



# BNP Paribas FTSE/S&P Kickout Plan August 2020 Factsheet



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## INVESTMENT DESCRIPTION

A 5 year investment product linked to the performance of the FTSE 100 and S&P 500.

Initial Levels are the close of business level of the Underlying Indices on the product Strike Date.

If on any annual observation date (including the Final Observation date), starting at 12 months after issue date, both the Underlying Indices are at or above the Autocall Trigger, the investment will autocall. In this instance, initial capital plus the Payment for each annual period which has elapsed is paid and the investment will end.

If the investment does not autocall then at the Final Observation date, if the Underlying Indices are at or above 60% of its initial level, full capital is returned.

If any of the Underlying Indices are below 60% of their initial level on the Final Observation date, capital return will be reduced on a 1-for-1 basis. For example if any Underlying have fallen to 40% of its initial level, 40% of the capital will be returned.

## KEY BENEFITS

- Autocall feature potentially shortens the investment term and is triggered by zero market growth.
- Snowballing Payment.
- Early maturity provides an opportunity to re-assess client's wealth strategy.
- Zero market growth needed to deliver enhanced returns.
- Daily pricing.

## KEY RISKS

- The return is limited to the pre-defined investment terms.
- The growth Payment is conditional upon the performance of the Underlying Indices.
- Investors will be exposed to the credit risk of the Issuer. If the Issuer becomes insolvent or cannot make the payments on the product for any other reason, investors could lose some or all of their investment. A decline in the Issuers credit quality is likely to reduce the market value of the product and therefore the price an investor may receive for the product if they were to sell them in the market.
- There is a risk to capital should any of the Underlying Indices breach the capital protection barrier on its Final Observation date.

**IDAD** was established in 2002 and our approach from the outset, is what we call the "*IDAD Difference*". The selection of the investments we offer is not decided in terms of profitability alone and when developing investment products, we favour evidence over dogma. We are happy to work with advisers and product providers alike to deliver a range of investment options to suit differing client wealth strategies. We're proud of our approach to business as well as the investments delivered as a result of the "*IDAD Difference*". We are committed to building upon our reputation for bringing benefits to all involved in the investment process, but most importantly to the clients.

PRODUCT FACTS & FEATURES	
<b>Issuer:</b>	BNP Paribas Issuance B.V.
<b>Guarantor:</b>	BNP Paribas
<b>Credit Ratings:</b>	Fitch AA-, Moody's Aa3, S&P A+
	<b>Source:</b> Bloomberg 15.06.2020
<b>Maximum Term:</b>	5 years
<b>Investment Structure:</b>	Classic Autocall
<b>Autocall opportunities:</b>	Annually First observation at 12 months
<b>Autocall Trigger:</b>	100% of Initial Level
<b>Payment:</b>	GBP = 10.15% Annually
<b>Issue Price:</b>	100%
<b>Capital Risk:</b>	Not capital protected
<b>Capital Protection Barrier:</b>	60% Final level (Observed at maturity only)
<b>Underlying Indices:</b>	<b>Initial Level</b> UK: FTSE 100 TBC US: S&P 500 TBC

## KEY DATES

<b>ISIN:</b>	GBP = XS2141466818
<b>Subscription Period:</b>	19 June 2020 - 14 August 2020
<b>Strike Date:</b>	14 August 2020
<b>Issue Date:</b>	28 August 2020
<b>1st Autocall Observation:</b>	16 August 2021
<b>Final Observation:</b>	14 August 2025
<b>Maturity Payment Date:</b>	21 August 2025
<b>Denominations:</b>	Lots of £1
<b>Minimum Investment:</b>	£1,000

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**BNP Paribas SA** attracts deposits and offers commercial, retail, investment, and private and corporate banking services. The Bank also provides asset management and investment advisory services to institutions and individuals in Europe, the United States, Asia, and the emerging markets.

Source: Bloomberg 15.06.2020



### SUITABILITY

This product may be suitable for investors who:

- Are seeking the opportunity for higher returns than current cash rates at the time this product was launched.
- Are seeking growth rather than income.
- Understand and accept there is a risk to capital and how the Capital Protection Barrier works.
- Understand the impact of global economic issues and how they will affect the product.
- Understand the criteria which will determine the Payments.
- Are looking to invest for the medium to long term, being happy to remain invested until maturity.
- Can afford to have their cash invested for the full term of the product.
- Wish to use this investment as part of a well-diversified portfolio.
- Understand that the returns are pre-defined and that they will forgo any growth in the Underlying Indices which exceeds the fixed level available with this investment product.
- Understand the risk to capital in the event of a Issuer default.
- Should they need to sell their investment before maturity, accept that the trading price will likely mean they get back less than they invested.

### RATIONALE

Structured products are becoming increasingly popular for investors due to the wide variety of payoffs and levels of protection that can be achieved by the different types of structures that are available.

Autocalls have been one of the most popular structures over the years. With a classic autocall, returns are paid if the Underlying Indices are at or above the autocall trigger on an observation date.

The Underlying Indices have been selected in order to support the anticipated delivery of the Payments.

The autocall payoff can bring an early return of capital allowing the opportunity for a re-assessment of investment strategy. The value of this feature cannot be underestimated as it brings with it the opportunity to secure capital value, as well as the chance to take advantage of future market trends.

To manage the capital risk, a final level barrier set at 60% means an Underlying must fall by more than 40% over 5 years before capital is at risk.

#### Secondary Market

The Issuer will endeavour to provide quotes under normal market conditions for trading purposes upon request, subject to a Bid-Offer spread of 1%. On the secondary market, traded prices will include any accrued interest (dirty prices).

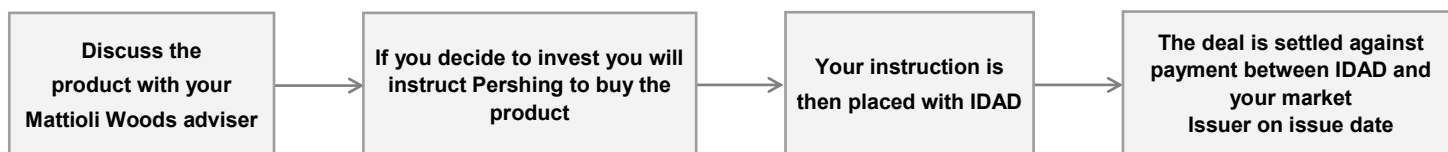
Sale trades will settle 2 days after the trade date.

Trade orders should be sent to [orders@idad.com](mailto:orders@idad.com).

All trades will be settled direct with IDAD's Euroclear a/c 44382

### HOW TO INVEST

This product can be traded using Pershing, your chosen custodian that has permissions to trade and settle the product on your behalf. These can range from Pension Providers, Private Banks and Trading Platforms. This should be discussed with your adviser.



Please note that your cash will be in your account with Pershing until the issue date. Settlement then takes place delivery versus payment where the cash will leave your custody account and you will receive your investment holding into your custody account.

### FEES AND CHARGES

IDAD will receive a fee from the Issuer for arranging this product. The charge has been fully accounted for in the calculation of the product's structure and is not expected to exceed 1.0%. Therefore this means that an investment of £10,000 will generate income based on £10,000.

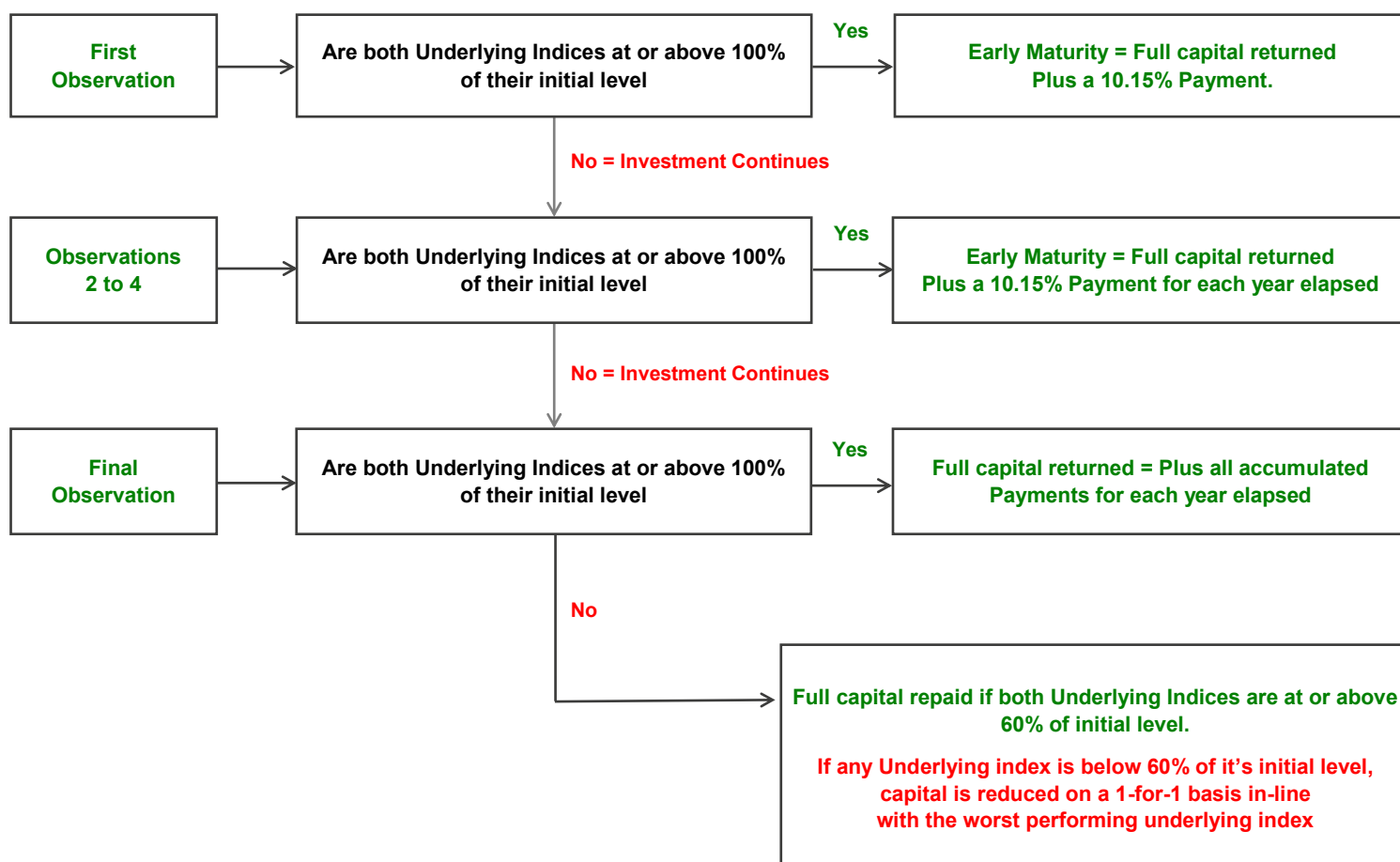
There may be separate fees charged by your Financial Adviser and your chosen market Issuer. You should discuss this further with them.



**OBSERVATION DATES** (Some observations may vary if a bank holiday occurs)

Observation	Observation Date	Early Redemption Date	Early Redemption Value
1	16 August 2021	23 August 2021	110.15%
2	15 August 2022	22 August 2022	120.30%
3	14 August 2023	21 August 2023	130.45%
4	14 August 2024	21 August 2024	140.60%
5	14 August 2025	21 August 2025	150.75%

**HOW THE INVESTMENT WORKS**





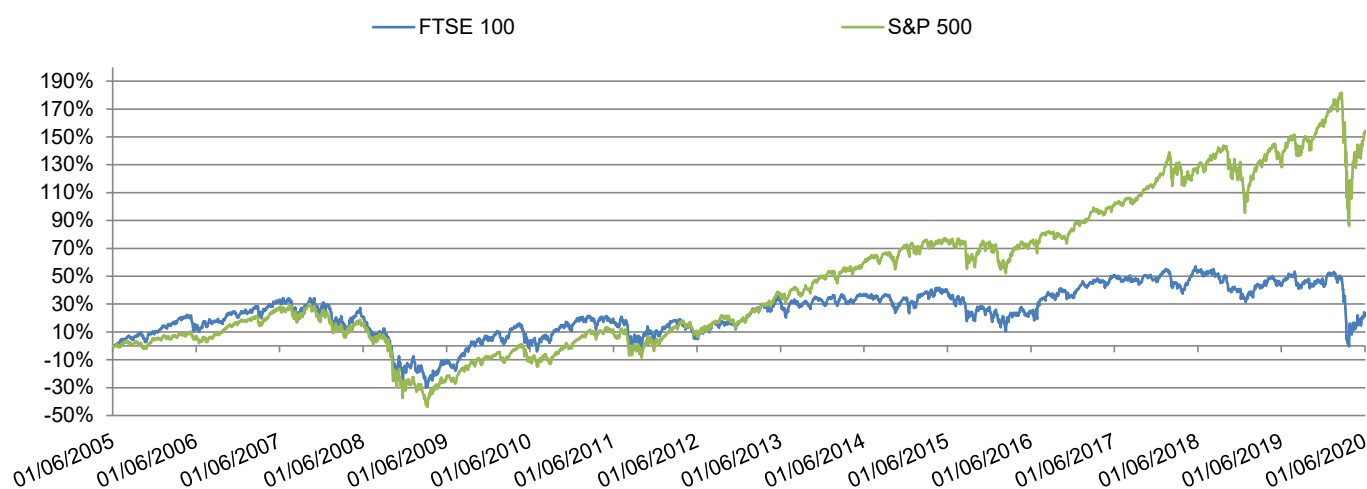
### THE UNDERLYING INDICES

The **FTSE 100 Index** is a capitalization-weighted index of the 100 most highly capitalized companies traded on the London Stock Exchange. The equities use an investibility weighting in the index calculation. The index was developed with a base level of 1000 as of December 30, 1983.

The **S&P 500** is widely regarded as the best single gauge of large-cap U.S. equities and serves as the foundation for a wide range of investment products. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

Source: Bloomberg 15.06.2020

### MOVEMENT IN THE UNDERLYING INDICES OVER A 15 YEAR PERIOD



### 15 YEAR BACK-TESTING

Back-testing shows how the investment would have performed historically using data from previous potential strike dates and observations. Although past performance is not an indication of future performance, it can give a factual insight into how the investment would have performed historically.

This 15 year back-test shows the historical data for a full 10 years of 5 year products that could reach the full term.

Of the 2,501 scenarios tested, 89.68% would have autocalled paying all Payments. 10.32% would reach the full term without autocalling and none of these would have breached the 60% final level barrier.

Autocall Test	Autocalled	%
12 Months	1,553	62.10%
24 Months	399	15.95%
36 Months	143	5.72%
48 Months	64	2.56%
60 Months	84	3.36%

Total Number Tested	% Autocalled	% Not Autocalled	% That Returned Full Capital	% Barrier Breach	Average Historic Return GBP
2501	89.68%	10.32%	100%	0.00%	9.10% p.a.

Factsheet Past performance is not a reliable indicator of future performance and should not be used to assess the future returns or risks

Source: Bloomberg 15.06.2020, Data period: 01.06.2005 to 01.06.2020



### RISKS

All investments carry risk. Prior to investing in one of our structured products you need to make sure you fully understand the risks you are taking and accept the level of risk offered by the plan.

Having read over the product factsheet and these risks, if there are any areas that you are still unsure about, please consult with your financial adviser who will be able to help you.

#### Issuer Risk

Your money is being used as a form of loan via the Issuer in exchange for the returns offered by the structured product. The Issuer is legally committed to honour the terms of the plan. It is possible that the Issuer may go bankrupt or default on their payment.

#### Market Risk

Underlying Index performance may be volatile and subject to unpredictable changes over the investment term. The value of your investment is affected by movements in the price of this index and a fall may result in you not receiving any returns, and/or the loss of some or all of your capital. Your investment does not directly invest in the Underlying indices therefore you are not eligible for dividends or voting rights.

#### Early Redemption Risk

You should be prepared to hold any plan until maturity. It may be possible for you to sell this investment back to the Issuer early; however, they are not obliged to buy it and may stop such purchases at any time without notice. IDAD has no control over this: we act as your settlement agent. If you sell the investment early you may not get back what you initially invested.

#### Market Disruption Events

It is possible that a market disruption event might occur, such as trading disruption, changes to the index, changes to index providers or changes in tax legislation. In these circumstances, the Issuer has the right to determine whether any adjustments to the terms of a plan are required. These adjustments may include, but are not limited to: adjustments to the opening or final level of the index, postponing observation dates and substitution of an index. The Issuer is required to act in good faith when making these adjustments.

#### Reinvestment Risk

To invest in a structured product, you need to loan your capital to the Issuer for a set length of time. During this period, a rise or fall in interest rates may present other investment opportunities with a greater yield. You may be able to sell this product back to the Issuer if this situation does occur, however, the price the Issuer offer you may be less than you originally paid.

#### Inflation Risk

The value of your initial capital and any returns you may receive are not linked to inflation. If inflation is high over the term of the product, your purchasing power may decrease and so the real return could be low or negative.

#### Taxation Risk

Tax legislation may change during the life of the investment. The tax treatment depends on the individual circumstances of each client and is subject to change. IDAD does not provide tax advice and you should seek independent tax advice if in doubt. It is our current understanding that the returns on this note will be subject to capital gains tax. Further information about tax in the UK is available from the government website: [www.gov.uk](http://www.gov.uk).

#### FSCS Protection

This product offers no FSCS protection.



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