

Tempo Structured Products Long Kick-Out Plan October 2019 - Option 1

Summary information

Report	5317
Provider	Tempo Structured Products
Issuer	Societe Generale
Plan Manager	Tempo Structured Products

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Provider page:	Tempo Structured Products

Documents from the provider

Brochure	
KID	
TICS Report	

Product features

- Total of 8 autocall points
- First autocall point after 3 years and then every year
- Potential annual return of 11.6% p.a. (not compounded)
- Defensive autocall level of 90% at each call point
- European barrier of 60%

Key product information

Product type	Defensive Autocall	ISA Transfer date	27 Sep 2019
Vehicle	Plan	Closing date	11 Oct 2019
Capital	At risk	Strike date	18 Oct 2019
Aim	Growth	Final market date	18 Oct 2029
Investment Length	10 years	Report published	03 Sep 2019
Product currency	GBP		
Asset style	Single		
Counterparty	Societe Generale		
Underlying Asset	FTSE 100 Fixed Dividend Equal Weight Custom Index		
Issuer credit rating	S&P: A , Moody'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: £5,000. The overall ISA limit is £20,000 for the 2019/2020 tax year		
ISIN	GB00BG8HJN01		
PRIIPs SRI	5		

Product description

Strike	100%	Barrier type	European
Zero coupon bond	100%	Num of AC points	8
Downside gearing	100%	Date of first AC point	18 Oct 2022
Barrier	60%	First AC level - return	90 - 134.8

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 11.6% for each year the product has been in force. 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 90% of its strike level, the product will be called and make a final payment of 134.8% (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 158% (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	8.59	8.21	8.02
Price score	8.28	8.05	7.72
Return score	8.9	8.36	8.32
Riskmap (0-10 scale)	5.12	3.66	4.21
Market riskmap	4.93	3.3	3.93
Credit riskmap	0.19	0.35	0.28
Maturity	10	7.65	8.21
Duration	4.72	3.99	3.84

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.

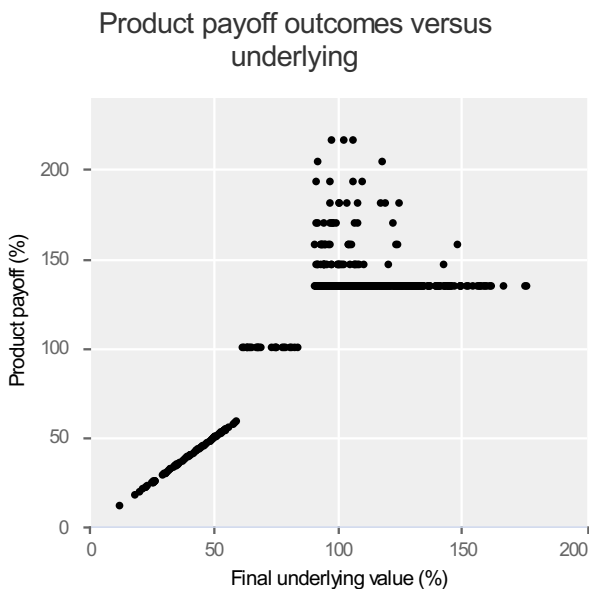
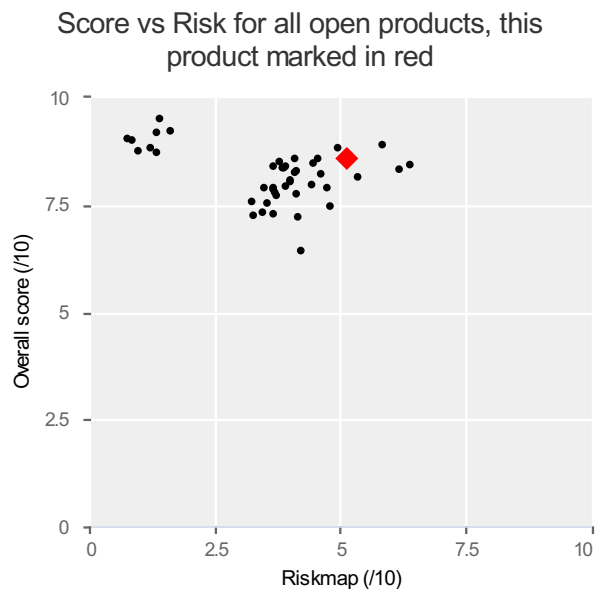


Figure 3 : Comparison chart

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 18 Oct 2022 if at or above 90%	3.00	134.80	64.48
Autocall on 18 Oct 2023 if at or above 90%	4.00	146.40	6.75
Autocall on 18 Oct 2024 if at or above 90%	5.00	158.00	3.57
Autocall on 20 Oct 2025 if at or above 90%	6.00	169.60	2.64
Autocall on 19 Oct 2026 if at or above 90%	7.00	181.20	1.85
Autocall on 18 Oct 2027 if at or above 90%	8.00	192.80	0.78
Autocall on 18 Oct 2028 if at or above 90%	9.00	204.40	0.49
Autocall on 18 Oct 2029 if at or above 90%	10.00	216.00	0.48
Full capital return	10.00	100.00	5.23
Capital loss	10.00	39.17	13.73

Figure 5 : Prospects for return of capital

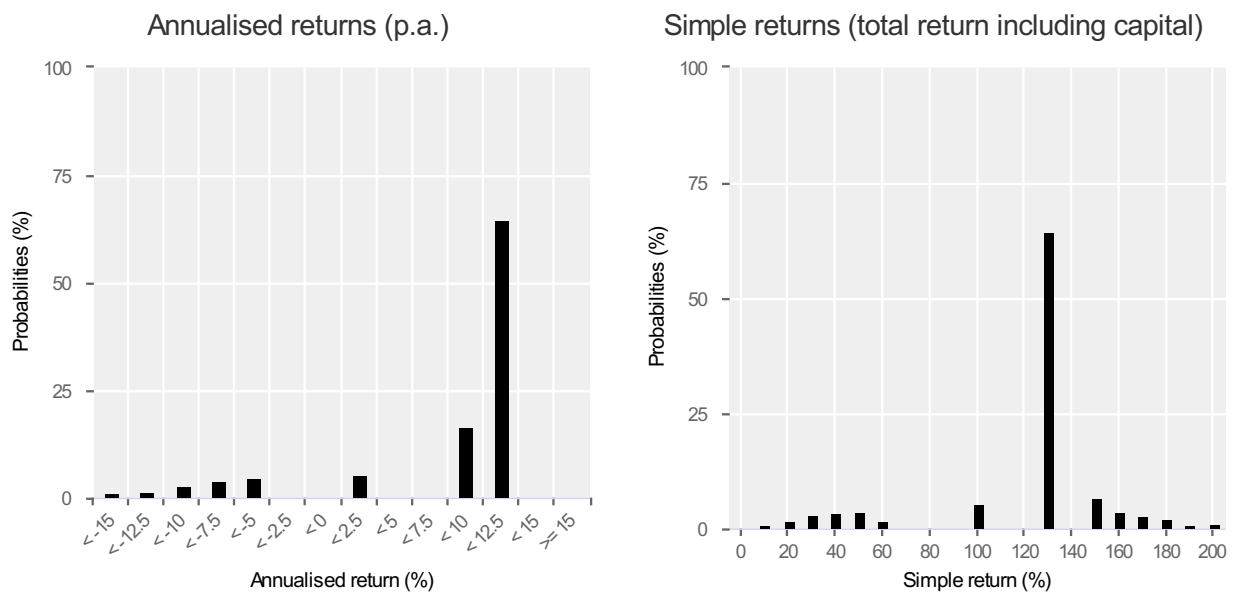
This figure shows prospects for return of capital, calculating whether the return might be greater than, equal to or lower than capital invested. These calculations use probabilities from forward looking simulations.

Outcome	Simulated probability
Return less than capital	13.73
Return exactly capital	5.23
Return more than capital	81.04

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.



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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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