‘Value is the relationship between the amount paid by a retail customer for the product and the benefits they can reasonably expect to get from the product; and (2) a product provides fair value where the amount paid for the product is reasonable relative to the benefits of the product’**
- **We disclose and explain our charges clearly in our plan documents:**
 - our pricing / margin reflects the costs of an operationally strong plan manager and plan administrator / custodian, meeting regulatory requirements and guidance expectations, and providing support (including product specific and collateral materials and resources) and service for professional advisers and their clients
 - our margin / charge is taken from the amount that investors invest, at the start date, but is already accounted for within the terms of any product
 - as part of our aim of *‘doing the right things - and doing simple well’*, our plans benefit from our unique Tempo pledge: *‘Stated terms or better’*: our pledge allows us to potentially increase the terms of our plans above the terms stated in plan brochures, if stock market falls and other factors during an offer period mean that we can do so (as opposed to us benefitting materially from these factors through potentially significantly increased margin / revenue, as is common practice across the sector)
 - our stress testing includes the effects of the charges / margin built into the product terms
 - we have removed charges for partial withdrawals, transfers, encashment during the investment term, providing valuations, etc., (that can be found in similar types of structured products): we have no *‘back door’* charges
 - we monitor our margin through a detailed competitor analysis spread sheet, including details of all providers, all products, broken down by product type, product features, risks and value

- **The CDC will consider:**

- the pricing, gross margin and initial fair value assessment of all new products, prior to their launch, including in comparison to other plan manager's products and the wider context of other savings and investment fund and product options, to assess that they can reasonably be viewed as presenting fair value for investors
- the pricing, gross margin and fair value assessment for all re-issued products, on a quarterly review basis, to assess that they can reasonably be viewed as presenting fair value for investors
- the content of our annual fair value assessment for our full product suite / book, to assess that our full product suite / book can reasonably be viewed as presenting fair value for investors
- whether our fair value assessment tests are and continue to be sufficient and appropriate

- **We aim to design fundamentally good investments, which we believe can reasonably be expected to deliver good outcomes for investors, which our governance policies and procedures, specifically including our product governance process, are designed to help ensure:**
 - as with all forms of investment, there are risks involved with structured products but we are as clear about the potential risks as we are about the potential returns of our products, and we focus on explaining everything using plain English which everyone should be able to understand
 - we aim to present a high calibre structured product plan manager and an unparalleled level and calibre of support for professional advisers using structured products with their clients
 - our aim is to help strengthen professional adviser understanding and working knowledge of structured products, including portfolio construction considerations and regulatory requirements and expectations
 - our approach is designed to help professional advisers strengthen what they do, including their plan manager due diligence, product research and how they give, explain and document the advice they give to their clients
 - importantly, we think that best practice process and delivering good outcomes for investors (and professional adviser firms) requires manufacturers and distributors to work closely together, in a joined-up approach
 - professional advisers are provided with plan documents for each of our products, for use with investors, comprising the plan brochure, *'if / then...'* summary, and plan application pack / terms and conditions: we also provide professional advisers with a suitability letter input
 - in addition, the issuer / counterparty bank produces three documents, including the key information document (*'KID'*), which is designed to help prospective investors compare the product to other investment products

- with regard to carefully considering consumer understanding, we have worked hard on our plan documents, including our plan brochures, *'if / then ...'* summaries and plan application packs
- we have had high level, multi-disciplinary regulatory and legal input from leading law firm Simmons & Simmons and rigorous input and guidance from the Plain English Campaign
- as corporate members of the Campaign, we aim to ensure that our plan documents are jargon-free and use language which everyone should be able to understand
- we have also embraced general guidance from the Campaign regarding how to improve the readability of documents and improve reader engagement and, therefore, understanding
- in addition to the content, and the descriptions of features and risks of products, we have given careful consideration to the design of our plan documents, including the pagination and layout, focusing on the readability and reader experience and engagement, to help ensure investor understanding:
 - ... for example, design elements in our plan brochures include *'stand out circles'* and *'info points'*, which highlight key points and aid investor reading and understanding
 - ... in addition, our *'if / then ...'* summaries provide colour coded (key risks in red), single page summaries of the key features, risks and potential outcomes of our plans, to accompany our plan brochures
- our investor-facing plan documents are accredited to be jargon free and using language which everyone should be able to understand, carrying the Campaign's *'crystal mark'* approval for the clarity of a document:
 - ... it is the only internationally recognised mark of its kind

- **The CDC will consider:**

- whether guidance from the Plain English Campaign regarding how to improve the readability of documents and reader engagement and, therefore, understanding, has been followed in respect of the investor-facing plan documents, comprising the plan brochure, '*if / then...*' summary, and plan application pack / terms and conditions, and the suitability letter input provided for professional advisers, for all of our new products:
 - ... including consideration of pagination, layout and design elements that can aiding consumer understanding
- whether our plan documents have been as clear about the potential risks as the features and benefits
- whether a good level and calibre of input and support has been made available for professional advisers, to help strengthen their understanding and working knowledge of any new product:
 - ... noting that we believe that achieving best practice process and good outcomes for investors requires manufacturers and distributors to work closely together, in a joined-up approach
- feedback from professional advisers that is pertinent to assessing consumer understanding in respect of any of our products and / or our plan documents
- relevant MI, including in respect of any cancellations, redemptions and / or complaints that may have arisen and included any points relating to professional adviser and / or investor understanding of any product, product features, plan documents and / or information provided to investors
- whether our approach to consumer understanding has delivered and can reasonably be expected to deliver good outcomes
- whether our approach to consumer understanding continues to be sufficient and appropriate (including whether undertaking any direct consumer testing would be beneficial)

- **The CDC will continue to assess whether consumer testing may be helpful, noting the following points:**
 - as members of the UK Structured Products Association ('UKSPA'), we are able to access the consumer research undertaken by the association, through Harris Interactive: this assesses consumer feedback on areas including investor interests, different types of structured products and their features and points of understanding
 - as corporate members of the Plain English Campaign, we aim to ensure that our plan documents use language which everyone should be able to understand and we have also embraced guidance from the Campaign
 - we have been working closely with professional advisers who use our products and plan documents with their clients for 5+ years now, who provide us with feedback and discuss issues with us, if helpful to do so
 - we are also able to assess feedback from professional advisers and / or investors to our plan administrator and we can identify whether any complaints have included any points relating to investor understanding
 - we explicitly seek professional adviser feedback on these points, as part of our distribution governance
 - we have not received any negative feedback from professional advisers who use our products, regarding either their own or their clients' understanding of our products or our plan documents and we have not experienced any complaints with regard to consumer understanding in relation to our products or our plan documents
 - in fact, we receive very positive feedback from professional advisers regarding our plan documents and collateral materials for professional advisers: including feedback from firms who are able to assess our products, plan documents and materials / support in comparison to other plan managers and products
 - noting that our products are distributed through professional advisers / investment firms and that avers / investors in our products receive a suitability or appropriateness assessment from a professional adviser - we do not think that direct consumer testing is required - but it remains something that the CDC will continually assess and consider the value of, and that we will undertake if it appears that it would be sensible to do so

- **Consumer support, including support for vulnerable clients:**

- as plan manager, we are responsible for designing and arranging our plans, arranging the plan administration, working with the issuer and counterparty bank (who are responsible for the investments that any plan is based on), and promoting our plans; we do not hold the plan securities or operate the client money account; we also support the professional advisers who use our plans with their clients
- investors in our plans become clients of the plan administrator: the plan administrator has a number of responsibilities, including processing applications during the offer period, buying the plan securities on the start date, processing any payments due, safekeeping the investments and any cash held within the plan, communicating with clients during the investment term (for example, providing statements and valuations), and providing general administration support to clients and their professional advisers throughout the life of the plan
- if investors have any questions about a product, including whether it is suitable or appropriate for their circumstances, they should speak to their professional adviser / investment firm first
- if investors have any general questions about a product, they may also contact us
- if investors have any questions about processing of their application or future administration queries after the plan start date, they should contact the plan administrator
- if investors are unhappy with any aspect of the support / service provided by the plan administrator, our plan documents explain that they should contact the plan administrator by email or post
- investors in our products do not have a direct relationship with the issuer or counterparty bank and so cannot make a complaint direct to them

- we are committed to helping professional advisers support their clients, including any vulnerable clients
- our plan application packs require professional advisers to confirm if they have identified their client as vulnerable: the plan administrator is able to record this and to include details of this in the management information that they report to us (which we include in our reporting to the issuer / counterparty bank)
- our terms of business and distribution governance also require professional advisers to inform us if their clients are or become vulnerable
- we ensure that professional advisers are aware that if they think we and / or the plan administrator can provide anything to support them and their clients' requirements, including in respect of any vulnerable clients, they should let us and / or the plan administrator know:
 - ... this includes professional advisers letting us know if they require the plan documents in an alternative format to support clients, including any vulnerable clients
- we ensure that our products are designed not to have unreasonable barriers for investors during the product lifecycle - steps we take as part of our approach include:
 - ... charges: we detail what our charges are within our plan documents / and we have removed all other charges (we have no '*back door charges*', such as charges for partial or total encashments, transfers out of a plan, or for valuations, which can be found in structured products)
 - ... access / liquidity: we arrange access / liquidity for savers / investors in our plans, in which offer intra-term daily liquidity, under normal circumstances
 - ... plan administrator service levels: we have agreed KPIs with our plan administrator, in respect of various points of service, including responding to investor requests, query handling and resolution

- The CDC will consider (on at least an annual basis) whether:
 - our support and service levels can be regarded positively, including whether they have been regarded positively based on feedback from professional advisers and industry award providers (such as ILP Moneyfacts)
 - investors have faced any unreasonable barriers during the life cycle of any product
 - any vulnerable clients have been dealt with in accordance with our policy for vulnerable clients, which is designed with the aim of ensuring vulnerable clients are supported and not disadvantaged in any way
 - our policies and approach to consumer support, including for any vulnerable clients, are and continue to be sufficient and appropriate

- **The members of the CDC include directors and senior members of the Tempo team, including the CEO, COO and compliance officer:**
 - members have the necessary expertise to understand the specific and general regulatory and compliance requirements of the consumer duty, including PRIN (the principles for business section of the FCA handbook, which incorporates the consumer duty) and PROD (the FCA's product governance sourcebook)
 - members also understand our governance policies, processes and '*bar-raising*' aims
 - in addition to Tempo team members, colleagues from Alpha (including Alpha Real Capital senior executives and senior members of both the institutional and retail side of Alpha) may be invited to participate in the CDC
- **The voting members of the CDC are:**
 - directors and senior management, including the CEO, COO and compliance officer (or their delegates)
- **CDC decisions are consensus-driven, made by the voting membership of the CDC and are generally expected to be unanimous:**
 - if a unanimous decision cannot be reached, decisions must be passed by a majority

■ Inputs to the CDC:

- the primary inputs to the CDC are received as outputs from and presented to the CDC by the PSRG
- in respect of new products, the re-issue of existing products and changes to existing products the PSRG produces and presents product proposal packs ('*PPPs*'); and in respect of the monitoring and review of the product suite / book, the product suite monitoring and review packs ('*PSMRPs*')
- the CDC also receives regular MI, as detailed in the consumer duty policy, including:
 - ... product and distribution MI (outputs from the PSRG and DOG)
 - ... daily: exception reports (if escalated by the PSRG); monthly: '*red flag*' and '*amber flag*' reports (if escalated by the DOG); annual: overview reports and reviews
 - ... ad hoc: any additional information which the members of the CDC may require
- the PSRG also makes available:
 - ... '*TICS*' (our proprietary Tempo Issuer and Counterparty Scorecards / all scorecards and the TICS Report for an issuer / counterparty bank / deposit taker bank);
 - ... '*CASPA*' (our currently available structured products analysis) and '*CASA*' (our currently available savings accounts analysis)

■ Outputs from the CDC include:

- CDC meetings are minuted; minutes are circulated to CDC members, directors and senior management; minutes and supporting documentation are archived and can be accessed by CDC members at any point
- final versions of approved PPPs and PSMRPs are filed with the MI

Step 3.1: Distribution Oversight Group ('DOG') ...

- **We have given careful consideration to the distribution strategy for our products and the way that we engage with, understand, control and support the distributors of our products, i.e.:**
 - the professional advisers / investment firms which use our products with end clients
- **Our approach to distribution governance is an important aspect of our product governance process and our governance policies and procedures, but we think it is also important to professional advisers:**
 - to our minds, professional advisers wanting to do things the right way will welcome a provider seeking to do things the right way (and seeking to identify (and block) use of our products by firms / advisers who may not)
- **The Distribution Oversight Group ('DOG') is Step 3.1 in our product governance process**
- **The purpose / objective of the DOG is to ensure robust governance of the distribution of our products**
- **The DOG is responsible for:**
 - reviewing management information ('MI') regarding the distribution of our products
 - identifying and assessing patterns in the distribution of our products
 - assessing the performance of distributors [3.2.20]
 - establishing if our products are being distributed to the identified target markets [3.2.19c]
 - considering whether the distribution strategy for our products remains appropriate [3.2.19b]

- The first part of our distribution governance process is designed to meet the FCA's PROD requirement that we **'take reasonable steps to ensure that the financial instrument [i.e., our plans] is distributed to the identified target market'** (PROD 3.2.1(3)):
 - we therefore ask all professional adviser firms who intend to start using our plans (or those who already have) to complete our distribution governance - distributor due diligence questionnaire ('DG-DDDQ')
 - completing our DG-DDDQ is a condition of our terms of business ('ToB'): through this process, we agree either firm-wide terms of business or terms of business for specific advisers within a firm
- In addition, and also under PROD, we are required to **'regularly review our products'** (PROD 3.2.19) and, in doing so, to **'collect information to detect patterns in distribution'** (PROD 3.2.20):
 - we therefore also ask all professional adviser firms who have used our plans to complete our distribution governance - mutual annual reporting ('DG-MAR') process, as a condition of our ToB
 - our DG-MAR process facilitates us reporting to professional adviser firms and professional adviser firms reporting to us, regarding ongoing product monitoring and target market / distributor governance, including identifying any vulnerable clients, fulfilling our mutual obligations under PROD and our ToB
- The FCA has drawn attention to their expectations regarding product governance, including the need for distributors to provide information to manufacturers to support best-practice product governance:
 - on 26/02/2021, the FCA issued the findings of a review which assessed how 8 asset management firms consider the MiFID II product governance regime, which highlighted various important points
 - **FCA review:** <https://www.fca.org.uk/publications/multi-firm-reviews/mifid-ii-product-governance-review>

- **Importantly, our approach to client-centric, best practice governance and compliance, and delivering good client outcomes, is aligned with our aim of strengthening professional adviser understanding and working knowledge of structured products, including portfolio construction / diversification considerations, and advancing best practice use of structured products and structured deposits:**
 - if our distribution governance identifies areas in which a professional adviser firm or individual adviser may need or wish to validate or advance their level of working knowledge in a specific area our cpd-accredited professional adviser academy and video webinar library can be accessed for the modules required, with online tests available to validate knowledge levels following completion of any modules
 - we also provide tailored educational input and training sessions for individual professional advisory firms, or individual advisers, to meet their specific interests and requirements

- **The members of the DOG include senior Tempo team, including CEO and COO, and Tempo business development and marketing team directors and managers**
 - colleagues from Alpha (including Alpha Real Capital senior executives and senior members of both the institutional and retail side of Alpha) may be invited to participate in the DOG
 - all members of the DOG are familiar with the specific regulatory requirements and general issues relating to retail structured products and the *'bar-raising'* aims and approach of Tempo
- **DOG decisions are consensus-driven, made by the entire membership of the DOG, and are generally expected to be unanimous, reflecting the inclusive team culture:**
 - if a unanimous decision cannot be reached, decisions must be passed by a majority and the board of the company notified

■ Inputs to the DOG:

- the primary inputs to the DOG are the MI packs which include details of:
- all firms / advisers who have completed our distribution governance - distributor due diligence questionnaires ('DG-DDDQ') including analysis of the DG-DDDQ responses
- all firms / advisers who have completed our distribution governance - mutual annual reporting ('DG-MAR') including analysis of the DG-MAR responses
- the firms which have completed educational training / academy modules and participated in our series of video webinars
- sales MI, including details of: product type, average amount, age profile, redemptions, cancellations, complaints, Experian scores
- sales MI, in respect of plain vanilla deposits, including firm / adviser specific detail, detailing whether sales were based on personal recommendations / advice re suitability or an assessment of appropriateness
- any information from advisers (e.g., sales outside of the identified target market)
- any removal of permission or regulatory sanctions
- any ad hoc concerns or information from interaction with advisers

■ Outputs from the DOG:

- outputs will specifically include detailing any distributors firms (or individual advisers) which are '*red flagged*' (no distribution allowed) and '*amber flagged*' (distribution to be withdrawn if required steps are not completed)
- DOG meetings are minuted; minutes are circulated to the DOG members; all meeting minutes are archived and can be accessed by the DOG members at any point

- **We aim to identify, understand, manage and mitigate operational risks as part of our '*deliberately defensive*' approach and to ensure an exemplary level of support and service for professional advisers and their clients, including any vulnerable clients, as a plan manager they can be genuinely confident in**
- **The Operations and Service Review Group ('OSRG') is Step 3.2 in our product governance process**
- **Our plan administration and custody services are provided by James Brearley & Sons ('JBS'):**
 - an administration relationship agreement between Tempo and JBS includes relevant service level agreements ('SLAs') and key performance indicators ('KPIs')
- **The purpose / objective of the OSRG is to review our operational processes, including our plan administration and custody arrangements, and the service levels which we provide to professional advisers and their clients, ensuring that:**
 - our operational processes and risks are managed effectively
 - our support and service level to professional advisers and their clients, including any vulnerable clients, is meeting / exceeding expectations (ours and theirs):
... ensuring that end clients can get the support and service they need, when they need it

- **The OSRG is responsible for:**

- reviewing management information ('MI') regarding our operational processes, including the administration and custody of our products and our administration support and service for professional advisers and their clients
- assessing that our operational processes are efficient and are being managed effectively, identifying if there is any change to the operational risk of our products
- assessing if the support and service levels which we provide to professional advisers and their clients , including any vulnerable clients is meeting expectations (ours and theirs), identifying any issues and ensuring they are addressed, if they arise

- **The OSRG reviews and helps manage our:**

- ongoing due diligence and operational risk information regarding JBS, refreshing and recording updated information
- respective responsibilities and whether these are being discharged effectively by Tempo and JBS, in accordance with the SLA and KPI parameters of the administration relationship agreement
- operational processes, identifying if we can improve our management of operational risk
- our administrative support and service levels for professional advisers and their clients, including any vulnerable clients, identifying areas where we might provide improved support and service

- **The members of the OSRG include:**
 - Tempo senior management (CEO and COO)
 - JBS senior management (CEO; associate director; administration manager)
 - Tempo business development and marketing team representatives
 - all members of the OSRG are familiar with the specific regulatory requirements and general issues relating to retail structured products and the philosophy and approach of Tempo
- **OSRG decisions are consensus-driven, made by the entire membership of the OSRG, and are generally expected to be unanimous, reflecting the inclusive team culture:**
 - if a unanimous decision cannot be reached, decisions must be passed by a majority and the senior management / board of the company notified

- **Inputs to the OSRG:**

- **the main monthly inputs to the OSRG include:** SLA report from JBS: performance against KPIs; compliance reports from Tempo and JBS: details of any compliance breaches and complaints; corporate updates from Tempo and JBS: any changes to warranties and undertakings in agreement; any FCA fines, censure or other matters which the other party should reasonably be aware of; tranche MI (existing JBS daily report)
- **the main annual inputs to the OSRG include:** financial reports and accounts and business updates (revenue, operating profit, AUM, etc.); financial statements audit report; CASS audit report (summary update); AAF 106 (previously FRAG21); PI policy; details of onsite due diligence review; cyber security (including penetration test); business continuity

- **Outputs from the OSRG**

- OSRG meetings are minuted; minutes are circulated to the OSRG members; all meeting minutes are archived and can be accessed by the OSRG members at any point

- **We operate with a comprehensive suite of management information ('MI'), which form key inputs to the PSRG, CDC, DOG and OSRG, aimed at helping us monitor our operations, specifically including the:**
 - distribution of our products
 - performance of our products and the extent to which they are delivering fair value and can reasonably be expected to continue delivering good outcomes for investors
 - support and service that we provide for professional advisers and their clients, including any vulnerable clients
- **MI is reviewed on a daily, monthly, quarterly and annual basis, including:**
 - daily monitoring of potentially critical events
 - monthly monitoring of products, indexes and performance (including barrier levels and the conditions required for products to generate positive returns)
 - monthly monitoring of issuers / counterparties, including 'TICS' (our proprietary Tempo Issuer and Counterparty Scorecards)
 - monthly monitoring of James Brearley & Sons ('JBS') KPIs
 - quarterly monitoring of distribution patterns, including complaints, cancellations, withdrawals and post launch monitoring of Experian financial strategy segments ('FSS') and financial sophistication index ('FSI') scores
 - annual monitoring of data collected from professional advisers themselves
 - importantly, we have identified pertinent quantitative trigger levels within each review which create '*amber*' and '*red*' flags, to help us assess and make use of the MI which we generate and monitor

- **We seek multi-disciplinary legal and regulatory (e.g., general consumer rights) input as required:**
 - this includes reviews of our activities, governance policies and procedures, product governance process and product documents / materials against regulatory rules, expectations and guidance: we also try to consider potential / anticipated future requirements
 - our aim is to support a more rigorous, tighter, better - and safer - approach to structured products, based on client-centric, best practice governance, helping professional advisers strengthen their processes of advising their clients to invest in structured products, with the fundamental aim of delivering good outcomes for clients

- **Importantly, we think that best practice process and aiming to deliver good outcomes for investors (and professional adviser firms) requires manufacturers and distributors to work closely together:**
 - our approach encompasses working closely with everyone from internal stakeholders, to issuers / counterparty banks, to our administrator and custodian, to the professional advisers who use our products
 - ... this includes validating (not simply accepting on face value) each other's inputs and procedures
 - we are keen to discuss the importance of everybody in the food chain being aligned in understanding what 'good' looks like and in discharging individual and shared responsibilities:
 - ... contributing to joined-up, client-centric, best practice processes that aim to deliver good outcomes

- **We have worked exceptionally hard on our investor-facing plan documents, including our plan brochures, ‘if / then ...’ summaries, suitability letter inputs and plan application packs:**
 - we have had high level, multi-disciplinary regulatory and legal input from leading law firm Simmons & Simmons
 - and rigorous input and guidance from Plain English Campaign
- **We have focused on eradicating jargon and explaining everything (including risks as well as features) clearly and fairly, using plain English which everyone should be able to understand:**
 - while important product points and features sometimes require some technical-sounding explanations we have worked hard to de-jargon our plan documents (and to make sure our lawyers didn’t re-jargon it!)
 - we have also embraced general guidance from the Plain English Campaign regarding how to improve readability, reader engagement, reader experience and, therefore, understanding of our plan documents
- **In addition to content, we have given careful consideration to design elements, pagination and layout of our plan brochures and accompanying plan documents and support for professional advisers:**
 - our **‘stand out circles’** and **‘info points’** highlight specific points and aid investor reading and understanding
 - we include **general introductions and explanations** of generic points
 - our **‘if / then ...’ summaries** provide single page summaries of the key features, risks (colour coded) and potential outcomes of our plans, to accompany the plan brochure and other plan documents
 - our **suitability letter inputs** cover various points typically included by professional advisers in suitability letters
 - we are working on **animated videos** for each of our plans / options, to aid professional advisers in walking investors through plan brochures and key points, providing an engaging accompanying input to plan documents

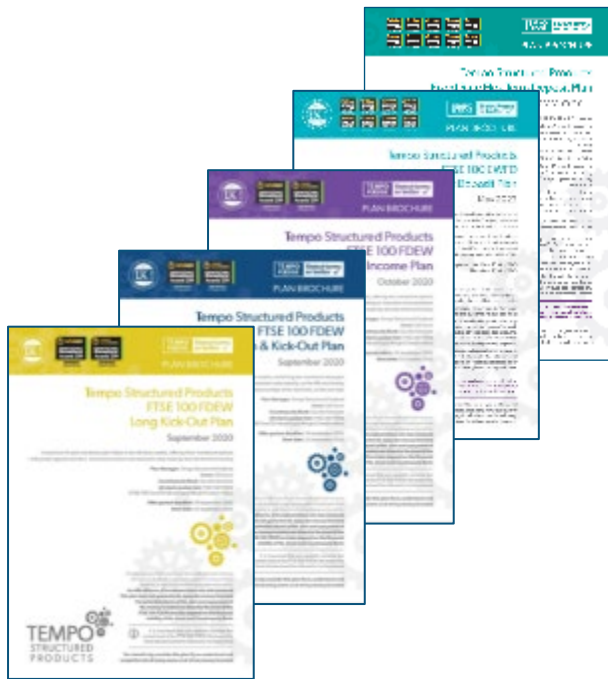
- **The Plain English Campaign has been in existence since 1979, campaigning against gobbledygook:**
 - it is entirely independent, funded through its commercial services, which include editing and training
 - it has helped government departments, other public authorities and official organisations, international banks and all types of institutions and corporations with their documents, reports and publications
 - it has edited, rewritten, clarified and '*crystal mark*' approved documents worldwide, in the belief that everyone should have access to clear and concise information
 - the '*crystal mark*' is Plain English Campaign's seal of approval for the clarity of a document: **it is the only internationally recognised mark of its kind**

- **We are the first structured product firm - and one of the first investment firms of any type - to be a corporate member of the Plain English Campaign and to have documents '*crystal mark*' accredited:**
 - we've been members of the Campaign since 2018, reflecting our long-standing commitment to championing the use of plain English, which we view as an obvious part of '*doing the right things - and doing simple well*'
 - our plan brochures, '*if / then ...*' summaries and suitability letter inputs are '*crystal mark*' accredited by the Campaign
 - notably, we think that use of plain English is even more important now, in respect of the consumer duty outcome expectation regarding consumer understanding:
 - ... and to our minds, there is nothing more obvious than using plain English, as part of improving and ensuring consumer understanding

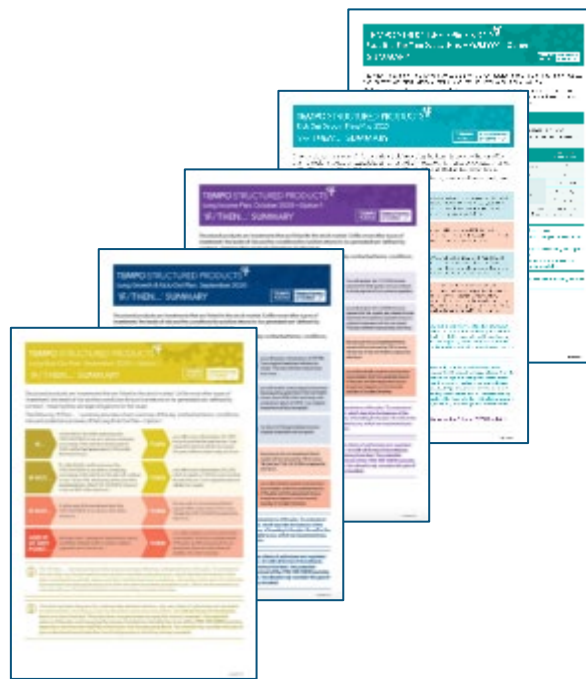
Our investor-facing plan documents: getting it right for investors ... TEMPO STRUCTURED PRODUCTS

- As corporate members of the Plain English Campaign, we aim to ensure that our investor-facing plan documents are jargon-free and use language which everyone should be able to understand:

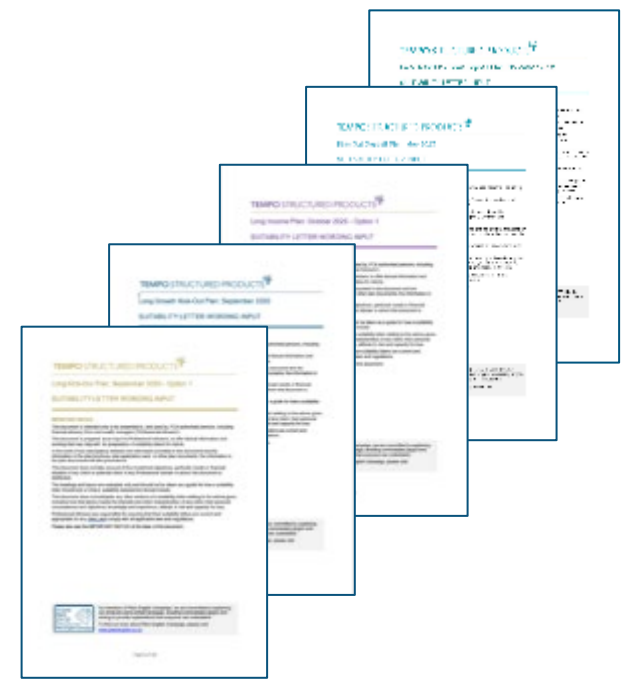
Plan brochures



'If / then ...' summaries



Suitability letter inputs



- **We have also worked exceptionally hard on providing a bar-raising level and calibre of materials, input and support for professional advisers using structured products / structured deposits with their clients:**
 - this is both generally and specifically for each of our plans
 - we aim to help strengthen professional adviser understanding and working knowledge of structured products / deposits, including portfolio construction considerations and regulatory requirements and expectations
 - our approach to client-centric, best practice governance and compliance is designed to help professional advisers strengthen what they do, including their initial and ongoing plan manager due diligence, their product research, and how they give, explain and document the advice that they give to their clients
- **We proactively provide comprehensive initial and ongoing due diligence inputs to professional adviser firms who are interested to start using our products / deposits, including:**
 - an introduction to and overview of the Alpha Real Capital family of companies (*'Alpha'*), which we are part of
 - the full financial accounts for the previous five years for Alpha Real Capital, which sits at the heart of Alpha
 - an introduction to and overview of Tempo, including details of our consumer duty and product and distribution governance policies and procedures
 - access to our professional adviser academy, video-webinar series, *'TICS'* and other inputs
- **In addition to the plan documents, we also provide various collateral materials, inputs and support to professional advisers for each of our products / deposits, including:**
 - professional adviser information packs (*'PAIPs'*, which include the *'EMTs'*); product proposal packs (*'PPPs'*) and TICS Reports for the issuer / counterparty bank / deposit taker bank

TEMPO STRUCTURED PRODUCTS

Long Kick-Out Plan: November 2023

PROFESSIONAL ADVISER INFORMATION PACK ('PAIP')

This document is intended solely for FCA authorised persons, including financial advisory firms and wealth managers ('Professional Advisers'). It is not suitable for, and should not be distributed to, clients or potential clients.

All information is believed to be correct as of 06 Sept 2023.

Introduction

This professional adviser information pack ('PAIP') includes a summary of the Long Kick-Out Plan, November 2023 plan details and an overview of the product specific and general information that we make available for each of our plans to Professional Advisers.

Throughout the following pages, references to PRIN (e.g. [PRIN 2A.3]) are references to the principles for businesses section of the FCA handbook (which incorporates the consumer duty) and references to PROD (e.g. [PROD 3.2.1 (1)]) are references to the FCA's product governance sourcebook. Under PRIN 2A.3, compliance with PROD 3 is compliance with the product and services outcome of the consumer duty. These references help explain what we consider within our product governance process.

The purpose of our PAIP is to:

- A. Explain how we meet our manufacturer regulatory responsibilities, including in respect of the consumer duty and under PRIN and PROD (particularly PROD 3.2.16), including providing distributors (i.e. Professional Advisers) with specific information;
- B. Help Professional Advisers meet their distributor regulatory responsibilities, including in respect of the consumer duty and under PRIN and PROD, which include that distributors **"must"**:
 - **act to deliver good outcomes for retail customers** (PRIN 2.1.1) (the over-arching 'principle' of the consumer duty); **act in good faith towards retail customers** (PRIN 2A.2.1), **avoid causing foreseeable harm to retail customers** (PRIN 2A.2.8), **enable and support retail customers to pursue their financial objectives** (PRIN 2A.2.14) (the three 'cross-cutting rules' of the consumer duty); **[note their] key obligations in relation to product governance / products and services, price and value, consumer understanding and supporting consumers** (PRIN 2A.1.10 (3)) (the four 'outcomes' of the consumer duty);
 - **understand the product you distribute to your clients** (PROD 3.3.1 (1));
 - **assess the compatibility of the product with the needs of your clients, taking into account our identified target market of end clients** (PROD 3.3.1 (2));
 - **not distribute a product unless its distribution arrangements are consistent with the product providing fair value to retail customers** (PRIN 2A.4.16 (1)); and
 - **ensure that the product is distributed only when this is in the best interests of your client** (PROD 3.3.1 (3)).

Is the information that we have provided you with sufficient?

All of the plan documents and collateral materials, input and support detailed in this PAIP can be accessed via the current products area of our website: <https://tempo-sp.com/our-products/current-products>.

If you feel that the information that we provide you with is not adequate for your requirements, you should contact us and we will discuss your requirements and aim to provide sufficient information.

Product specific information which we must make available to Professional Advisers:

We must make available **"all appropriate information"** (PROD 3.2.16 (1)), **"including the identified target market"** (PROD 3.2.16 (3)) and details of **"the appropriate channels for distribution"** (PROD 3.2.16 (4)).

The information we make available to Professional Advisers for each of our plans includes:

- 1 The **plan documents** (these comprise the **plan brochure**, **"if/then..." summary** and **plan application pack**).
We have worked hard on our plan documents, with the aim of **'presenting information in a logical manner, using plain and intelligible language'** (PRIN 2A.5.7), with careful consideration of **'supporting retail consumer understanding'** (PRIN 2A.5.3).
The plan brochure includes details of the target market that we identify for the plan.
Further information regarding the target market and distribution channel(s) for the plan is included within this PAIP and in the product proposal pack ('PPP') that we provide for each of our plans for Professional Advisers.
- 2 The Issuer/Counterparty Bank's **key information document ('KID')**.
- 3 The Issuer/Counterparty Bank's **securities documents** (prospectus and final terms).

5/5/2023

Tempo Structured Products | Professional adviser information pack ('PAIP') |

■ Our professional adviser information packs ('PAIPs'):

- explain how we meet our manufacturer regulatory responsibilities, including in respect of the consumer duty and under PROD (particularly PROD 3.2.16), providing distributors with specific product information
- help professional advisers meet their responsibilities, in respect of the consumer duty, under PRIN and PROD:

... throughout the PAIP, references to **'PRIN'** are references to the principles for business section of the FCA handbook (which incorporates the consumer duty), with additional references to **'PROD'**, the FCA's product governance sourcebook

- we complete and include the FinDatEx recommended European MiFID Template ('EMT'), regarding target market, distribution and costs / charges information
- we highlight information, materials and support that we produce for professional advisers, for each of our products, including our product proposal packs ('PPPs')

TEMPO STRUCTURED PRODUCTS

Long Kick-Out Plan: November 2023 – Option 1
PRODUCT PROPOSAL PACK ('PPP')

This document is intended solely for FCA authorised persons, including financial advisory firms and wealth managers ('Professional Advisers'). It is not suitable for, and should not be distributed to, clients or potential clients.

All information is believed to be correct as of 06 Sept 2023.

Introduction

Our product proposal packs ('PPPs') are part of our consumer duty, product and distribution governance process.

As explained in our professional adviser information packs ('PAIPs'), we make our PPPs available to Professional Advisers in order to provide transparency with regard to our internal processes behind our products and to aid and support Professional Advisers in their product research and due diligence.

Throughout the following pages, references to PRIN (e.g., PRIN 2A.3) are references to the principles for business section of the FCA handbook (which incorporates the consumer duty) and other numbers in "[]" (e.g., [3.2.1 (1)]) are references to the FCA's product governance sourcebook ('PROD'). Under PRIN 2A.3, compliance with PROD 3 is compliance with the product and services outcome of the consumer duty. These references help explain what we consider within our product governance process.

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Tempo Structured Products | Product proposal pack |

■ Our product proposal packs ('PPPs') include details of what we consider and analyse within our product governance / product development process, including:

- product details / overview; target market; distribution; stress testing (identifying reasonable expectations for good outcomes, with consideration of the potential for poor outcomes); risk analysis; pricing and fair value assessment; consumer understanding; and consumer support, including support for any vulnerable clients

■ We make our PPPs available to professional advisers for all of our products in order to:

- provide transparency with regard to our internal product governance processes behind our products
- aid and support professional advisers in their product research and due diligence
- throughout the PPP, references to 'PRIN' are references to the principles for business section of the FCA handbook (which incorporates the consumer duty), with additional references to 'PROD', the FCA's product governance sourcebook

- **Our Professional Adviser Academy offers an educational resource for professional advisers wanting to know more about structured products and structured deposits:**
 - modules are cpd-accredited by the Chartered Institute for Securities & Investment ('CISI'), with clear learning outcomes and online tests
- **Our cpd-accredited live and recorded video webinars for professional advisers focus on important areas of education and working knowledge of structured products / deposits - examples so far include:**
 - ***“Fixed rate deposits - Tempo / Societe Generale Fixed Rate Flex Term Deposit Plan”:***
Access the recording: <https://attendee.gotowebinar.com/recording/2863492652137227094>
 - ***“Structured deposits: Tempo structured deposit suite”:***
Access the recording: <https://attendee.gotowebinar.com/recording/1067984663478210222>
 - ***“Time to rethink what you think you know about structured products / SPs: Need; Evidence; & USPs”:***
Portfolio construction considerations for a challenging and potentially low returns investment environment:
Access the recording: <https://register.gotowebinar.com/recording/8195122389434570925>
 - ***“Under the bonnet of structured products”:***
What issuing banks may (or may not) do when arranging a structured product:
Access the recording: <https://attendee.gotowebinar.com/recording/325161185160162819>
 - ***“FTSE 100 EWFD”:*** *Introduction and overview: including comprehensive and granular performance analysis:*
Access the recording: <https://register.gotowebinar.com/recording/6983375893567734796>
 - ***“TICS”:*** *A bar-raising resource supporting professional adviser counterparty research and due diligence:*
Access the recording: <https://attendee.gotowebinar.com/recording/5887143010085079304>

- **We are an independent plan manager (not a bank issuing its own bonds / securities / products)**
- **We think it's straightforward - and important - to state the obvious:**
 - issuer / counterparty risk is the most fundamental risk of a structured product / structured deposit
 - both the potential returns of a structured product / structured deposit (albeit that structured deposits may have FSCS protection, for eligible claimants, within claim limits) and the repayment of capital usually depend upon the financial stability of the issuer / counterparty / deposit taker throughout the term
 - professional advisers and investors should seek to identify structured products / deposits backed by strong issuers / counterparties: not least as this is a regulatory requirement / expectation for professional advisers

- **Module 4 of our Professional Adviser Academy explains counterparty research and due diligence, including credit ratings, credit default swaps ('CDS') and fundamentals**
- **'TICS' (the Tempo Issuer and Counterparty Scorecards) provides a bar-raising resource supporting best practice professional adviser issuer / counterparty research and due diligence:**
 - TICS covers all 30 G-SIBs (plus a small number of D-SIBs) and issuers of or counterparties to / deposit takers for UK retail structured products / structured deposits
 - TICS compiles multiple Factors across various Categories pertinent to analysing and considering issuer / counterparty financial strength / credit risk, using a robust methodology, including a scoring system
 - TICS is designed to provoke and support more detailed and objective analysis, consideration and understanding - including comparison - of issuer / counterparty financial strength / credit risk
- **We update and publish TICS each month, producing 9 outputs:**
 - **TICS Category Scorecards:** which identify 27 TICS Factors across 5 TICS Categories
 - **TICS Amalgamated Scorecard:** which combines all of the TICS Factors and TICS Categories
 - **TICS Monthly Movement:** which summarises any significant changes (positive and negative) each month
 - **TICS Side-by-Side View:** which displays the raw data for the main UK retail issuers / counterparties
 - **TICS Reports:** which are provided for the main UK retail issuers / counterparties
- **ILP Moneyfacts now incorporate a page in their monthly magazine that provides sight of the 'TICS Counterparty Banks Side-by-Side View' and a brief monthly movement commentary**

TICS Amalgamated Scorecard (July 2023) ...

	Bank / Institution	Region	Sovereign	G-SIB status	Credit rating Scorecard	CDS Scorecard	Fund: bal. sht. Scorecard	Fund: mkt. ind. Scorecard	Syst. imp. Scorecard	Amalgamated Scorecard
WEIGHTINGS APPLIED TO AMALGAMATED SCORECARD:					40%	15%	30%	10%	5%	
1	HSBC	UK	UK	Y	4.67	4.50	3.15	2.75	2.10	386.7
2	ICBC	Asia	China	Y	5.67	N/A	2.70	1.80	2.50	398.2
3	JP Morgan	North America	USA	Y	5.33	4.05	3.80	1.75	1.45	412.8
4	CCB	Asia	China	Y	5.67	N/A	3.40	2.30	2.95	431.5
5	RBC	North America	Canada	Y	4.33	4.15	5.05	2.95	3.00	431.6
6	Toronto Dominion	North America	Canada	Y	4.33	4.90	4.50	3.60	3.00	432.8
7	Bank of China	Asia	China	Y	5.67	4.95	3.40	2.45	2.50	439.9
8	Credit Agricole	Europe	France	Y	4.67	3.60	4.25	5.90	3.19	443.1
9	BNP Paribas	Europe	France	Y	4.67	4.35	4.45	5.00	2.64	448.6
10	Bank of America	North America	USA	Y	5.33	6.15	4.00	2.85	1.80	463.1
11	BONYM	North America	USA	Y	5.00	4.60	4.60	5.40	3.70	479.5
12	State Street	North America	USA	Y	5.00	N/A	4.20	6.65	3.85	484.4
13	Morgan Stanley	North America	USA	Y	5.67	5.55	4.10	3.70	3.65	488.2
14	Nordea	Europe	Sweden	N	4.00	5.80	5.05	5.40	8.25	493.8
15	Wells Fargo	North America	USA	Y	6.00	5.85	4.10	3.20	2.85	497.0
16	UBS AG	Europe	Switzerland	Y	5.83	5.10	3.95	5.40	3.20	498.3
17	BPCE_Natixis	Europe	France	Y	5.42	5.65	4.05	6.00	3.34	499.6
18	ING Bank	Europe	Netherlands	Y	6.67	1.75	4.50	6.00	3.05	503.2
19	Mitsubishi	Asia	Japan	Y	6.33	4.15	4.55	4.25	2.80	508.6
20	Sumitomo	Asia	Japan	Y	6.33	4.45	4.40	4.75	3.40	516.6
21	Citi	North America	USA	Y	7.00	4.95	3.35	5.20	2.10	517.3
22	Santander	Europe	Spain	Y	6.00	4.20	4.75	5.50	3.50	518.0
23	Goldman Sachs	North America	USA	Y	6.67	5.40	4.10	4.20	3.25	528.9
24	Societe Generale	Europe	France	Y	6.00	5.25	4.30	6.65	3.44	531.4
25	MSIP	UK	UK	Y	4.88	N/A	5.36	N/A	8.76	532.7
26	Standard Chartered	UK	UK	N	7.00	4.80	3.50	6.35	3.45	537.8
27	Mizuho	Asia	Japan	Y	6.33	5.90	4.60	5.30	3.50	550.3
28	ABC	Asia	China	Y	7.33	8.65	3.25	2.15	2.95	556.8
29	Danske Bank	Europe	Denmark	N	6.00	5.00	4.90	5.75	8.40	561.5
30	Deutsche Bank	Europe	Germany	Y	6.50	7.95	3.65	6.35	2.70	565.8
31	Aviva	UK	UK	N	5.67	4.95	N/A	6.20	7.50	572.0
32	Lloyds	UK	UK	N	7.00	4.95	3.95	6.00	8.00	572.8
33	RBS	UK	UK	N	7.00	5.20	3.75	6.30	8.00	573.5
34	Barclays	UK	UK	Y	7.33	6.75	3.50	6.30	3.00	577.6
35	Unicredit Group	Europe	Italy	Y	8.75	5.30	3.50	5.85	4.35	614.8
36	Nomura	Asia	Japan	N	7.67	6.55	4.60	5.95	9.15	648.2
37	Prudential	UK	UK	N	7.33	4.80	N/A	6.00	7.45	660.9
38	Investec Bank plc	UK	UK	N	6.50	N/A	6.10	7.45	8.95	662.2
39	Credit Suisse	Europe	Switzerland	Y	10.00	5.95	2.80	8.90	3.35	679.0
40	Bank of Ireland	Europe	Ireland	N	8.25	8.20	4.85	6.50	8.95	708.3

(now included in Moneyfacts publication each month)

TICS example: TICS Side-by-Side View (July 23) ...

TICS SIDE-BY-SIDE VIEW: DATA AS AT 03 July 2023																					
TICS CODE		TICS FACTOR	ANGLE	STATUS	BARC	BNP	BoA	CITI	CA	CS	GS	HSBC	INV	JPM	MSIP	MS	NATX	RBC	SANT	SG	UBS
CREDIT RATINGS	CR-F1	STANDARD & POOR'S LT RATING	FORWARD	VIEW	BBB+	A+	A-	BBB+	A+	NR	BBB+	A+	NULL	A-	A+	A-	A	AA-	A+	A	A-
	CR-F2	STANDARD & POOR'S OUTLOOK	FORWARD	VIEW	STABLE	STABLE	STABLE	STABLE	STABLE	WITHDRAWN	STABLE	STABLE	NULL	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	NEGATIVE
	CR-F3	MOODY'S LT RATING	FORWARD	VIEW	Baa1	Aa3	A1	A3	Aa3	WR	A2	A1	A1	A1	A1	A1	A1	A1	A2	A1	Aa3
	CR-F4	MOODY'S OUTLOOK	FORWARD	VIEW	STABLE	STABLE	STABLE	STABLE	STABLE	RURAL	STABLE	STABLE	STABLE	STABLE	POSITIVE	STABLE	STABLE	STABLE	STABLE	STABLE	NEGATIVE
	CR-F5	FITCH LT RATING	FORWARD	VIEW	A	A+	AA-	A	A+	WD	A	AA-	BBB+	AA-	NULL	A+	A+	AA-	A-	A-	A
	CR-F6	FITCH OUTLOOK	FORWARD	VIEW	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	NULL	STABLE	NEGATIVE	STABLE	STABLE	STABLE	STABLE
CDS	CDS-F1	5 YEAR CDS	PREVAILING	INDICATOR	106.2	55.2	91.05	77.54	49.88	92.55	83.1	51.6	N/A	61.17	N/A	81.11	51	76.15	58.68	68.21	70.58
	CDS-F2	1 YEAR CDS	PREVAILING	INDICATOR	86.9	30.12	54.53	36.4	23.39	57.1	46.52	30.55	N/A	31.5	N/A	42.03	22	25.75	28.05	37.51	47.13
	CDS-F3	5 YEAR CDS DIRECTION	BACKWARD	INDICATOR	35.55%	29.06%	42.11%	10.79%	21.93%	0.00%	7.84%	31.97%	N/A	0.00%	N/A	12.51%	N/A	8.65%	19.27%	35.04%	28.40%
	CDS-F4	5 YEAR CDS VOLATILITY	BACKWARD	INDICATOR	68.79%	51.22%	56.88%	52.48%	57.02%	178.24%	50.81%	53.19%	N/A	51.95%	N/A	51.56%	N/A	8.56%	56.17%	57.68%	54.17%
BALANCE SHEET	FBS-F1	TIER 1 CAP RATIO	HISTORIC	FACT	22.30%	16.40%	14.10%	16.70%	21.40%	20.50%	17.90%	21.20%	11.40%	16.80%	12.60%	19.70%	18.70%	16.70%	16.80%	18.90%	20.50%
	FBS-F2	LEVERAGE RATIO (ASSET/EQTY)	HISTORIC	FACT	22.17	21.97	12.99	13.26	33.54	11.77	13.54	16.58	12.08	13.84	7.45	12.26	21.95	19.03	19.47	22.17	19.42
	FBS-F3	LOAN-TO-DEPOSIT RATIO	HISTORIC	FACT	78	85.9	50.3	53.2	106.8	71.2	67.9	62.9	78.8	46.2	N/A	77.6	124.3	73.4	107.6	96.2	74.6
	FBS-F4	PRICE-TO-BOOK RATIO (P/B)	HISTORIC	FACT	0.35	0.56	0.82	0.43	0.51	NULL	0.91	0.83	0.77	1.40	N/A	1.41	NULL	1.58	0.61	0.26	1.09
	FBS-F5	TIER 1 CAPITAL SIZE (\$Bn)	HISTORIC	FACT	81.50	113.93	196.47	169.57	122.21	59.75	106.77	156.29	2.94	246.16	19.60	83.35	79.28	66.33	93.70	65.80	60.49
	FBS-F6	TOTAL ASSETS (\$Bn)	HISTORIC	FACT	1,870.66	2,993.69	3,169.50	2,291.41	2,640.41	830.59	1,463.99	2,957.94	36.30	3,743.57	597.79	1,188.14	1,722.75	1,376.07	1,813.45	1,664.15	1,117.18
MARKET INDICATORS	FMI-F1	MARKET CAPITALISATION (\$Bn)	PREVAILING	INDICATOR	30.28	77.71	228.63	89.63	35.73	3.57	107.23	156.40	5.33	425.02	N/A	142.63	13.78	132.30	60.50	20.89	68.33
	FMI-F2	SHARE PRICE VOLATILITY (260d)	BACKWARD	INDICATOR	30.84	29.24	29.15	30.84	24.75	101.21	26.60	25.34	31.06	26.37	N/A	27.17	37.12	16.42	31.82	33.09	33.64
	FMI-F3	SHARE PRICE BETA	BACKWARD	INDICATOR	1.86	1.74	1.37	1.55	1.69	1.61	1.38	0.93	2.09	1.09	N/A	1.32	1.22	0.78	1.61	1.77	1.18
	FMI-F4	SHARE PRICE DIRECTION	BACKWARD	INDICATOR	78.14%	87.12%	75.17%	85.99%	90.74%	14.21%	83.73%	95.70%	80.67%	100.53%	N/A	85.63%	N/A	90.26%	88.37%	84.68%	87.51%
	FMI-F5	ANALYST'S RECOMMENDATIONS	FORWARD	VIEW	BUY	BUY	BUY	HOLD	HOLD	NULL	BUY	BUY	BUY	BUY	N/A	BUY	NULL	BUY	BUY	BUY	HOLD
SYSTEMIC IMPORTANCE	SIF-F1	G-SIB STATUS	PREVAILING	FACT	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	N	Y	Y	Y	Y	Y	Y
	SIF-F2	G-SIB ADD TIER1 CAP RATIO REQ	PREVAILING	FACT	1.50%	1.50%	2.00%	2.00%	1.00%	1.00%	1.50%	2.00%	N/A	2.50%	N/A	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
	SIF-F3	TOTAL DEPOSITS (\$Bn)	HISTORIC	FACT	741.46	1,129.30	2,064.45	1,325.69	1,232.30	452.51	364.06	1,811.73	44.40	2,462.30	N/A	347.58	806.45	792.73	1,051.79	543.51	555.11
	SIF-F4	SOVEREIGN S&P RATING	HISTORIC	FACT	AA	AA	AA+	AA+	AA	AAA	AA	AA	AA	AA	AA	AA	AA	AAA	A	AA	AAA
	SIF-F5	SOVEREIGN S&P OUTLOOK	FORWARD	VIEW	STABLE	NEGATIVE	STABLE	STABLE	NEGATIVE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	STABLE	NEGATIVE	STABLE	STABLE	NEGATIVE	STABLE
	SIF-F6	NO. OF EMPLOYEES	PREVAILING	FACT	88,565	189,765	207,254	234,154	75,711	50,110	43,900	219,697	8,200	264,886	2,090	74,814	99,900	85,301	197,070	131,293	71,385
Source: Tempo Structured Products Thomson Reuters FT Banker Database Issuers, 03 July 2023.																					
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There are risks associated with an investment in any structured product. 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 - 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; 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/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; the 'then summary ...'; plan application pack, including the terms and conditions of the plan; and the issuer's key information document ('KID'), securities prospectus and final terms sheet, none making a recommendation to their clients. Professional Advisers should not invest in, or advise their clients to invest in, any investment product unless they and their clients understand them, in particular the relevant risks.																					
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TICS example: TICS Report - Société Générale (July 23) ...

TICS REPORT - SOCIETE GENERALE: DATA AS AT 03 July 2023

Societe Generale is a leading French bank. It operates across three core business areas: retail banking, international retail banking and corporate and investment banking. Total assets exceed \$1.9 trillion. Total Tier 1 assets exceed \$65 billion. Market capitalisation is in excess of \$16 billion. Societe Generale has more than 130,000 employees with more than 30 million customers.

	TICS CODE	TICS FACTOR	ANGLE	STATUS	SG DATA	BEST	WORST	AVERAGE	TICS FACTOR RANK (OUT OF 40)	TICS CATEGORY RANK (OUT OF 40)	
TICS CATEGORY	CREDIT RATINGS	CR.F1	STANDARD & POOR'S LT RATING	FORWARD	VIEW	A	AA- STABLE	BBB- STABLE	A- POSITIVE	10	21
		CR.F2	STANDARD & POOR'S OUTLOOK	FORWARD	VIEW	STABLE					
		CR.F3	MOODY'S LT RATING	FORWARD	VIEW	A1	Aa3 STABLE	Baa3 STABLE	A2 STABLE	6	
		CR.F4	MOODY'S OUTLOOK	FORWARD	VIEW	STABLE					
		CR.F5	FITCH LT RATING	FORWARD	VIEW	A-	AA- STABLE	BBB- STABLE	A STABLE	29	
		CR.F6	FITCH OUTLOOK	FORWARD	VIEW	STABLE					
	CDS	CD6.F1	5 YEAR CDS	PREVAILING	INDICATOR	68.21	28.45	153.00	72.55	15	21
		CD6.F2	1 YEAR CDS	PREVAILING	INDICATOR	37.91	5.12	113.32	35.56	22	
		CD6.F3	5 YEAR CDS DIRECTION	BACKWARD	INDICATOR	35.04%	0.00%	78.85%	28.10%	20	
		CD6.F4	5 YEAR CDS VOLATILITY	BACKWARD	INDICATOR	87.68%	0.00%	176.24%	58.32%	18	
	BALANCE SHEET	FBS.F1	TIER 1 CAP RATIO	HISTORIC	FACT	18.96%	34.73%	11.40%	18.32%	16	23
		FBS.F2	LEVERAGE RATIO (ASSET/EQTY)	HISTORIC	FACT	32.17	3.80	33.54	16.79	34	
		FBS.F3	LOAN-TO-DEPOSIT RATIO	HISTORIC	FACT	96.2	12.60	153.40	78.14	29	
		FBS.F4	PRICE-TO-BOOK RATIO (Bx)	HISTORIC	FACT	0.26	0.25	2.26	0.86	1	
		FBS.F5	TIER 1 CAPITAL SIZE (\$Bn)	HISTORIC	FACT	65.38	508.35	2.94	117.62	21	
		FBS.F6	TOTAL ASSETS (\$Bn)	HISTORIC	FACT	1,864.16	5,621.41	36.30	1,833.41	18	
	MARKET INDICATORS	FMIF1	MARKET CAPITALISATION (\$Bn)	PREVAILING	INDICATOR	33.38	425.02	3.57	84.09	32	37
		FMIF2	SHARE PRICE VOLATILITY (250d)	BACKWARD	INDICATOR	33.08	16.41	101.21	28.72	12	
		FMIF3	SHARE PRICE BETA	BACKWARD	INDICATOR	1.77	0.15	2.09	1.24	35	
		FMIF4	SHARE PRICE DIRECTION	BACKWARD	INDICATOR	84.68%	160.53%	14.21%	85.96%	25	
		FMIF5	ANALYST'S RECOMMENDATIONS	FORWARD	VIEW	BUY	BUY	SELL	BUY	NA	
	SYSTEMIC IMPORTANCE	SIF1	G-SIB STATUS	PREVAILING	FACT	Y	Y	N	Y	NA	23
		SIF2	G-SIB ADD TIER1 CAP RATIO REQ	PREVAILING	FACT	1.00%	2.50%	1.00%	1.00%	12	
		SIF3	TOTAL DEPOSITS (\$Bn)	HISTORIC	FACT	843.51	4,081.90	40.23	1,178.90	24	
		SIF4	SOVEREIGN S&P RATING	HISTORIC	FACT	AA	AAA STABLE	BBB STABLE	AA STABLE	26	
		SIF5	SOVEREIGN S&P OUTLOOK	FORWARD	VIEW	NEGATIVE					
		SIF6	NO. OF EMPLOYEES	PREVAILING	FACT	131,283	455,174	2,080	124,467	13	
TICS AMALGAMATED SCORECARD RANK - SOCIETE GENERALE:										24	

- Our entire emphasis is on working closely with professional advisers to advance and enhance the value that can be gained from client-centric, best practice use of best of breed structured products / deposits:
 - we launched our *'deliberately defensive'* product suite in May 2018
 - in 2019, we picked up our first industry awards: ***'Highly Commended: Best Structured Products Provider'*** and ***'Winner: Best Structured Products Service'*** at the ILP Moneyfacts Awards
 - the recognition continued in 2020, when we were: ***'Highly Commended: Best Structured Products Provider'*** and ***'Commended: Best Structured Products Service'***
 - in 2021 we were delighted to *'do the double'* winning both awards for the structured products sector: ***'Winner: Best Structured Products Provider'*** and ***'Winner: Best Structured Products Service'***
 - and in 2022, the success continued when we *'did the double'* once again: ***'Winner: Best Structured Products Provider'*** and ***'Winner: Service Beyond the Call of Duty'***.
 - the Investment Life & Pensions Moneyfacts Awards are widely recognised awards, based on a rigorous independent judging panel and process, with input from professional advisers
 - we are really pleased and appreciative to have been recognised in the awards in 2019, 2020, 2021 and 2022, in the first years following the launch of our product suite, in 2018, in both of the structured product categories:
 - ... we hope that our efforts to *'redefine structured products and structured deposits'*, focusing on *'doing the right things - and doing simple well'* and our aim to work closely with professional advisers to advance client-centric, best practice use of best of breed structured products and structured deposits, aiming to deliver good outcomes for investors (and professional advisers), will result in further recognition over time

- **Ensuring that client-centric, best practice governance and compliance, aiming to deliver good outcomes for investors, has been embedded at the heart of our approach since our inception:**
 - we recognise that good governance is a core value not just a regulatory requirement
 - our aim is to meet - and surpass - regulatory requirements and guidance
- **We believe that best practice governance and compliance is:**
 - first and foremost, client-centric
 - second, best for the professional adviser firms which we work with
 - third, best for us as a business: an opportunity for us to demonstrate best practice, raise the sector bar, and show how we think structured products and structured deposits can and should be done
- **We think professional advisers share these views and want to be confident of cultural integrity and client-centric, best practice governance and compliance in the providers they deal with:**
 - noting that we also think that achieving best practice process and delivering good outcomes for investors requires the parties involved in manufacturing and distribution to work closely together, in a joined-up approach
- **We have tried to think through, establish and support a more rigorous, tighter, better - and safer - approach to structured products and structured deposits ...**

- **First and foremost, we aim to put investors first:**

- if we and the professional advisers who use our plans together deliver good outcomes for investors then everybody (investors, advisers, ourselves, issuers / counterparties, etc.) is in a good place
- with this in mind we aim to design fundamentally good investments, which increase the likelihood of delivering good outcomes and decrease the likelihood of poor outcomes: which our governance policies and procedures, specifically including our consumer duty and product governance process, are designed to help ensure:
 - ... it should be recognised that a good outcome can mean different things to different investors and be more than just whether a positive return has been generated; it can and does also mean the overall risk / return profile of a product, its role within a diversified portfolio and the target market that it was designed for
- importantly, as with all forms of investment there are risks involved but we are as clear about the potential risks as we are about the potential returns of our products, for both investors and professional advisers, and we focus on explaining everything using plain English which everyone should be able to understand

- **Second, we have worked exceptionally hard on providing a bar-raising level and calibre of materials, input and support for professional advisers using structured products / deposits with their clients:**

- our aim is to help strengthen professional adviser understanding and working knowledge of structured products and structured deposits, including portfolio construction and diversification considerations and regulatory requirements and expectations
- our approach to client-centric, best practice governance and compliance is designed to help professional advisers strengthen what they do, including their initial and ongoing plan manager due diligence, their product research, and how they give, explain and document the advice that they give to their clients

- **We think that best practice process and aiming to deliver good outcomes for investors (and professional adviser firms) requires manufacturers and distributors to work closely together, in a joined-up approach:**
 - our approach encompasses working closely with everyone from internal stakeholders, to issuers / counterparty banks / deposit takers, to our administrator and custodian, to the professional advisers who use our products
 - ... this includes validating (not simply accepting on face value) each other's inputs and procedures
 - we are keen to discuss the importance of everybody in the food chain being aligned in understanding what 'good' looks like and in discharging individual and shared responsibilities
 - ... contributing to joined-up, client-centric, best practice processes and aiming to deliver good outcomes

- **Structured products are not suitable or appropriate 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

- **Structured deposits are not suitable or appropriate for everyone - in addition to understanding their features and benefits, professional advisers also need to understand their risks and limitations:**
 - while structured deposits are very similar to bank or building society fixed term deposits, a key difference is that the level of interest that a structured deposit pays may be linked, either fully or partly, to a stock market (or other asset class) index, such as the FTSE 100 or similar
 - some structured deposits may offer non-conditional, fixed levels of interest; some may offer conditional levels of interest that are linked to the level of a stock market index; and some may offer a combination of both
 - some conditional, stock market linked structured deposits may require the stock market index to rise in order to generate some or all of their potential interest, however many structured deposits do not require the stock market index to rise in order to pay stock market linked interest and some may allow the index to fall
 - **it is important to carefully consider that while structured deposits offer the potential to generate higher levels of interest than high street bank / building society deposits, the level of interest actually paid may be less than the level of risk free interest paid by high street bank / building society deposits**
 - notably: even if the interest is conditional and based on a link to the level / performance of a stock market index, the repayment of money in a structured deposit is not subject to stock market risk at maturity
 - the value of structured deposits during the deposit term may be affected by various factors: while accessing a structured deposit is usually possible, during normal market conditions, this is not guaranteed
 - as per any bank or building society deposit, structured deposits present deposit taker risk, which needs to be understood and accepted: the potential interest of a structured deposit and the repayment of money saved in a structured deposit usually depend on the financial stability of the deposit taker throughout the deposit term
 - importantly: as per bank / building society deposits, structured deposits may benefit from FSCS protection, assuming the deposit taker is licensed in the UK and deposit holders are eligible claimants, within claim limits

- **The ‘*Important risks*’ section of our website highlights the key and other risks of structured products and structured deposits:**
 - www.tempo-sp.com/home/important-risks
- **Professional advisers should access and read the relevant plan documents relating to any structured product or structured deposit plan of interest, in particular: the plan brochure; ‘*if / then ...*’ summary; plan application pack, including, the terms and conditions of the plan; and (in the case of structured products) the issuer’s securities prospectus, final terms sheet, and the issuers / deposit taker’s key information document (‘*KID*’), before making a recommendation to their clients**
- **We proactively provide comprehensive initial and ongoing due diligence inputs to professional adviser firms who are interested to start using our products / deposits, including:**
 - an introduction to and overview of the Alpha Real Capital family of companies (‘*Alpha*’), which we are part of
 - the full financial accounts for the previous five years for Alpha Real Capital, which sits at the heart of Alpha
 - an introduction to and overview of Tempo, including details of our consumer duty and product and distribution governance policies and procedures
 - access to our professional adviser academy, video-webinar series, ‘*TICS*’ and other inputs
- **In addition to the plan documents, we also provide various collateral materials, inputs and support to professional advisers for each of our products / deposits, including:**
 - professional adviser information packs (‘*PAIPs*’, which include the ‘*EMTs*’); product proposal packs (‘*PPPs*’) and TICS Reports for the issuer / counterparty bank / deposit taker bank

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