

PROFESSIONAL ADVISER INFORMATION PACK

Long Kick-Out Plan: June 2019

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 18 Apr 2019.

Introduction

The purpose of our professional adviser information pack is to:

- A. Explain how we meet our Manufacturer product governance responsibilities, under the FCA's Product Governance Sourcebook (PROD) (particularly PROD 3.2.16), to provide Distributors (i.e. Professional Advisers) with specific information;
- B. Help Professional Advisers meet their Distributor product governance responsibilities under PROD (particularly PROD 3.3.1), which states that Distributors "must":
 - understand the product you distribute to your clients;
 - assess the compatibility of the product with the needs of the clients to whom you distribute investment services, taking into account our identified target market of end clients; and
 - ensure that the product is distributed only when this is in the best interests of your client"

Is the information that we have provided you with sufficient?

This pack summarises the information that we make available to Distributors. If you feel that the information that we provide you with is not adequate for you "to gain the necessary understanding and knowledge [of the Product you intend] to distribute in order to ensure that [it] will be distributed in accordance with the needs, characteristics and objectives of the target market (PROD 3.3.3)", you should contact us and we will discuss your requirements and aim to provide sufficient information.

Specific product information which we must make available to you:

We must make available to you "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 Distributors includes:

- 1 The plan documents (these comprise the plan brochure and plan application pack).
- 2 The Counterparty Bank's Key Information Document (KID).
- 3 The Counterparty Bank's securities documents (prospectus and final terms).

You should consider all these documents to fully understand the plan.

These documents include details of the identified target market for each plan and the appropriate channels for distribution.

In addition, we also provide you with further product specific information:

- 4 A 'TICS Report' for the Counterparty Bank for each plan - and full details of our Tempo Issuer & Counterparty Scorecards ('TICS'), to provide transparency regarding our internal process and to support Professional Advisers in meeting their research and due diligence responsibilities.
- 5 An independent research report for each plan - compiled by Structured Edge / Future Value Consultants.
- 6 We also complete the FinDatEx* recommended European MiFID Template (EMT) regarding target market, distribution strategy and cost information for each plan (part of this document).

* FinDatEx (Financial Data Exchange Templates) is a joint structure established by representatives of the European Financial services sector industry with the view to coordinate, organise and carry out standardisation work to facilitate the exchange of data between stakeholders in application of European financial markets legislation, such as MiFID II, PRIIPs and Solvency 2.

You may find these additional inputs useful in understanding the product.

General information which we must make available to you:

More generally, we must also make available to you “all appropriate information on our product approval process” (PROD 3.2.16 (2)), including “information about the target market assessment undertaken” (PROD 3.2.16(3)).

We provide the following internal documents:

- 7 Our ‘Governance overview’, which details our product governance process, the internal paper that we use for each product, the committees that each product must go through, our distribution governance and oversight, and our approval and review processes.
- 8 Our internal ‘Product Proposal Pack’ (PPP), which details what we analyse and consider within our product approval process and approach to distribution governance.

Information to help you meet your regulatory responsibilities

“You should consider the financial strength of the manufacturer” (PROD 3.3.11 (3)):

The Issuer and the Plan Manager jointly manufacture the plan, under a written agreement. In the context of ‘operational risk’, you should consider the strength of Tempo Structured Products and our administration arrangements. We provide information regarding Tempo Structured Products and Alpha Real Capital – Tempo Structured Products is part of Alpha Real Capital Group. The last 3 year’s full financial reports and accounts for Alpha Real Capital can be found on our website. We can also provide a detailed overview of the Group, its businesses and its activities.

You “should consider ... how efficiently and reliably the manufacturer will deal with the end client at the point of sale or subsequently, such as when complaints arise, claims are made or the financial instrument reaches maturity” (PROD 3.3.11 (4)):

We are committed to providing plan brochures suitable for the target market of retail clients. We are the first structured product provider to be a corporate member of Plain English Campaign and to have our plan brochures reviewed and accredited with the crystal-mark by the Campaign.

As detailed in the operational strength and Plan Administrator areas of our website, both ourselves as Plan Manager, and James Brearley as Plan Administrator, have the scale and resources to efficiently and reliably deal with end investors.

As indicated in our Governance overview, our process includes monitoring to identify when further communication with end clients (through their Professional Adviser) might be appropriate, including on the occurrence of events that may affect the risk return profile of the product.

You should consider “the impact of charges on end clients” (PROD 3.3.11 (4))

We include a page in the plan brochure, which details and explains our charges and the impact of charges on end clients.

We also explain the charges in the European MiFID Template (EMT), within this professional adviser information pack.

FinDatEx European MiFID Template (EMT)

This is summary information prepared in accordance with FinDatEx’s European MiFID Template V1.0.

Details of the underlying securities:

EMT Ref	Data	Option 1	Option 2	Option 3
00010	Code	GB00BFRNJ656	GB00BFRNJ763	GB00BFRNJ870
00030	Name	90% Auto-Call	Super Defensive Auto-Call	ATM Auto-Call
00020	Code type	ISIN		
00040	Currency	GBP		
00050	As at date	18 Apr 2019		
00060	Legal structure	Structured Security		
00070	Issuer	SG Issuer		
00080	Counterparty Bank	Societe Generale		

Plan target market:

Investor type		
01010	Retail	Y
01020	Professional	Y
01030	Eligible Counterparty	Y
Investor knowledge and/or experience		
02010	Basic	Dependent upon suitability
02020	Informed	Y
02030	Advanced	Y
Ability to bear losses		
03010	No capital loss (at maturity)	N
03020	Limited capital loss (at maturity)	N
03040	No capital guarantee	Y
03050	Loss beyond capital	Y
Risk tolerance		
04010	PRIPS risk indicator	5
Client objectives and needs		
05010	Preservation	N
05020	Growth	Y
05030	Income	N
05040	Hedging	-
05050	Leveraged	-
05060	Other	Y
05080	Recommended holding period	10 Years
05090	Maturity date	28 June 2029
05090	Maturity payment date	12 July 2029

Plan distribution channel:

06010	Execution only	No
06020	Execution only (with appropriateness)	No
06030	Investment advice	Both (Retail & Professional)
06040	Portfolio management	Both (Retail & Professional)

Plan costs and charges:

07020	One off cost	Approximately 2.55%
07080	Typical exit cost at maturity (including early maturity)	None
07090	Typical exit cost during term	None*
07100	Ongoing costs	None
07110	Management fee	None

* The Issuer may include a bid/offer spread if an investor decides to make a withdrawal from the plan during its term.

As Plan Manager, we disclose what we expect charges to be for the life of the plan. The exact amount of our charges can be affected by various factors during the offer period. The Issuer will also usually include a charge when arranging the securities that it issues for the plan.

All charges are taken on the start date, from the amount invested. However, all charges are already accounted for within the terms of the plan. This means that the charges do not reduce the potential returns described in the plan brochure.

As a Plan Manager committed to transparency and simplicity, we have removed plan and administration charges that can often be found in similar types of structured products, such as charges for partial withdrawals, cashing the plan in, or transfers during the investment term.

While our charges are included in the terms of the plan, meaning that none of the charges reduce the returns described in the plan brochure, we take the charges that are built into the plan on the start date and they will affect the value of the plan during the investment term, particularly during the early part of the term following the start date.

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