

Natixis

Quarterly Memory Income Autocall January 2019

Factsheet



INVESTMENT DESCRIPTION

A 6 year investment linked to the performance of the European, American, Taiwanese and Australian Indices.

If on any of the quarterly observation dates, including the Final Observation date, the closing levels of all the Underlyings are at or above 80% of their initial levels, the income will be paid plus any previously missed income payments

This investment will autocall and mature early if all Underlyings are equal to or above the relevant Autocall Trigger on any quarterly observation date starting at 6 months. If early maturity occurs, full capital is returned and the investment will end. If early maturity does not occur the investment will continue to the Final Observation date.

At the Final Observation date, if all Underlyings are at or above 60% of their initial levels, then full capital is returned. If any Underlying is below 60% of its original level, capital return will be reduced on a 1-for-1 basis. For example if the worst performing Underlying has fallen to 40% of its original level, 40% of the capital will be returned.

BENEFITS

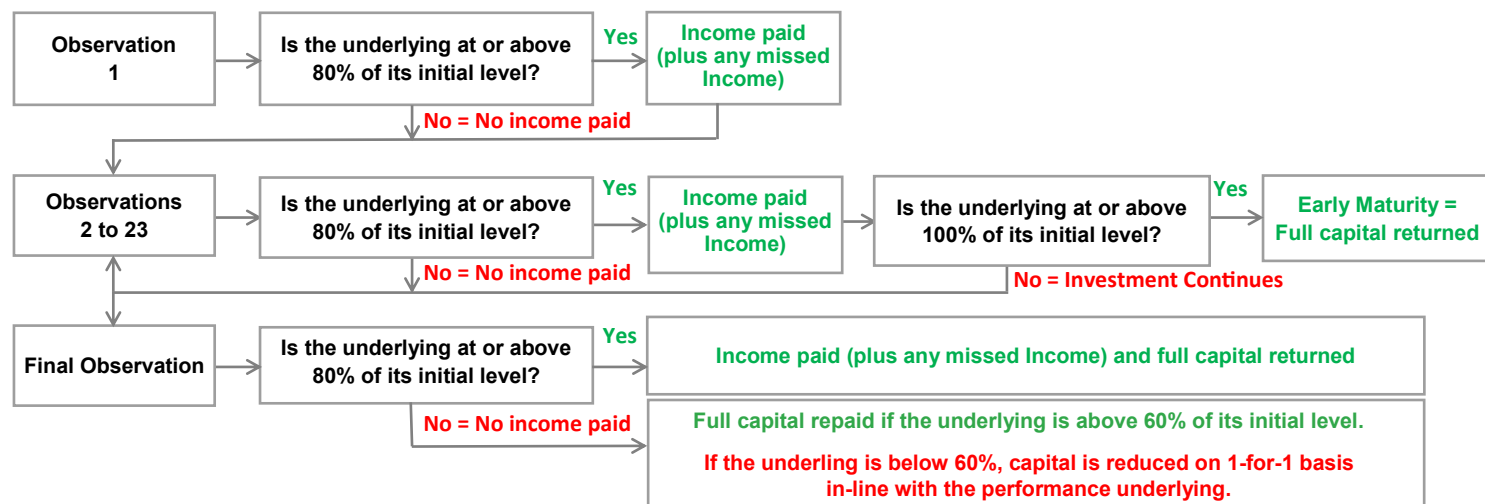
Opportunity for regular income payments even where the Underlyings shows significant falls.

- A memory feature, whereby income previously unpaid, will be included when the income trigger is next activated.
- Autocall feature potentially shortens the investment term and is triggered by minimal growth.
- Early maturity provides an opportunity to re-assess client's wealth strategy.
- Daily pricing.

RISKS

- The return is limited to the pre-defined investment terms.
- The income payment is conditional upon the Underlying performance.
- 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 one of the Underlyings breach the capital protection barrier on its Final Observation Date.
- Should investors need to sell their investment before maturity, the trading price will likely mean they get back less than they invested.

HOW THE INVESTMENT WORKS



PRODUCT FACTS & FEATURES

Issuer and Counterparty:	Natixis
Credit Ratings:	Fitch A, Moody's A1, S&P A+
	Source: Bloomberg 29.11.2018
Maximum Term:	6 years
Investment Structure:	Quarterly Memory Income Autocall Quarterly
Autocall Opportunities:	(First observation at 6 months)
Autocall Trigger:	100% of initial level
Memory Income Rate:	GBP = 1.50% Quarterly USD = 2.275% Quarterly
Income Trigger:	80% of initial level
Capital Risk:	Not capital protected
Capital Protection Barrier:	60% Final level (European style)
Underlying Basket	Bloomberg Code
Europe: Eurostoxx 50	SX5E Index
US: Russell 2000	RTY Index
Taiwan: TWSE	TWSE Index
Australia: ASX 200	AS51 Index

KEY INFORMATION

Subscription Period:	30 Nov 2018 – 21 Jan 2019 (4.30pm UK Time)
Issue Price:	100%
Strike Date:	22 January 2019
Issue Date:	29 January 2019
1st Coupon Observation:	23 April 2019
1st Autocall Observation:	22 July 2019
Final Observation:	22 January 2025
Maturity Date:	29 January 2025
Denominations:	1,000 then lots of 1,000
ISIN:	GBP = XS1815486573 USD = XS1815486656

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Observation Dates (some dates may vary if a bank holiday occurs.)

	Observation Date	Payment Date	Income Trigger	Autocall Trigger
Observation 1	23 April 2019	30 April 2019	80%	n/a
Observation 2	22 July 2019	29 July 2019	80%	100%
Observation 3	22 October 2019	29 October 2019	80%	100%
Observation 4	22 January 2020	29 January 2020	80%	100%
Observation 5	22 April 2020	29 April 2020	80%	100%
Observation 6	22 July 2020	29 July 2020	80%	100%
Observation 7	22 October 2020	29 October 2020	80%	100%
Observation 8	22 January 2021	29 January 2021	80%	100%
Observation 9	22 April 2021	29 April 2021	80%	100%
Observation 10	22 July 2021	29 July 2021	80%	100%
Observation 11	22 October 2021	29 October 2021	80%	100%
Observation 12	24 January 2022	31 January 2022	80%	100%
Observation 13	22 April 2022	29 April 2022	80%	100%
Observation 14	22 July 2022	29 July 2022	80%	100%
Observation 15	22 October 2022	01 November 2022	80%	100%
Observation 16	22 January 2023	01 February 2023	80%	100%
Observation 17	24 April 2023	02 May 2023	80%	100%
Observation 18	24 July 2023	31 July 2023	80%	100%
Observation 19	23 October 2023	30 October 2023	80%	100%
Observation 20	22 January 2024	29 January 2024	80%	100%
Observation 21	22 April 2024	29 April 2024	80%	100%
Observation 22	22 July 2024	29 July 2024	80%	100%
Observation 23	22 October 2024	29 October 2024	80%	100%
Final Observation	22 January 2025	29 January 2025	80%	60% European Barrier

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Natixis: Natixis SA offers corporate, investment and financial services. The Bank services companies, financial institutions and institutional investors. Natixis offers wholesale banking in the form of advising and financing, investment solutions in the form of asset management, insurance, private banking and private equity, as well as other specialised financial services. **Source:** Bloomberg 29.11.2018

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.

The opportunity for an income stream can be of key importance to investors as part of their wealth planning. The probability of an income payment being triggered is increased with this investment as an Underlying needs to show a fall of 20% from its initial level on any observation date before the income stream is disrupted.

The investment also benefits from a memory feature so that if any income payments have missed being paid, they will catch-up the next time all Underlyings are above 80% of their initial levels on an observation date.

These four Underlyings have been selected in order to support the anticipated delivery of that income.

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 6 years before capital is at risk.

Secondary Market

The Issuing bank 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.biz

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

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 income rather than growth.
- 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 income 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 which exceeds the fixed level available with this investment product.
- Understand the risk to capital in the event of a counterparty default.
- Should they need to sell their investment, accept that the trading price will likely mean they get back less than they invested.
- Appreciate that income payments are conditional but understand that the memory feature can deliver previously missed income payments.

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THE UNDERLYING

The **TWSE, or TAIEX**, Index is capitalization-weighted index of all listed common shares traded on the Taiwan Stock Exchange. The index has a base value of 100 based on its 1966 level. The index is also known as the TSEC Index.

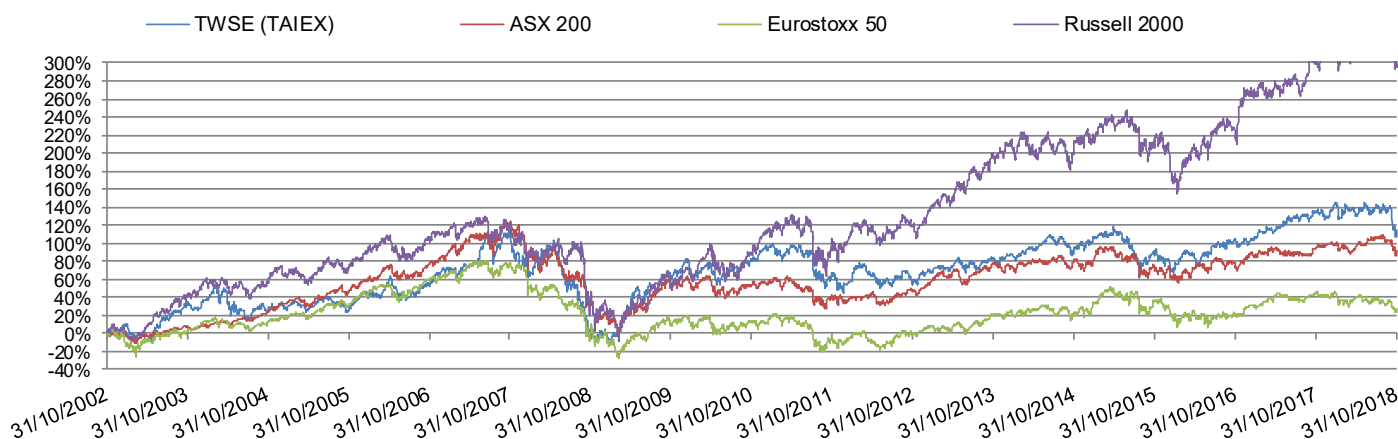
The **S&P/ASX 200** measures the performance of the 200 largest index-eligible stocks listed on the ASX by float-adjusted market capitalization. Representative liquid and tradable, it is widely considered Australia's preeminent benchmark index.

The **Eurostoxx 50 (SX5E)** Europe's leading blue-chip index for the Eurozone, provides a blue-chip representation of super sector leaders in the Eurozone. The index covers 50 stocks from 12 Eurozone countries and is licensed to financial institutions to serve as an underlying for a wide range of investment products.

The **Russell 2000 Index** is comprised of the smallest 2000 companies in the Russell 3000 Index, representing approximately 8% of the Russell 3000 total market capitalization. The index was developed with a base value of 135.00 as of December 31, 1986

Source: Bloomberg 29.11.2018

MOVEMENT IN THE UNDERLYING OVER THE PAST 16 YEARS



16 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 16 year back-test shows the historical data for a full 10 years of 6 year products that could reach the full term.

Of the 2,501 scenarios tested, 14.71% would reach the full term without autocalling and 1.04% would have breached the 60% final level barrier.

Every coupon observation has also been tested, and out of all 2,501 scenarios tested, 74.02% of coupons would have been paid thanks to the Memory feature.

Autocall Test	Autocalled	%	Autocall Test	Autocalled	%	Autocall Test	Autocalled	%	Autocall Test	Autocalled	%
6 Months	1,237	49.46%	24 Months	25	1.00%	42 Months	47	1.88%	60 Months	0	0.00%
9 Months	356	14.23%	27 Months	8	0.32%	45 Months	27	1.08%	63 Months	4	0.16%
12 Months	99	3.96%	30 Months	16	0.64%	48 Months	24	0.96%	66 Months	4	0.16%
15 Months	75	3.00%	33 Months	33	1.32%	51 Months	0	0.00%	69 Months	14	0.56%
18 Months	44	1.76%	36 Months	60	2.40%	54 Months	0	0.00%	—	—	—
21 Months	16	0.64%	39 Months	44	1.76%	57 Months	0	0.00%	—	—	—

Total Number Tested	% Matured Early	% To Reach Final Date	% That Returned Full Capital	% Barrier Breach	% Of Coupons Paid	Average Historic Return USD	Average Historic Return GBP
2501	85.29%	14.71%	98.96%	1.04%	74.02%	8.34% p.a.	5.47% p.a.

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

Source: Bloomberg 29.11.2018, Data period: 31.10.2002 to 31.10.2018 - Assumptions shown are net of any initial fees or costs and describe the potential historic return that a client would have received based on the terms of this Product.



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Fees of up to 1.25% p.a. for the maximum term of the investment may be paid by the Issuer to cover marketing, distribution and advice costs. The fees have been fully accounted for in the calculation of the Product's structure. For example, this means that an investment of £10,000 will have any income/growth payments and capital protection based on the full £10,000.

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