

## Tempo Structured Products

### FTSE 100 FDEW Long Kick-out Plan February 2019 - Option 2




#### Summary information

<b>Report</b>	5052
<b>Provider</b>	Tempo Structured Products
<b>Issuer</b>	SG Issuer
<b>Plan Manager</b>	Tempo Structured Products

#### Provider contact details:

<b>Website:</b>	<a href="https://www.tempo-sp.com">https://www.tempo-sp.com</a>
<b>Email:</b>	<a href="mailto:info@tempo-sp.com">info@tempo-sp.com</a>
<b>Provider page:</b>	<a href="#">Tempo Structured Products</a>

#### Documents from the product provider

<b>Brochure</b>	
<b>KID</b>	
<b>TICS Report</b>	

#### Product features

- Total of 8 autocall points
- First autocall point after 3 years and then every year
- Potential annual return of 8.75% p.a. (not compounded)
- Autocall levels reduce by 5% each time
- Defensive final autocall level of 65%
- European barrier of 60%

## Key product information

<b>Product type</b>	Defensive Autocall	<b>ISA Transfer date</b>	01 Feb 2019
<b>Vehicle</b>	Plan	<b>Closing date</b>	15 Feb 2019
<b>Capital</b>	At risk	<b>Strike date</b>	22 Feb 2019
<b>Aim</b>	Growth	<b>Final market date</b>	22 Feb 2029
<b>Investment Length</b>	10 years	<b>Report published</b>	08 Jan 2019
<b>Product currency</b>	GBP		
<b>Asset style</b>	Single		
<b>Counterparty</b>	Societe Generale		
<b>Underlying Asset</b>	FTSE 100 Fixed Dividend Equal Weight Custom Index		
<b>Issuer credit rating</b>	S&P: A , Moody's: A1 , Fitch: A		
<b>Credit rating band</b>	A band (Lower median rating taken to determine band)		
<b>Tax wrapper(s)</b>	Direct investment , ISA , ISA transfer , SIPP/SSAS , Trustees of a trust , Corporate/Commercial , Charities , Offshore bond , Direct Investment (for Joint Accounts)		
<b>Min/Max Investment</b>	Minimum: £5,000. The overall ISA limit is £20,000 for the 2018/2019 tax year		
<b>ISIN</b>	GB00BFRNHF05		
<b>PRIIPs SRI</b>	5		

## Product description

<b>Strike</b>	100%	<b>Barrier type</b>	European
<b>Zero coupon bond</b>	100%	<b>Num of AC points</b>	8
<b>Downside gearing</b>	100%	<b>Date of first AC point</b>	22 Feb 2022
<b>Barrier</b>	60%	<b>First AC level - return</b>	100 - 126.25

### 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 pay a fixed return and mature early, returning the initial investment in addition to a fixed return. The first autocall opportunity is after 3 years.

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 126.25% (including capital investment). If the product is not called at the first two opportunities but on the third autocall date, 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 143.75% (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 60% of the strike level and will be breached if the final level of the underlying asset is below 60% of the strike level. If the FTSE 100 Fixed Dividend Equal Weight Custom Index finishes below the European barrier of 60% on the final day of the investment some capital is lost.

If the product has not been called on any of the observation dates, the investor will not receive any additional returns and 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 60% barrier, the investor will be paid an amount equal to the final level of the underlying asset, with respect to its strike level. For example, if the final level of the FTSE 100 Fixed Dividend Equal Weight Custom Index is 40% of its strike level and therefore the barrier is breached, the investor will be returned 40% of their capital investment.

Figure 1 : Statistics

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

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

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

	This product	All products	All At risk
Overall score	6.91	7.71	7.5
Price score	6.44	7.46	7.09
Return score	7.38	7.95	7.9
Riskmap (0-10 scale)	5.14	3.7	4.2
Market riskmap	4.85	3.24	3.83
Credit riskmap	0.29	0.46	0.38
Maturity	10	7.18	7.6
Duration	4.98	4.02	3.86

Figure 2 : Payoff chart

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

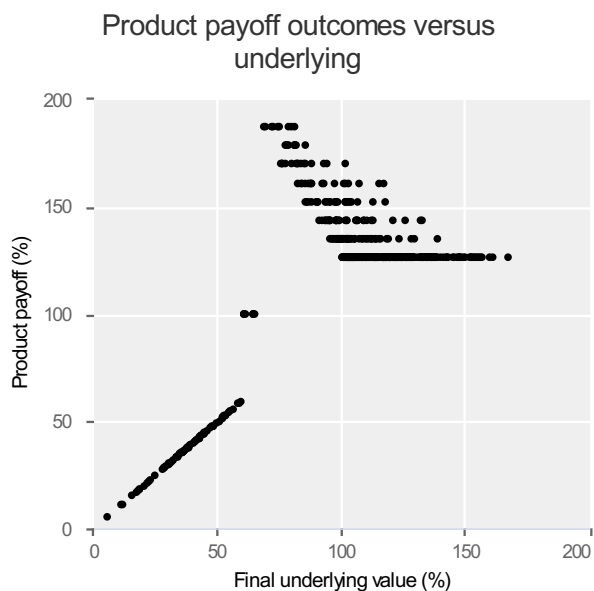
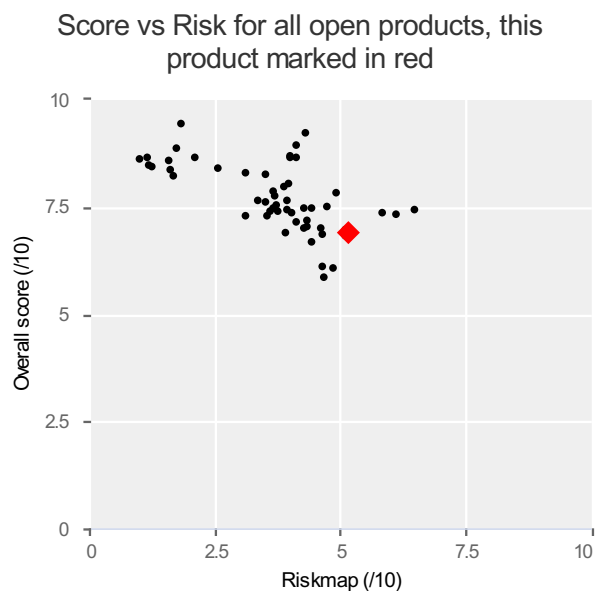


Figure 3 : Comparison chart

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



## Breakdown of results and outcomes

Figure 4 : Investor results summary

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

Result	Investment length (years)	Average payoff (%)	Simulated probability (%)
Autocall on 22 Feb 2022 if at or above 100%	3.00	126.25	50.48
Autocall on 22 Feb 2023 if at or above 95%	4.00	135.00	11.54
Autocall on 22 Feb 2024 if at or above 90%	5.00	143.75	7.40
Autocall on 24 Feb 2025 if at or above 85%	6.00	152.50	5.91
Autocall on 23 Feb 2026 if at or above 80%	7.00	161.25	3.78
Autocall on 22 Feb 2027 if at or above 75%	8.00	170.00	2.47
Autocall on 22 Feb 2028 if at or above 70%	9.00	178.75	2.26
Autocall on 22 Feb 2029 if at or above 65%	10.00	187.50	1.96
Full capital return	10.00	100.00	0.91
Capital loss	10.00	35.67	13.29

Figure 5 : Prospects for return of capital

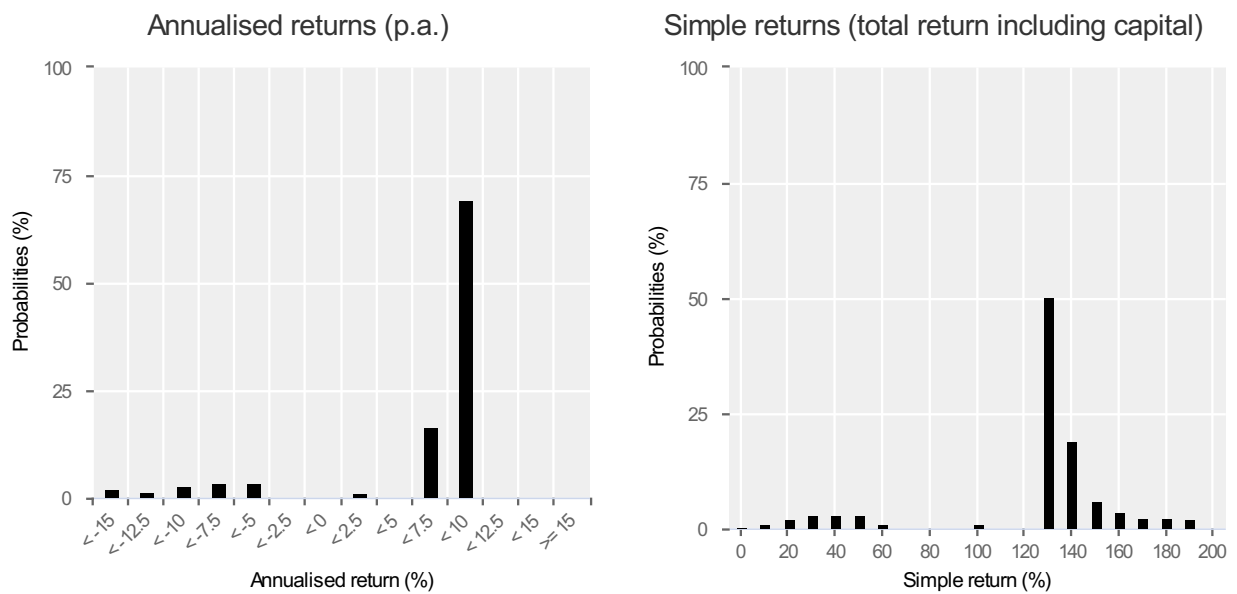
This figure shows prospects for return of capital, calculating whether the return might be greater than, equal to or lower than capital invested. These calculations use probabilities from forward looking simulations.

Outcome	Simulated probability
Return less than capital	13.29
Return exactly capital	0.91
Return more than capital	85.80

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

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

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



## Disclaimer:

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## About Structured Edge

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

## About FVC

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

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