

## Tempo Structured Products

### FTSE 100 FDEW Long Growth Accelerator Plan August 2018 - Option 2


#### Summary information

<b>Report</b>	4819
<b>Provider</b>	Tempo Structured Products
<b>Issuer</b>	Societe Generale
<b>Plan Manager</b>	Tempo Structured Products

#### Provider contact details:

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

#### Product features

- Returns equal to 6 times market growth
- Market growth measured from defensive strike (90% of initial level)
- Maximum product payoff of 280% of initial investment
- Single autocall point
- Potential return of 82.5% at 5 years
- Minimum level of 110% required for autocall meaning the underlying has to rise
- European barrier of 60%

## Key product information

<b>Product type</b>	Growth Autocall	<b>ISA Transfer date</b>	03 Aug 2018
<b>Vehicle</b>	Plan	<b>Closing date</b>	17 Aug 2018
<b>Capital</b>	At risk	<b>Strike date</b>	24 Aug 2018
<b>Aim</b>	Growth	<b>Final market date</b>	24 Aug 2028
<b>Investment Length</b>	10 years	<b>Report published</b>	26 Jun 2018
<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 (A 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>PRIIPs SRI</b>	4		

## Product description

<b>Participation</b>	600%	<b>Barrier type</b>	European
<b>Strike</b>	90%	<b>Num of AC points</b>	1
<b>Cap</b>	280%	<b>Date of first AC point</b>	24 Aug 2023
<b>Zero coupon bond</b>	100%	<b>First AC level - return</b>	110 - 182.5
<b>Downside gearing</b>	100%	<b>Buffer</b>	-10%
<b>Barrier</b>	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 110% after 5 years, the product will mature early, returning the initial investment in addition to a fixed return of 82.5%.

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 6 times any growth in the FTSE 100 Fixed Dividend Equal Weight Custom Index, measured from 90% of the strike level, subject to a cap of 280% 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 110% of its strike level, the investor will be paid a return of 120% 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	7.57	7.81	7.67
Price score	5.82	7.36	7.13
Return score	9.32	8.26	8.21
Riskmap (0-10 scale)	5.54	3.66	3.93
Market riskmap	5.19	3.35	3.63
Credit riskmap	0.35	0.31	0.29
Maturity	10	7.17	7.43
Duration	7.96	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.

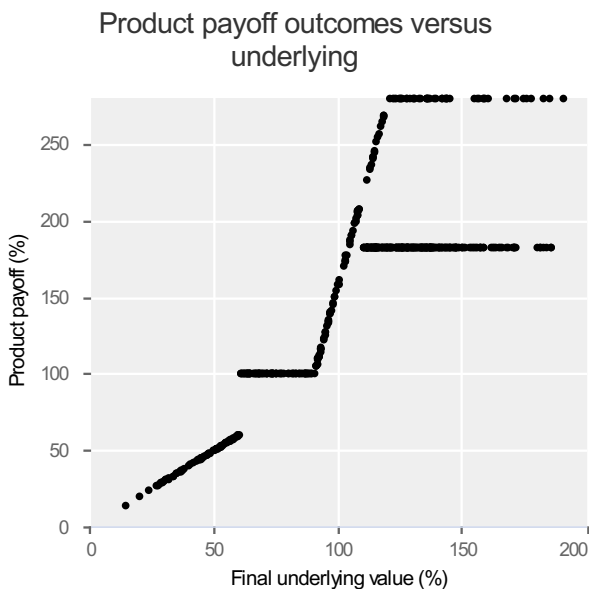
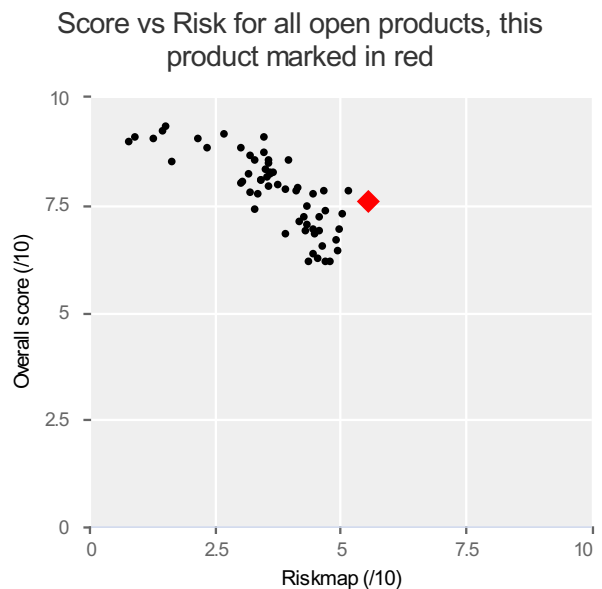


Figure 3 : Comparison chart

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 110%	5.00	182.50	40.91
Return above full capital at maturity	10.00	226.44	25.88
Full capital return	10.00	100.00	18.02
Capital loss	10.00	43.14	15.19

Figure 5 : Prospects for return of capital

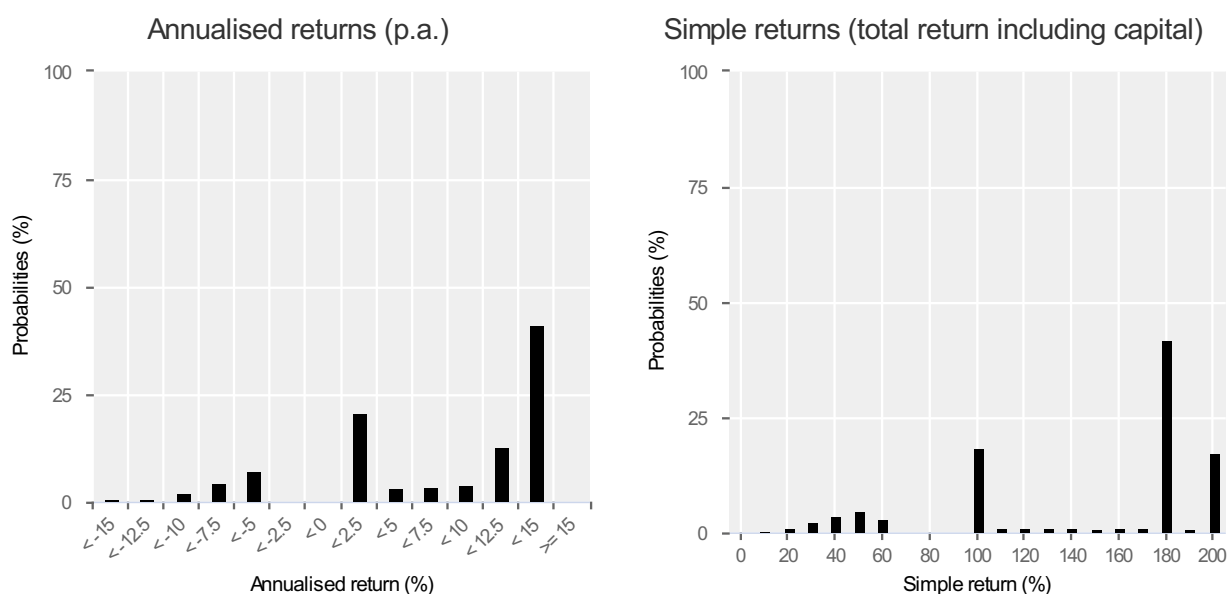
This figure shows prospects for return of capital, calculating whether the return might be greater than, equal to or lower than capital invested. This is measured as probabilities from forward looking simulations.

Outcome	Simulated probability
Return less than capital	15.19
Return exactly capital	18.02
Return more than capital	66.79

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:

This report has been compiled by Future Value Consultants (FVC), a UK based structured products specialist. The analysis presented here is based on the prospectus, brochure or other literature made available to FVC. This research is aimed at financial professionals only as part of their product evaluation process. This research is not intended for investors in any jurisdiction nor is it a recommendation to buy or sell securities.

The scores and assessments made are based on an objective, consistent, standardised methodology developed by FVC using its own pricing models and methods and independently sourced data. The factual information is prepared in good faith by FVC. However no recommendation of any investment is made or implied and the user should draw their own conclusions and take account of the needs of any individual investor.

## 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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