



## INVESTMENT DESCRIPTION

A 6 year investment linked to the performance of the SPDR S&P Oil & Gas Exploration & Production ETF.

If on any of the quarterly observation dates, including the Final Observation, the closing level of the Underlying is at or above 60% of its initial level, the income will be paid plus any previously missed income payments.

This investment will autocall and mature early if the Underlying is equal to or above the Autocall Trigger on any quarterly observation date starting at 12 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 the Underlying is at or above 60% of its initial level, then full capital is returned. If the Underlying is below 60% of its original level, capital return will be reduced on a 1-for-1 basis. For example if the Underlying has fallen to 40% of its original level, 40% of the capital will be returned.

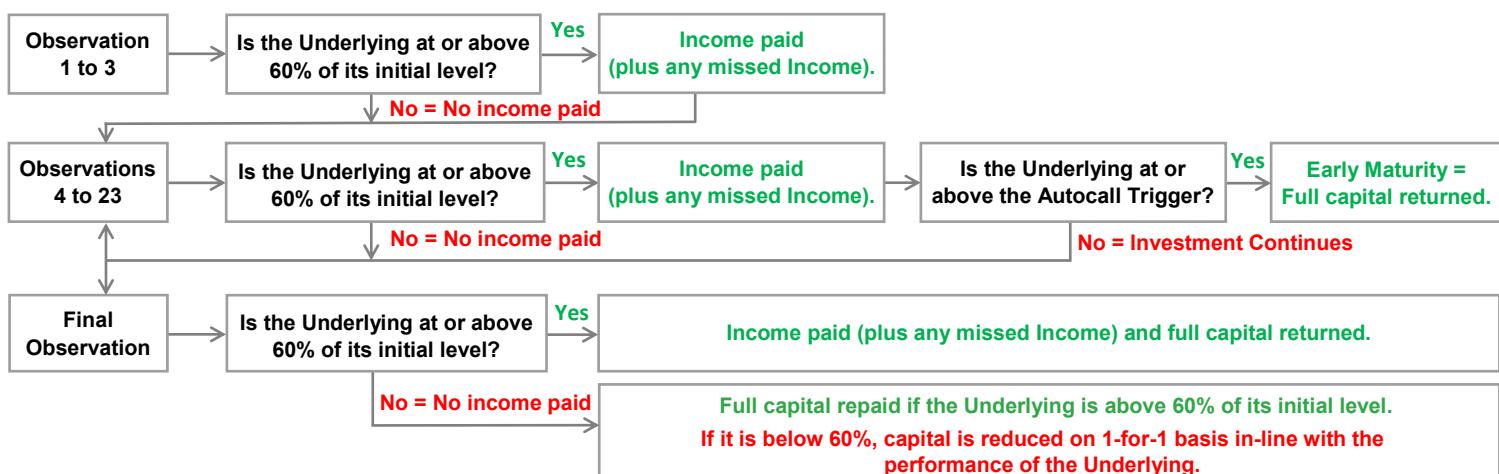
## BENEFITS

- Opportunity for regular income payments even where the Underlying 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.
- 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.
- There is a risk to capital should the Underlying breach the Capital Protection Barrier on its Final Observation date.
- 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 Issuer's 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 they need to sell their investment, accept that the trading price will likely mean they get back less than they invested.

## HOW THE INVESTMENT WORKS



## Product Facts & Features

Issuer:	BBVA
Credit Ratings:	Fitch A, Moody's A3, S&P A
Source:	BBVA 12.11.2020
Maximum Term:	6 years
Investment Structure:	Memory Income Autocall
Autocall opportunities:	Quarterly (First Observation at 12 months)
Autocall Trigger:	100% of initial level
Memory Income Rate:	GBP = 1.75% Quarterly (7.00% p.a.) USD = 2.00% Quarterly (8.00% p.a.) EUR = 1.70% Quarterly (6.80% p.a.)
Income Trigger:	60% of initial level
Capital Risk:	Not capital protected
Capital Protection Barrier:	60% Final level (European style)
Underlying:	SPDR S&P Oil & Gas Exploration & Production ETF
Bloomberg Code:	XOP UP Equity

## Key Information

Subscription Period:	12 Nov 2020 - 08 Dec 2020 (4.30pm UK Time)
Issue Price:	100%
Strike Date:	09 December 2020
Issue Date:	16 December 2020
1st Coupon Observation:	09 March 2021
1st Autocall Observation:	09 December 2021
Final Observation:	09 December 2026
Maturity Date:	16 December 2026
Denominations:	GBP = 1,000 then lots of 1,000 USD = 2,000 then lots of 1,000 EUR = 1,000 then lots of 1,000
ISIN:	GBP = XS2190715156 USD = XS2190715230 EUR = XS2190715313



## THE UNDERLYING

SPDR S&P Oil & Gas Exploration & Production ETF is an exchange-traded fund incorporated in the USA. The Fund's objective is to replicate as closely as possible the S&P Oil & Gas Exploration & Production Select Industry Index, an equal-weighted index.

Details of the tracked index can be found at <https://us.spindices.com/> or [Click Here](#).

Source: Bloomberg 12.11.2020

## OBSERVATION DATES (some dates may vary if a bank holiday or non-business day occurs, GBP dates are shown below)

	Observation Date	Payment Date	Income Trigger	Autocall Trigger
<b>Observation 1</b>	09 March 2021	16 March 2021	60%	n/a
<b>Observation 2</b>	09 June 2021	16 June 2021	60%	n/a
<b>Observation 3</b>	09 September 2021	16 September 2021	60%	n/a
<b>Observation 4</b>	09 December 2021	16 December 2021	60%	100%
<b>Observation 5</b>	09 March 2022	16 March 2022	60%	100%
<b>Observation 6</b>	09 June 2022	16 June 2022	60%	100%
<b>Observation 7</b>	09 September 2022	16 September 2022	60%	100%
<b>Observation 8</b>	09 December 2022	16 December 2022	60%	100%
<b>Observation 9</b>	09 March 2023	16 March 2023	60%	100%
<b>Observation 10</b>	09 June 2023	16 June 2023	60%	100%
<b>Observation 11</b>	11 September 2023	18 September 2023	60%	100%
<b>Observation 12</b>	11 December 2023	18 December 2023	60%	100%
<b>Observation 13</b>	11 March 2024	18 March 2024	60%	100%
<b>Observation 14</b>	10 June 2024	17 June 2024	60%	100%
<b>Observation 15</b>	09 September 2024	16 September 2024	60%	100%
<b>Observation 16</b>	09 December 2024	16 December 2024	60%	100%
<b>Observation 17</b>	10 March 2025	17 March 2025	60%	100%
<b>Observation 18</b>	09 June 2025	16 June 2025	60%	100%
<b>Observation 19</b>	09 September 2025	16 September 2025	60%	100%
<b>Observation 20</b>	09 December 2025	16 December 2025	60%	100%
<b>Observation 21</b>	09 March 2026	16 March 2026	60%	100%
<b>Observation 22</b>	09 June 2026	16 June 2026	60%	100%
<b>Observation 23</b>	09 September 2026	16 September 2026	60%	100%
<b>Final Observation</b>	09 December 2026	16 December 2026	60%	60% European Barrier

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.

**BBVA:** Banco Bilbao Vizcaya Argentaria SA (BBVA) attracts deposits and offers retail, wholesale and investment banking services. The bank offers consumer and mortgage loans, private banking, asset management, insurance, mutual funds and securities brokerage services. It operates in Europe, Latin America, United States, China and Turkey.

Source: Bloomberg 12.11.2020

## 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.

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 the Underlying needs to show a fall of 40% 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 the Underlying is above 60% of their initial levels on an observation date.

The Underlying used in this Product has 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 the 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 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 before maturity, 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.

**Placing Trades**

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

**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.

Trading details as above.

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Fees of up to 0.8333% 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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**For further information please contact IDAD at:**

**2 Rotherbrook Court, Bedford Road, Petersfield, Hampshire. GU32 3QG**

**email: [enquiries@idad.com](mailto:enquiries@idad.com) telephone: +44(0)1730 776757 or visit our website [www.idad.com](http://www.idad.com)**