

Tempo Structured Products

FTSE 100 FDEW Long Growth Accelerator Plan August 2018 - Option 1




Summary information

Report	4818
Provider	Tempo Structured Products
Issuer	Societe Generale
Plan Manager	Tempo Structured Products

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Documents from the product provider

Brochure	
TICS Report	
KID	

Product features

- Returns equal to 4 times market growth
- Market growth measured from defensive strike (70% of initial level)
- Maximum product payoff of 220% of initial investment
- Single autocall point
- Potential return of 55% at 5 years
- European barrier of 60%

Key product information

Product type	Growth Autocall	ISA Transfer date	03 Aug 2018
Vehicle	Plan	Closing date	17 Aug 2018
Capital	At risk	Strike date	24 Aug 2018
Aim	Growth	Final market date	24 Aug 2028
Investment Length	10 years	Pay date	04 Aug 2025
Product currency	GBP	Report published	26 Jun 2018
Asset style	Single		
Counterparty	Societe Generale		
Underlying Asset	FTSE 100 Fixed Dividend Equal Weight Custom Index		
Issuer credit rating	S&P A (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 2018/2019 tax year		
PRIIPs SRI	4		

Product description

Participation	400%	Barrier type	European
Strike	70%	Num of AC points	1
Cap	220%	Date of first AC point	24 Aug 2023
Zero coupon bond	100%	First AC level - return	100 - 155
Downside gearing	100%	Buffer	-30%
Barrier	60%		

Potential Returns:

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

This is a growth product with an autocall feature. If the underlying asset is above the required autocall level of 100% after 5 years, the product will mature early, returning the initial investment in addition to a fixed return of 55%.

If the product is not called on the autocall date, the product continues to its full term. At maturity this product pays the investor returns equal to 4 times any growth in the FTSE 100 Fixed Dividend Equal Weight Custom Index, measured from 70% of the strike level, subject to a cap of 220% on total returns. For example, if the final underlying asset is 20 percentage points higher than the strike level, i.e. the FTSE 100 Fixed Dividend Equal Weight Custom Index finishes at 90% of its strike level, the investor will be paid a return of 80% plus capital investment.

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 the observation date, 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 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	7.82	7.81	7.67
Price score	6.53	7.36	7.13
Return score	9.1	8.26	8.21
Riskmap (0-10 scale)	5.14	3.66	3.93
Market riskmap	4.81	3.35	3.63
Credit riskmap	0.33	0.31	0.29
Maturity	10	7.17	7.43
Duration	7.33	3.93	3.9

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.

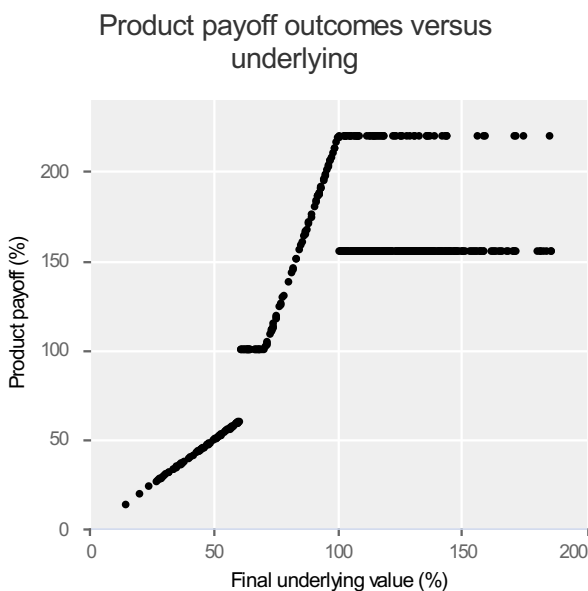
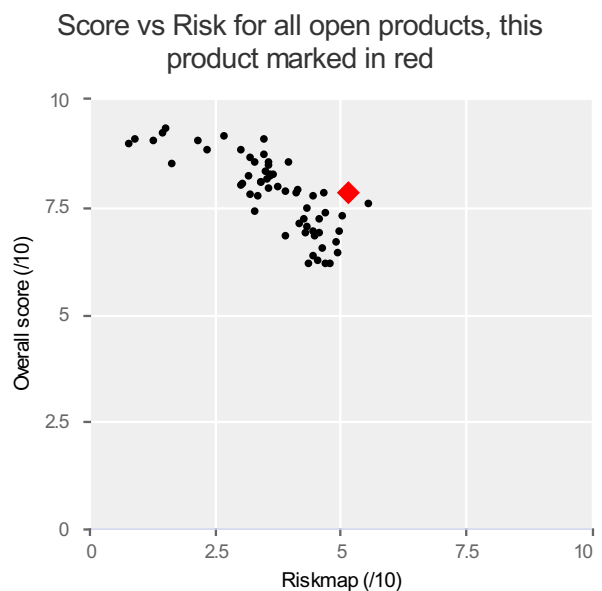


Figure 3 : Comparison chart

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 and 10 year historical backtest (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 24 Aug 2023 if at or above 100%	5.00	155.00	53.34
Return above full capital at maturity	10.00	186.87	27.24
Full capital return	10.00	100.00	5.07
Capital loss	10.00	42.76	14.35

Figure 5 : Prospects for return of capital

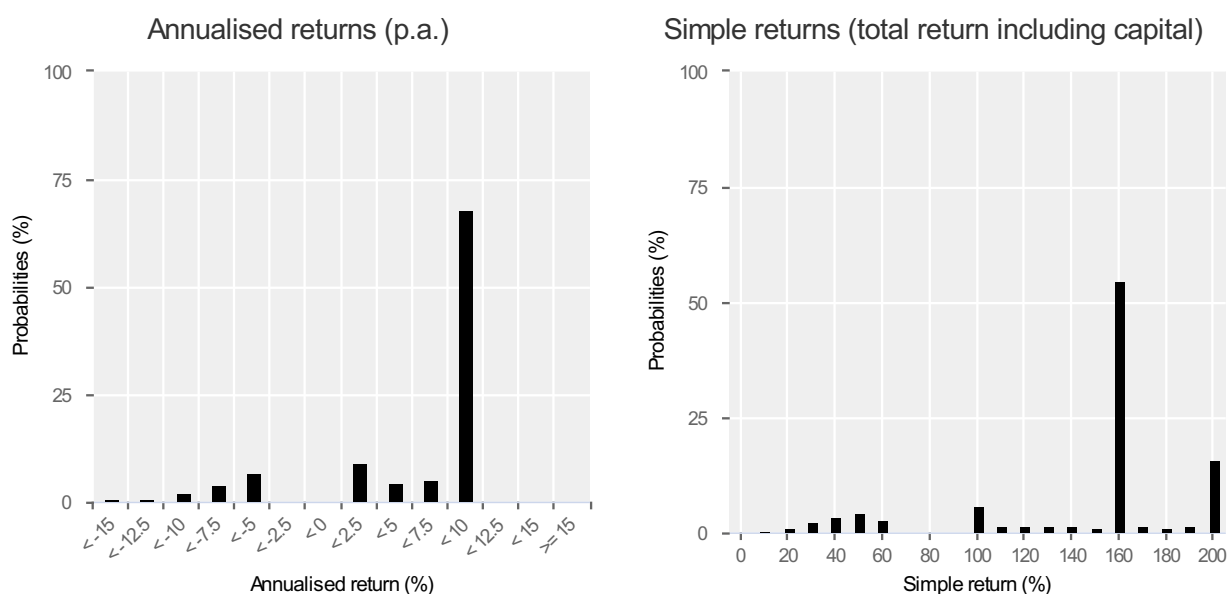
This figure shows prospects for return of capital, calculating whether the return might be greater than, equal to or lower than capital invested. This is measured as probabilities from forward looking simulations.

Outcome	Simulated probability
Return less than capital	14.35
Return exactly capital	5.07
Return more than capital	80.58

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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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

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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