

Tempo Structured Products FTSE 100 FDEW Long Kick-Out Plan May 2021 - Option 1 Report 5934 [↗](#)

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	Defensive Autocall
Vehicle	Plan
Capital	At risk
Aim	Growth
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	GB00BKG6Z171
PRIIPs SRI	5

DESCRIPTION

Product features

Total of 8 autocall points

First autocall point after 3 years and then every year

Potential annual return of 6% p.a. (not compounded)

Autocall levels reduce by 5% each time

Defensive final autocall level of 65%

European barrier of 50%

Potential Returns:

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

If the FTSE 100 Fixed Dividend Equal Weight Custom Index is at or above the required target level on any of the observation dates, the product will mature early returning the initial investment and pay a fixed return of 6% for each year the product has been in force. The first autocall opportunity is after 3 years. This product has multiple defensive levels down to 65%.

If for example, at the first autocall observation point (after 3 years) the FTSE 100 Fixed Dividend Equal Weight Custom Index is at or above its strike level, the product will be called and make a final payment of 118% (including capital investment). If the product is not called at the first two opportunities but on the third autocall date (at 5 years) the FTSE 100 Fixed Dividend Equal Weight Custom Index is at or above 90% of its strike level, the product will be called and make a final payment of 130% (including capital investment). If the product is not called at the first four opportunities but on the fifth autocall date, the FTSE 100 Fixed Dividend Equal Weight Custom Index is at or above 80% of its strike level, the product will be called and make a final payment of 142% (including capital investment).

The full 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 between the barrier level and the final autocall level, the investor will be repaid 100% of their initial investment.

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	6.50	7.16	7.15
Price score	5.48	6.54	6.49
Return score	7.52	7.77	7.82
Riskmap (0-10 scale)	4.63	3.72	3.94
Market riskmap	4.45	3.52	3.76
Credit riskmap	0.18	0.2	0.18
Maturity	10.00	7.28	7.36
Duration	4.79	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.

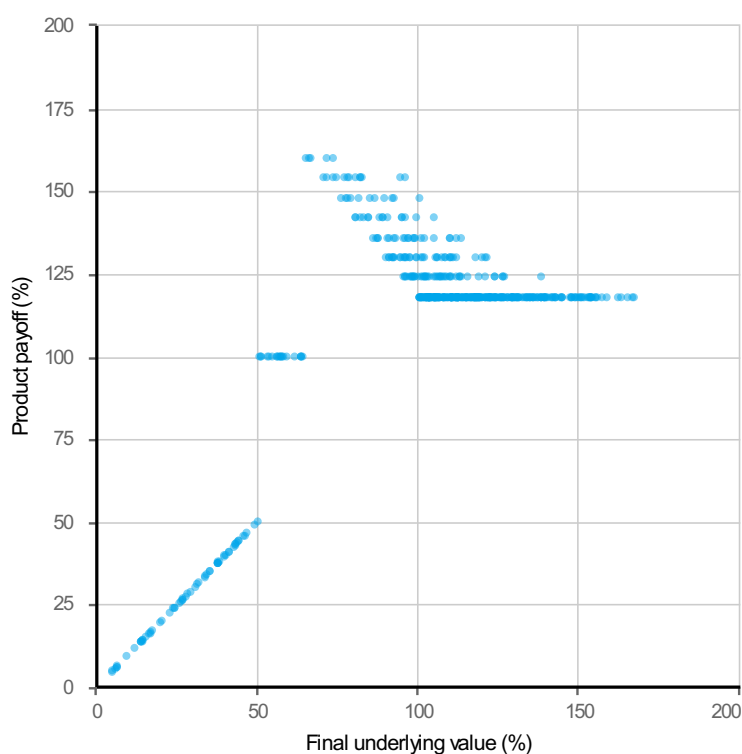
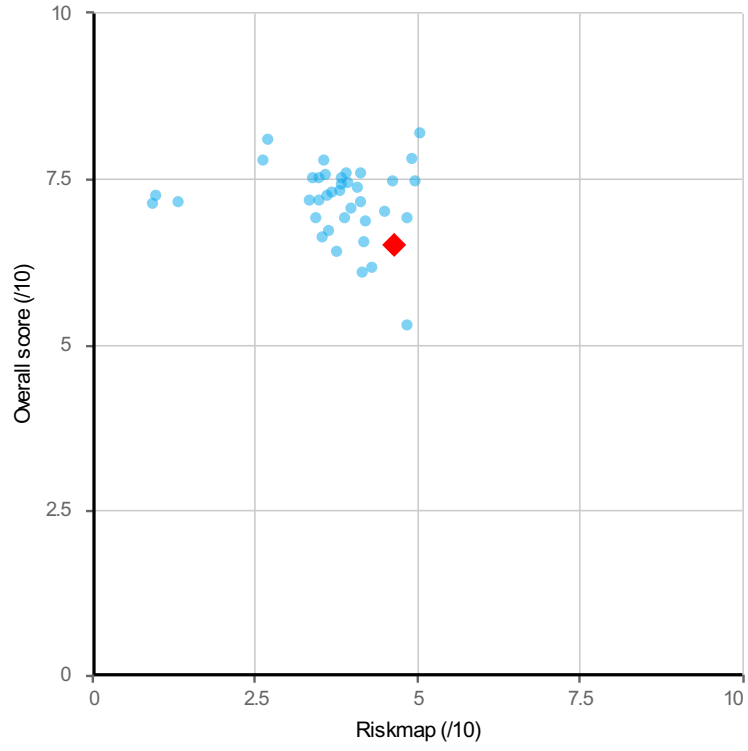


Figure 3 : Comparison chart

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 100%	3.00	118.00	54.56
Autocall on 14 May 2025 if at or above 95%	4.00	124.00	11.60
Autocall on 14 May 2026 if at or above 90%	5.00	130.00	6.89
Autocall on 14 May 2027 if at or above 85%	6.00	136.00	4.49
Autocall on 15 May 2028 if at or above 80%	7.00	142.00	3.41
Autocall on 14 May 2029 if at or above 75%	8.00	148.00	2.54
Autocall on 14 May 2030 if at or above 70%	9.00	154.00	1.89
Autocall on 14 May 2031 if at or above 65%	10.00	160.00	1.62
Full capital return	10.00	100.00	3.40
Capital loss	10.00	30.75	9.59

Figure 5 : Prospects for return of capital

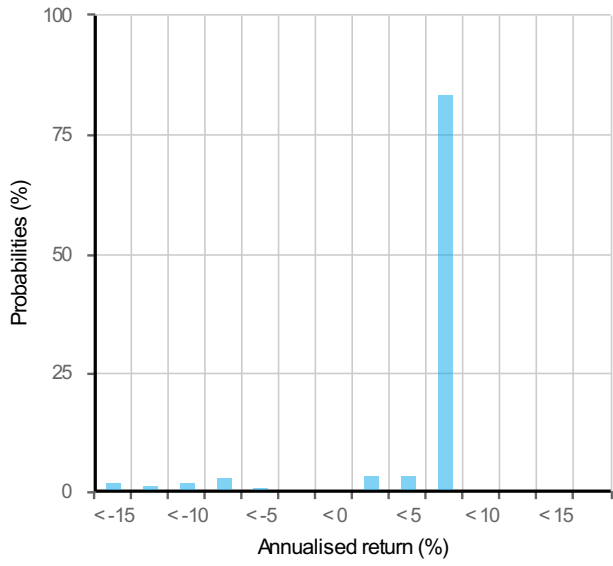
This figure shows prospects for return of capital, calculating whether the return might be greater than, equal to or lower than capital invested. These calculations use probabilities from forward looking simulations.

Outcome	Simulated probability
Return less than capital	9.59
Return exactly capital	3.40
Return more than capital	87.01

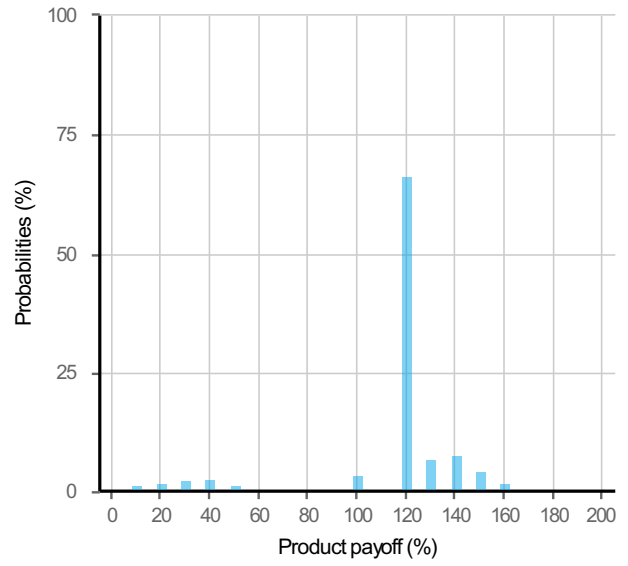
Figure 6 : Charts of product outcomes (annualised return and product payoff)

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.

Annualised return



Product payoff



Provider contact information

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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.

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