

Tempo Structured Products FTSE 100 FDEW Long Income Plan May 2021 - Option 1 Report 5938 [↗](#)

Report created: 20 Apr 2021

Generated for: Tempo Structured Products

KEY INFORMATION

Dates

ISA transfer date	23 Apr 2021
Closing date	07 May 2021
Strike date	14 May 2021
Final market date	14 May 2031
Report published	20 Apr 2021

Terms

Product type	Income Autocall
Vehicle	Plan
Capital	At risk
Aim	Income
Investment Length	10 years
Product currency	GBP
Asset style	Single
Provider	Tempo Structured Products
Issuer	SG Issuer
Plan Manager	Tempo Structured Products
Underlying Asset	FTSE 100 Fixed Dividend Equal Weight Custom Index
Counterparty	Société Générale
Issuer credit rating	S&P: A, Mbody's: A1 , Fitch: A-
Credit rating band	A band
Tax wrapper(s)	Direct investment , ISA, ISA transfer , SIPP/SSAS , Trustees of a trust , Corporate/Commercial , Charities , Offshore bond , Direct Investment (for Joint Accounts)
Min/Max Investment	Minimum: £10,000. The overall ISA limit is £20,000 for the 2021/2022 tax year
ISIN	GB00BKG6Z510
PRIIPs SRI	4

DESCRIPTION

Product features

Total of 28 autocall points

First autocall point after 3 years and then every 3 months

Minimum level of 110% required for autocall meaning the underlying has to rise

Contingent coupons of 0.9% will be paid every quarter (approximately 3.6% p.a.)

Coupons are paid if the relevant underlying asset is at or above the coupon barrier of 50% of its strike level

There is a memory feature which allows missed coupon payments to be made if the underlying is above the coupon barrier at a subsequent coupon date

European barrier of 50%

Potential Returns:

This product is classified by FVC as an 'Income Autocall'.

This type of product has both contingent income and autocall components. It will pay the quarterly return of 0.9%, if, on the relevant quarterly measurement date, the FTSE 100 Fixed Dividend Equal Weight Custom Index is at or above the contingent coupon level of 50%. If the FTSE 100 Fixed Dividend Equal Weight Custom Index is above the required level on any of the autocall observation dates, the product will mature early, returning the initial investment in addition to any income owed.

This product includes a memory feature which allows investors to recover missed payments. If the level of the FTSE 100 Fixed Dividend Equal Weight Custom Index is above 50% of its strike level at subsequent measurement dates, the investor will receive the missed coupon payment and the current coupon payment at once. For example, if the level of the FTSE 100 Fixed Dividend Equal Weight Custom Index is 80%, 80%, 40%, 80%, the investor would receive no coupon payment on the third coupon payment date but as the fourth observation is above 50%, both coupon payments will be paid, resulting in a coupon stream as follows: 0.9%, 0.9%, 0%, 1.8%.

A summary of the autocall schedule for this product is shown in figure 4.

Capital Repayment:

The product has a European barrier. This means that the barrier is observed at maturity only. The barrier is set at 50% of the strike level and will be breached if the final level of the underlying asset is below 50% of the strike level. If the FTSE 100 Fixed Dividend Equal Weight Custom Index finishes below the European barrier of 50% on the final day of the investment some capital is lost.

If the product has not been called on any of the observation dates, the repayment of capital will depend on whether or not the final level of the FTSE 100 Fixed Dividend Equal Weight Custom Index is below the barrier level. If the FTSE 100 Fixed Dividend Equal Weight Custom Index finishes at or above the barrier level, the investor will be repaid 100% of their initial investment in addition to any income accrued.

If the underlying asset finishes below the 50% barrier, the investor will be paid an amount equal to the final level of the underlying asset, with respect to its strike level. For example, if the final level of the FTSE 100 Fixed Dividend Equal Weight Custom Index is 30% of its strike level and therefore the barrier is breached, the investor will be returned 30% of their capital investment.

ASSESSMENT

Figure 1: Statistics

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

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

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

This report was published on 20 Apr 2021 and compiled in advance with data available to us at that time. It has not been updated since.

	This product	All products	All At risk
Overall score	6.63	7.16	7.15
Price score	5.60	6.54	6.49
Return score	7.65	7.77	7.82
Riskmap (0-10 scale)	3.53	3.72	3.94
Market riskmap	3.23	3.52	3.76
Credit riskmap	0.30	0.2	0.18
Maturity	10.00	7.28	7.36
Duration	5.64	3.81	3.64

Figure 2 : Payoff chart

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

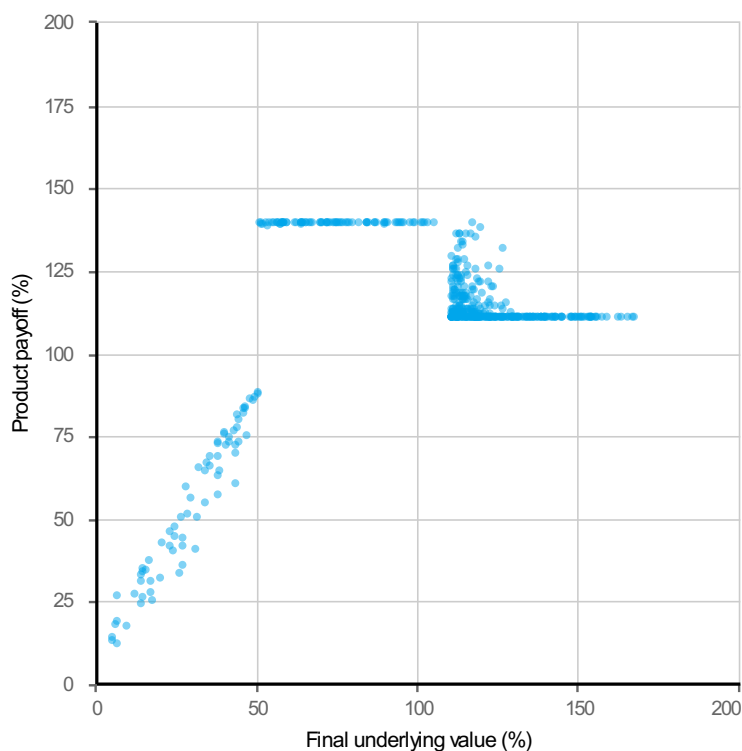
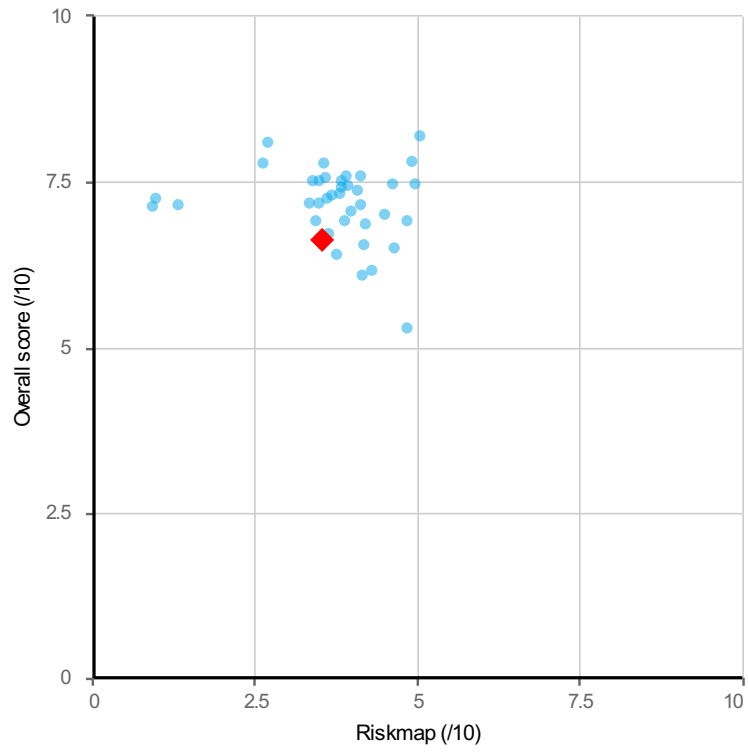


Figure 3 : Comparison chart

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



OUTCOMES

Figure 4 : Investor results summary

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

Result	Investment length (years)	Average payoff (%)	Simulated probability (%)
Autocall on 14 May 2024 if at or above 110%	3.00	110.80	40.32
Autocall on 14 Aug 2024 if at or above 110%	3.25	111.70	4.64
Autocall on 14 Nov 2024 if at or above 110%	3.50	112.60	3.38
Autocall on 14 Feb 2025 if at or above 110%	3.75	113.50	2.59
Autocall on 14 May 2025 if at or above 110%	4.00	114.40	2.22
Autocall on 14 Aug 2025 if at or above 110%	4.25	115.30	1.93
Autocall on 14 Nov 2025 if at or above 110%	4.50	116.20	1.65
Autocall on 16 Feb 2026 if at or above 110%	4.75	117.10	1.51
Autocall on 14 May 2026 if at or above 110%	5.00	118.00	1.37
Autocall on 14 Aug 2026 if at or above 110%	5.25	118.90	1.20
Autocall on 16 Nov 2026 if at or above 110%	5.50	119.80	0.96
Autocall on 15 Feb 2027 if at or above 110%	5.75	120.70	0.96
Autocall on 14 May 2027 if at or above 110%	6.00	121.60	0.90
Autocall on 16 Aug 2027 if at or above 110%	6.25	122.50	0.80
Autocall on 15 Nov 2027 if at or above 110%	6.50	123.40	0.80
Autocall on 14 Feb 2028 if at or above 110%	6.75	124.30	0.73
Autocall on 15 May 2028 if at or above 110%	7.00	125.20	0.65
Autocall on 14 Aug 2028 if at or above 110%	7.25	126.10	0.59
Autocall on 14 Nov 2028 if at or above 110%	7.50	127.00	0.57
Autocall on 14 Feb 2029 if at or above 110%	7.75	127.90	0.49
Autocall on 14 May 2029 if at or above 110%	8.00	128.80	0.48
Autocall on 14 Aug 2029 if at or above 110%	8.25	129.70	0.42
Autocall on 14 Nov 2029 if at or above 110%	8.50	130.60	0.43
Autocall on 14 Feb 2030 if at or above 110%	8.75	131.50	0.43
Autocall on 14 May 2030 if at or above 110%	9.00	132.40	0.42
Autocall on 14 Aug 2030 if at or above 110%	9.25	133.30	0.37
Autocall on 14 Nov 2030 if at or above 110%	9.50	134.20	0.40
Autocall on 14 Feb 2031 if at or above 110%	9.75	135.10	0.35
Full capital return	10.00	136.00	17.60
Capital loss but total return at or above capital	0.00	0.00	0.00
Total return loss	10.00	54.83	10.82

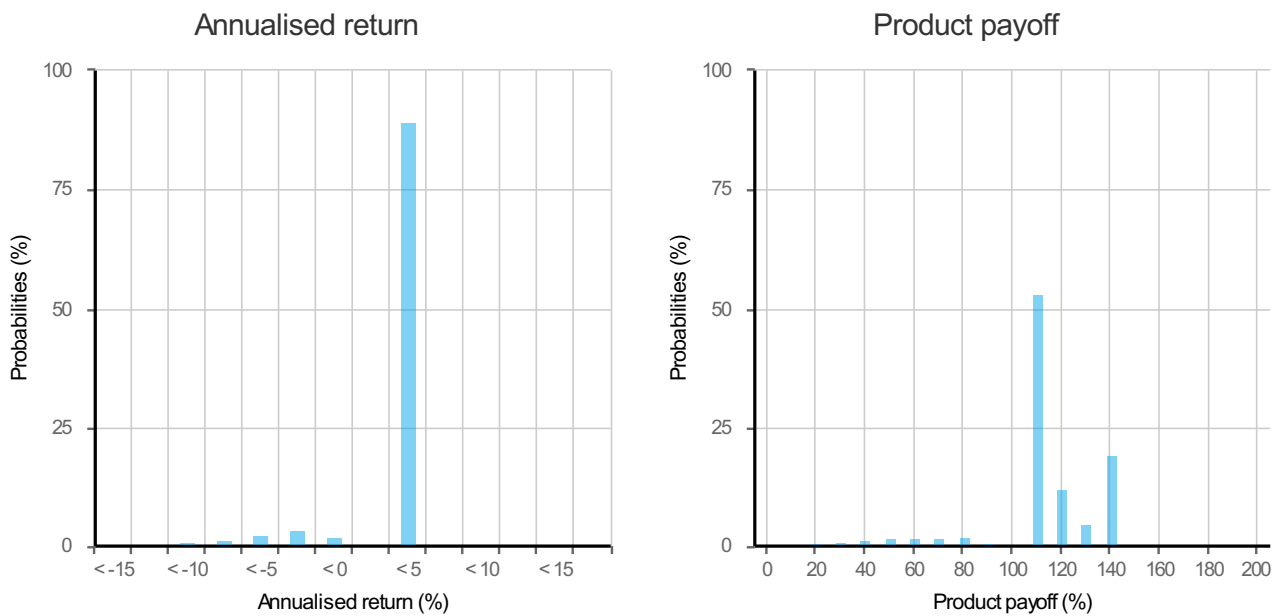
Figure 5 : Prospects for return of capital

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

Outcome	Simulated probability
Return less than capital	10.82
Return exactly capital	0.00
Return more than capital	89.18

Figure 6 : Charts of product outcomes (annualised return and product payoff)

Charts of distribution of structured product returns based on forward looking simulation. The first chart shows the annualised return of the product in 2.5% buckets. The second chart shows the payoff of the product. Both of these charts are market risk only.



Provider contact information

Website:	https://www.tempo-sp.com
Email:	info@tempo-sp.com
Provider page:	Tempo Structured Products

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About FVC

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

FVC contact details

Future Value Consultants Limited
Auckland House, 151 Sheen Lane
London, SW14 8LR, UK
www.futurevc.co.uk

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