



INVESTMENT DESIGN AND DISTRIBUTION

PRIVATE  
WEALTH ▲  
MANAGEMENT

## FACTSHEET OCTOBER 2022

## DEVELOPED MARKET AUTOCALL

### INVESTMENT DESCRIPTION AND RATIONALE

This term-based buy and hold equity linked investment offers investors the opportunity to add a defensive slant to an equity portfolio. Defensive in two aspects, firstly because there is a large downside buffer in place before any capital would become at risk and secondly because no growth in the Underlying Indices is required in order for the investment to generate a return, thereby generating positive returns during periods of low growth in global equities. Additionally there is the possibility of receiving the capital invested back early in the event of an "autocall".

The return and the capital invested will be received both the Underlying Indices are equal to or above the Autocall Barrier on either the Interim or Final Observation Dates. The return has a feature which means that should it not be received in any period, but then a subsequent period it is received, any missed payments will be recouped at that point – this is called a "memory" feature.



**14 October 2022**  
CLOSING DATE

Furthermore, the capital is only at risk if there has been no autocall event and if, on the Final Observation Date, the worst performing index is below the Capital Protection Barrier, making this a defensive addition to a core long only equity portfolio linked to similar geographies, sectors and stocks.

Should a capital at risk event occur then the capital returned will be reduced on a 1-for-1 basis in line with the **average performance** of the Underlying Indices over the Investment Term.

### PLACING TRADES

For hard currency trades, custodians should be asked to settle directly with IDAD's Euroclear a/c 44382. For ZAR issuance please contact us directly for instructions depending on your preferred administration platform.

Trade orders should be sent to [orders@idad.com](mailto:orders@idad.com) to ensure IDAD note your interest in the investment.



### ADVISORY ONLY



#### PRODUCT FACTS & FEATURES

<b>Issuer:</b>	SG Issuer
<b>Guarantor:</b>	Société Générale <a href="#">click here</a> for information on them.
<b>Credit Ratings:</b>	Fitch A, Moody's A1, S&P A, sourced from Bloomberg (5/9/2022)
<b>Maximum Term:</b>	5 years
<b>Currency:</b>	USD
<b>Investment Structure:</b>	Worst of Index Autocall
<b>First Autocall Opportunity:</b>	From 36 months
<b>Capital Protection Barrier:</b>	<div style="width: 60%;">60%</div>
<b>Capital Risk:</b>	Capital protected unless Capital Protection Barrier is breached.
<b>Barrier Type:</b>	European (observed at maturity only)
<b>Autocall Barrier:</b>	<div style="width: 100%;">100%</div>
<b>Autocall Observation:</b>	Annually
<b>Coupon Level:</b>	<div style="width: 8.2%;">8.20% p.a.</div>
<b>Underlying Indices:</b>	UK: FTSE 100 (Bloomberg code - UKX) USA: S&P 500 (Bloomberg code - SPX)
<b>Fees:</b>	2.5% (excl. VAT) upfront to the Advice Providers for investment advice.  0.50% (excl. VAT) upfront to NFB Asset Management (Pty) Ltd, FSP No. 259962, for structuring.
<b>Advice Providers:</b>	NFB Private Wealth Management (Pty) Ltd. FSP No. 16300  NFB Private Wealth Management JHB (Pty) Ltd. FSP No. 49332

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## KEY INFORMATION

<b>Subscription Period:</b>	01 September - 14 October 2022
<b>Issue Price:</b>	100%
<b>Strike Date:</b>	27 October 2022
<b>Issue Date:</b>	10 November 2022
<b>Interim Observation Dates:</b>	27 October 2025, 27 October 2026
<b>Final Observation:</b>	27 October 2027
<b>Maturity Date:</b>	10 November 2027
<b>Denominations:</b>	1,000
<b>ISIN:</b>	XS2508039588



## SECONDARY MARKET

Although the investment is meant to be a part of the buy and hold strategy the Issuer will endeavour to provide quotes under normal market conditions for early redemption purposes upon request, subject to a Bid-Offer spread of 1%.

Investors should be aware that if they sell their investment before maturity, the trading price will likely mean they get back less than they invested, especially earlier in the investment term. In addition, a decline in the Issuers credit quality is likely to reduce the market value of the investment and therefore the price an investor may receive in the case of early redemption.

In the secondary market, traded prices will include any accrued interest. Sale trades will settle 2 days after the trade date.

## 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 a defensive yet growth oriented investment.
- 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 returns they may potentially receive.
- Can afford to have their cash invested for the full term of the investment and are happy to remain invested until maturity.
- 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 counterparty default.
- Accept that the trading price will likely mean they get back less than they invested, if they needed to sell the investment early.

## BENEFITS

- Exposure to some of the worlds best known and widely used indices.
- Defensive, nonlinear investment to reduce the risks in an equity portfolio, with large falls required before capital is at risk.
- This investment has the potential to generate a good return even where the Underlying Indices show minimal growth.
- A memory feature, to possibly recoup previously missed return opportunities and to increase the possible payout.
- Autocall feature potentially shortens the investment term and gives investors to ability to reassess portfolio allocations.

## RISKS

- The potential return is conditional on market performance and the maximum return is capped.
- The capital protection is conditional on market performance and capital is at risk if the worst performing index is below the Capital Protection Barrier on the Final Observation Date.
- Investors will be exposed to the senior unsecured credit risk of the Issuer. If the Issuer becomes insolvent or cannot make the payments, some or all of their investment could be lost.
- Early redemption by the investor could mean they get back less than they invested regardless of the performance of the Underlying Indices.



Investment Design and Distribution or IDAD for short 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 investor wealth strategies and are committed to building upon our reputation for bringing benefits to all involved in the investment process, but most importantly to the investors.

For further information please contact IDAD Africa at:  
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## UNDERLYING INDICES

## UK: FTSE 100

The FTSE 100 Index is a market-capitalisation weighted index of UK-listed blue chip companies. It measures the performance of the 100 largest companies traded on the London Stock Exchange that pass screening for size and liquidity.

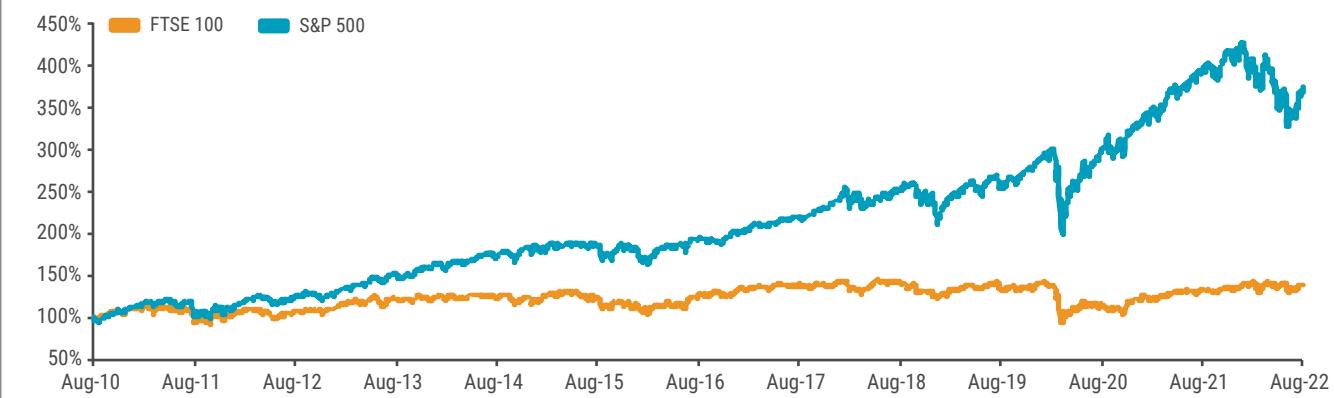
For the latest index provider factsheet [click here](#)

## USA: S&amp;P 500

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 capitalisation

For the latest index provider factsheet [click here](#)

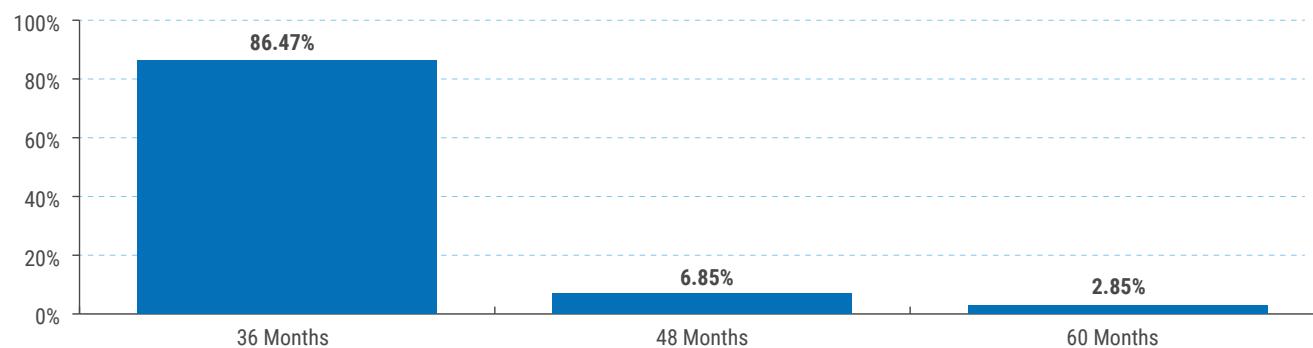
## HISTORICAL UNDERLYING INDICES PERFORMANCE\*



## BACK-TESTED RESULTS\*

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

## AUTOCALL OCCURRENCES



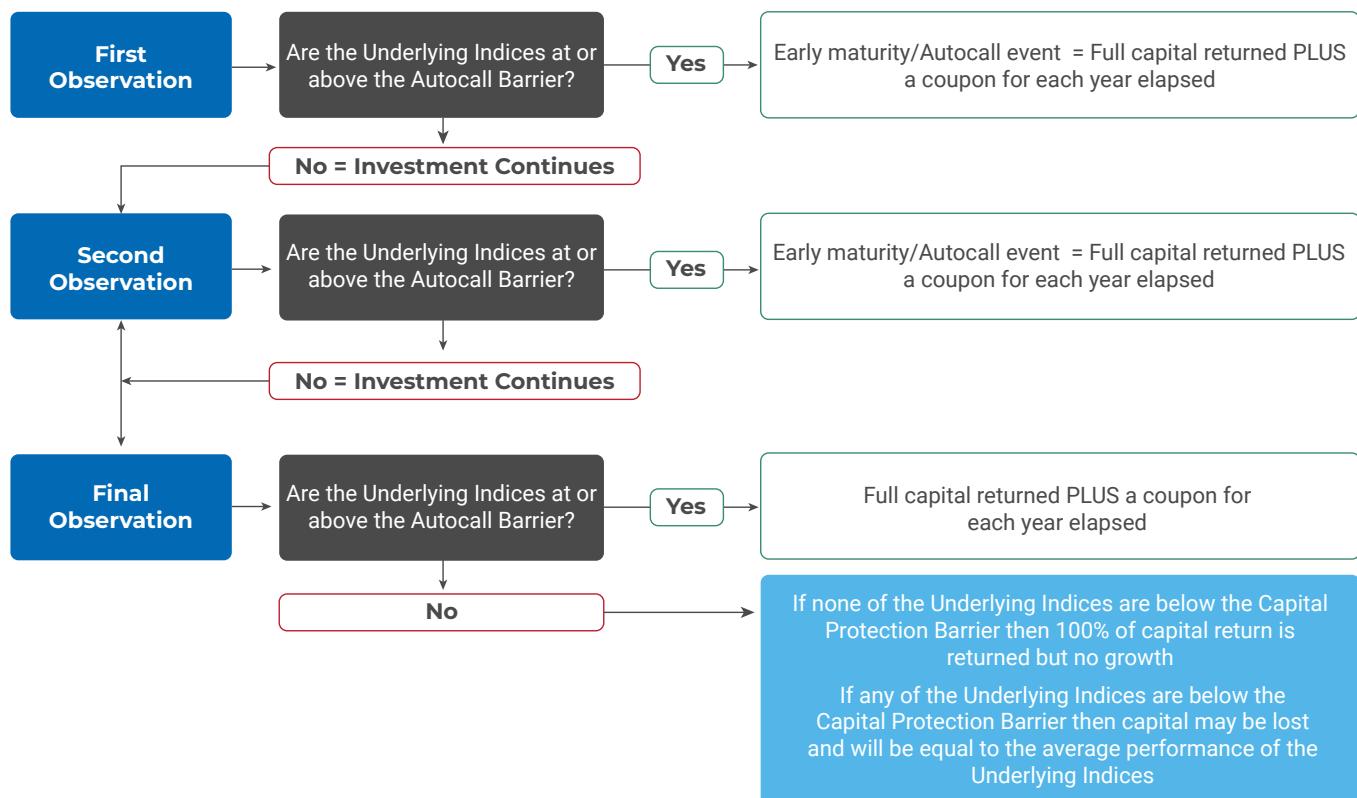
## OTHER STATISTICS

Total Number Tested	% Matured Early	% No Coupon Paid	% That Returned Full Capital	% Barrier Breach	Average Historic Return
1752	96.18%	3.82%	100%	0.00%	7.89%

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## AUTOCALL SCHEMATIC - HOW IT WORKS



## CAPITAL AT RISK EVENT EXPLAINED

The table below is an illustration of two scenarios that could present themselves on the Final Observation Date.

Scenario 1, despite the positive performance of the S&P 500, the FTSE 100 is negative and therefore no return would be payable. But because neither of the two indices are below the Capital Protection Barrier there is no capital loss event.

Scenario 2 and 3, because the FTSE 100 has finished below the Capital Protection Barrier there is a capital loss event. The loss would equal to the average performance of the Underlying Indices.

	Initial Investment	FTSE 100 Performance	S&P 500 Performance	Capital Loss Event	Underlying Basket	Return
Scenario 1	1 000 000	-35%	30%	No	-2.50%	1 000 000
Scenario 2	1 000 000	-55%	30%	Yes	-12.50%	875 000
Scenario 3	1 000 000	-55%	-30%	Yes	-42.50%	575 000

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## DATA\*

Data used and sourced covers the period August 2010 - August 2022. Index descriptors, past performance and issuer information has been taken from Bloomberg or the issuer or index/ETF providers websites directly at the time of production of this factsheet. Past performance is not a reliable indicator of future performance and should not be used to assess the future returns or risks. 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 investment.

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