

# Natixis

## Quarterly High Yield Autocall May 2020

### Factsheet



#### Investment Description

A 6 year investment linked to the performance of the European, Spanish, Australian and Taiwanese indices.

If on any quarterly observation date (including the Final Observation date), starting at 3 months, all of the Underlyings are at or above the Autocall Trigger, the investment will autocall. Initial capital plus the coupon for each quarterly period which has elapsed is paid and the investment will end.

If the investment does not autocall then at the Final Observation date, if all Underlyings are at or above 60% of their initial levels, full capital is returned.

If any Underlying is below 60% of its original level on the Final Observation date, 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

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

#### Risks

- The return is limited to the pre-defined investment terms.
- The coupon 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.
- Should investors need to sell their investment before maturity, the trading price will likely mean they get back less than they invested.

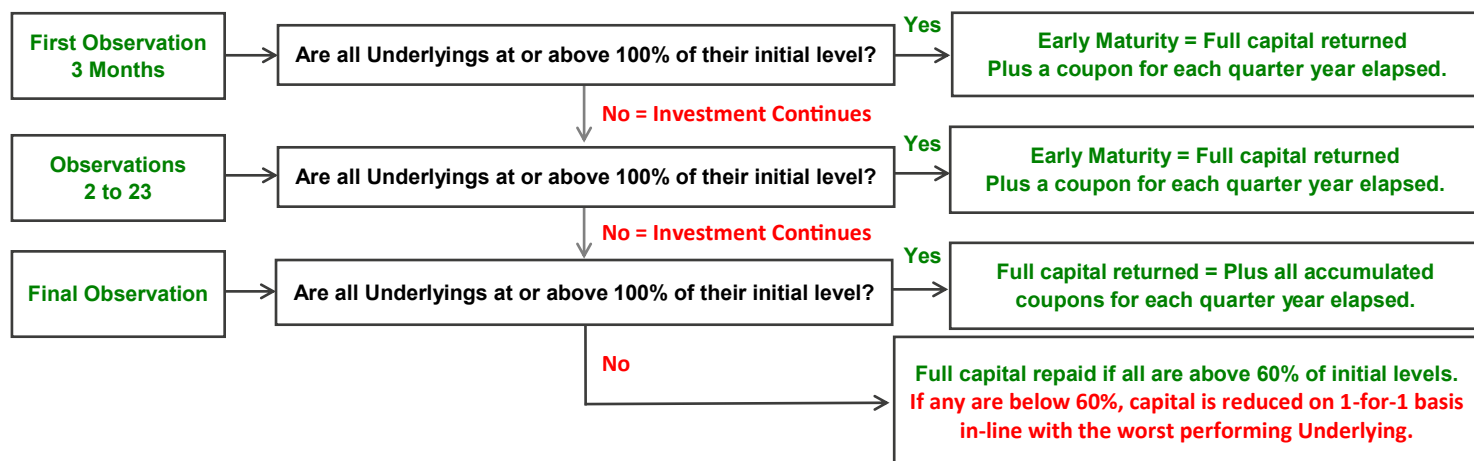
#### Product Facts & Features

<b>Issuer:</b>	Natixis
<b>Credit Ratings:</b>	Fitch: A+, Moody's: A1, S&P: A+
	<b>Source:</b> Bloomberg 23.04.2020
<b>Maximum Term:</b>	6 years
<b>Investment Structure:</b>	Quarterly Classic Autocall
<b>Autocall Opportunities:</b>	Quarterly (First Observation at 3 months)
<b>Autocall Trigger:</b>	100% of initial level
<b>Coupon Rate:</b>	GBP = 3.50% Quarterly (14% p.a.) USD = 4.50% Quarterly (18% p.a.)
<b>Capital Risk:</b>	Not capital protected
<b>Capital Protection Barrier:</b>	60% Final level (European style)
<b>Underlying Basket</b>	<b>Bloomberg Code</b>
Europe: Eurostoxx 50	SX5E Index
Spanish: IBEX 35	IBEX Index
Australia: ASX 200	AS51 Index
Taiwan: MSCI Taiwan	TAMSCI Index

#### Key Information

<b>Subscription Period:</b>	23 April 2020 – 27 May 2020 (4.30pm UK Time)
<b>Issue Price:</b>	100%
<b>Strike Date:</b>	28 May 2020
<b>Issue Date:</b>	04 June 2020
<b>1st Autocall Observation:</b>	28 August 2020
<b>Final Observation:</b>	28 May 2026
<b>Maturity Date:</b>	04 June 2026
<b>Denominations:</b>	1,000 then lots of 1
<b>ISIN:</b>	GBP = XS1939105992 USD = XS1939105729

#### How The Investment Works



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#### Observation Dates (some dates may vary if a bank holiday occurs, GBP dates are shown below)

	Observation Date	Payment Date	Autocall Trigger
Observation 1	28 August 2020	07 September 2020	100%
Observation 2	30 November 2020	07 December 2020	100%
Observation 3	01 March 2021	08 March 2021	100%
Observation 4	28 May 2021	07 June 2021	100%
Observation 5	30 August 2021	07 September 2021	100%
Observation 6	29 November 2021	06 December 2021	100%
Observation 7	28 February 2022	07 March 2022	100%
Observation 8	30 May 2022	07 June 2022	100%
Observation 9	29 August 2022	06 September 2022	100%
Observation 10	28 November 2022	05 December 2022	100%
Observation 11	28 February 2023	07 March 2023	100%
Observation 12	29 May 2023	06 June 2023	100%
Observation 13	28 August 2023	05 September 2023	100%
Observation 14	28 November 2023	05 December 2023	100%
Observation 15	28 February 2024	06 March 2024	100%
Observation 16	28 May 2024	04 June 2024	100%
Observation 17	28 August 2024	04 September 2024	100%
Observation 18	28 November 2024	05 December 2024	100%
Observation 19	28 February 2025	07 March 2025	100%
Observation 20	28 May 2025	04 June 2025	100%
Observation 21	28 August 2025	04 September 2025	100%
Observation 22	28 November 2025	05 December 2025	100%
Observation 23	02 March 2026	09 March 2026	100%
Final Observation	28 May 2026	04 June 2026	100%
Final Observation	28 May 2026	04 June 2026	60% European Barrier

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Natixis S.A. 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 specialized financial services.

Source: Bloomberg 23.04.2020

#### 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 all Underlyings are at or above the autocall trigger on an observation date.

The four Underlyings detailed overleaf have been selected in order to support the anticipated delivery of the coupons.

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.

#### 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 coupon 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 Underlyings 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 before maturity, accept that the trading price will likely mean they get back less than they invested.

#### 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.com](mailto:orders@idad.com)

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



### The Underlyings

The **EURO STOXX 50 Index**, Europe's leading blue-chip index for the Eurozone, provides a blue-chip representation of supersector leaders in the region. The index covers 50 stocks from 11 eurozone countries. The index is licensed to financial institutions to serve as an underlying for a wide range of investment products such as exchange-traded funds (ETFs), futures, options and structured products.

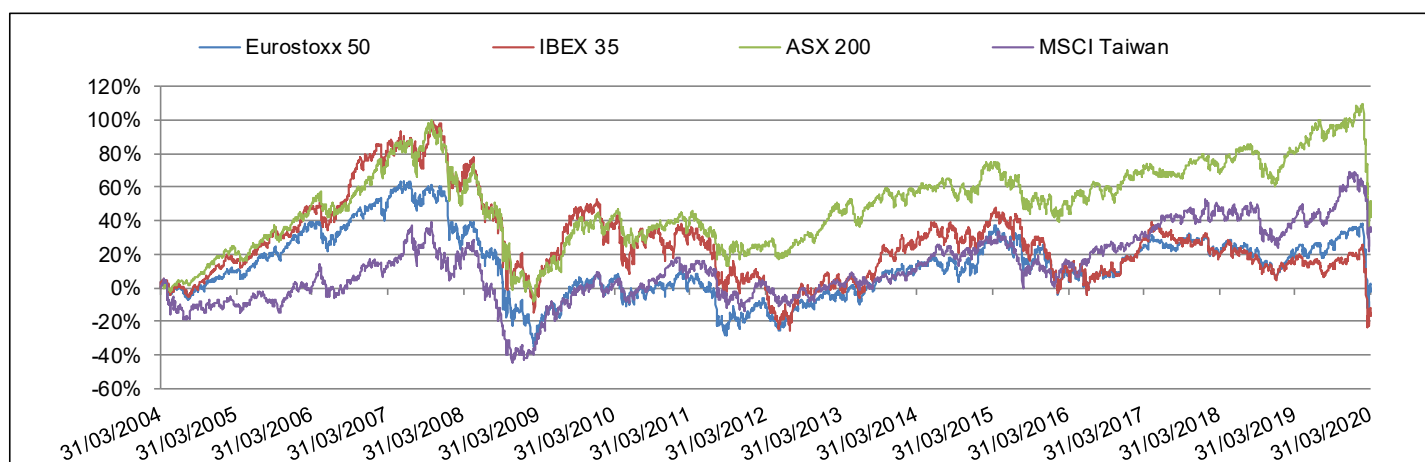
The **IBEX 35** is the official index of the Spanish Continuous Exchange. The index is comprised of the 35 most liquid stocks traded on the Continuous market. It is calculated, supervised and published by the Sociedad de Bolsas. The equities use free float shares in the index calculation. The index was created with a base level of 3000 as of December 29, 1989.

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 index is float-adjusted. The index was launched in April 2000.

The **MSCI Taiwan Index** is a free-float weighted equity index. It was developed with a base value of 100 as of December 31 1987.

Source: Bloomberg 23.04.2020

### Movement in the Underlyings over the last 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, 83.09% would have autocalled paying all coupons. 16.91% would reach the full term without autocalling and 3.64% would have breached the 60% final level barrier.

Autocall Test	Autocalled	%	Autocall Test	Autocalled	%	Autocall Test	Autocalled	%	Autocall Test	Autocalled	%
3 Months	1,044	41.74%	21 Months	28	1.12%	39 Months	47	1.88%	57 Months	2	0.08%
6 Months	384	15.35%	24 Months	41	1.64%	42 Months	42	1.68%	60 Months	28	1.12%
9 Months	183	7.32%	27 Months	16	0.64%	45 Months	22	0.88%	63 Months	5	0.20%
12 Months	60	2.40%	30 Months	14	0.56%	48 Months	27	1.08%	66 Months	0	0.00%
15 Months	28	1.12%	33 Months	24	0.96%	51 Months	19	0.76%	69 Months	0	0.00%
18 Months	29	1.16%	36 Months	25	1.00%	54 Months	10	0.40%	72 Months	0	0.00%

Total Number Tested	% Autocalled	% Not Autocalled	% That Returned Full Capital	% Barrier Breach	Average Historic Return GBP	Average Historic Return USD
2501	83.09%	16.91%	96.36%	3.64%	11.63% p.a.	14.96% 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 23.04.2020, Data period: 31.03.2004 to 31.03.2020 - 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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