

France Structured Products Performance report Oct 2020 – Oct 2021



SRP

12,967
products
(since 2004)

Expired: **7,758**

Live products: **5,200**

Outstanding Volume:
67.7bn EUR

- 5% capital guaranteed
- 5% partially protected
- 90% conditionally protected

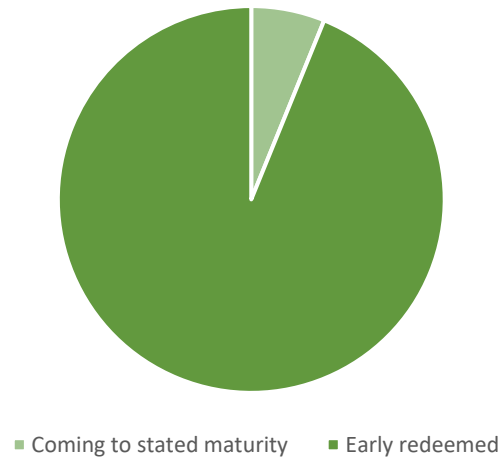
**Split by Issuance*

- 16% capital guaranteed
- 19% partially protected
- 65% conditionally protected

**Split by Volume*

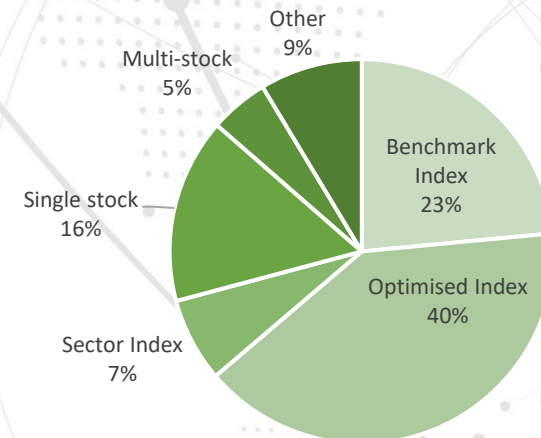
3k+ products analysed between Oct 2020 and Oct 2021

Maturities breakdown (by number of products)



1,887 products matured or expired early

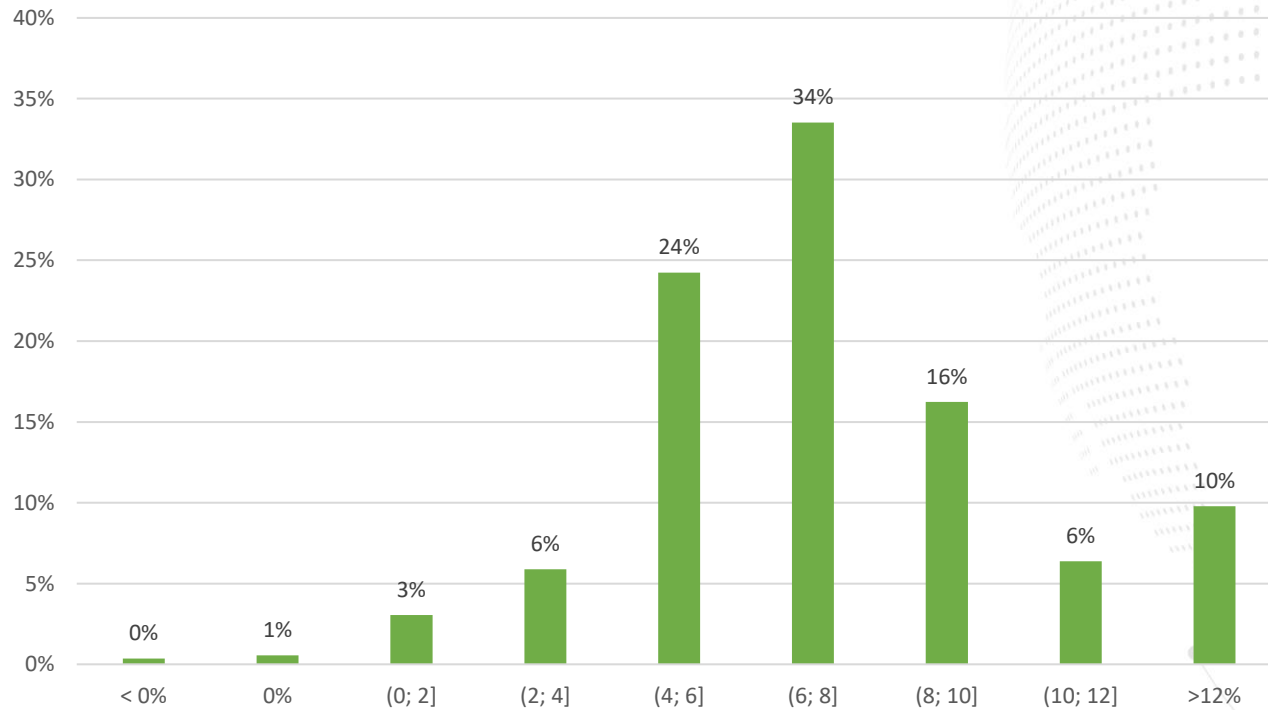
Breakdown by underlying (by nb. of products)



Source: www.StructuredRetailProducts.com

Key points

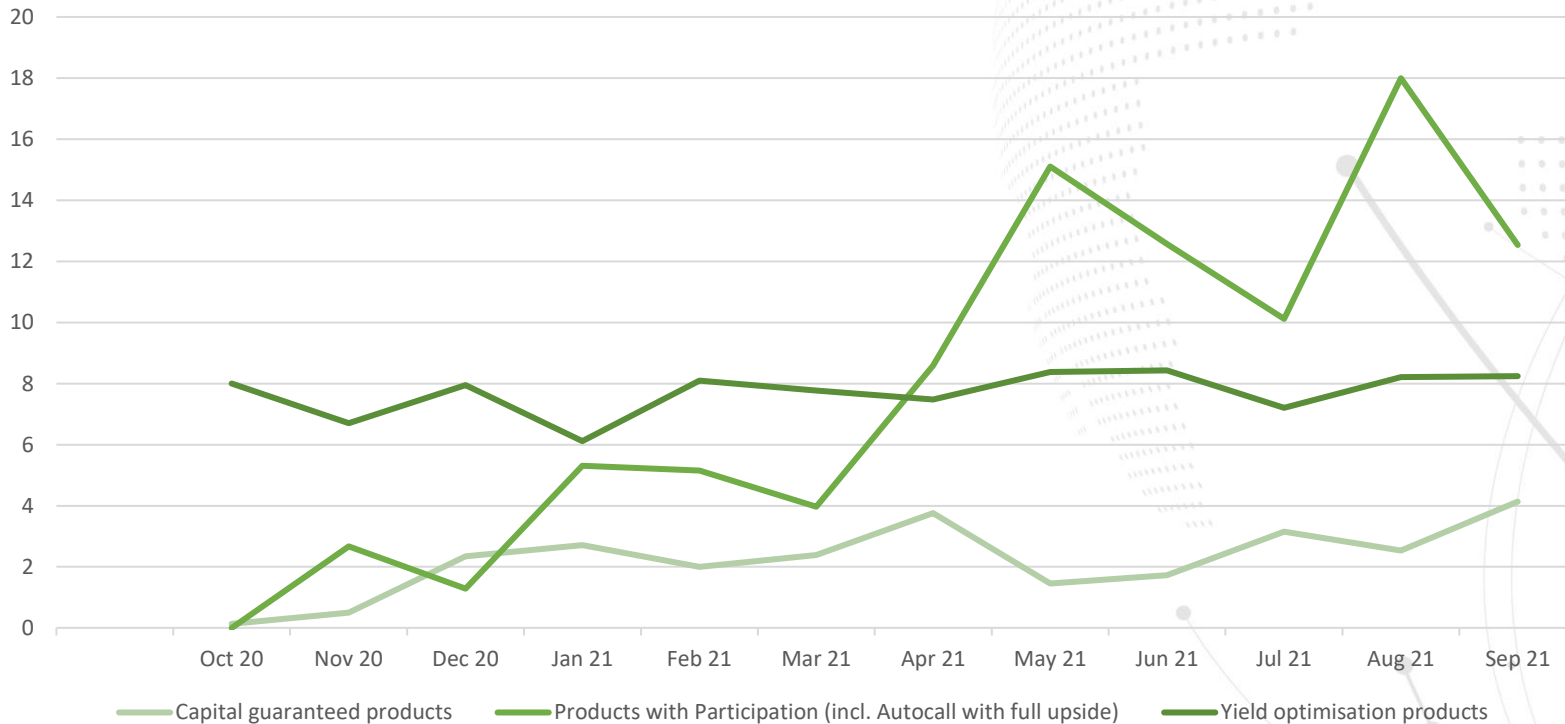
Annualised return - matured&autocalled
(Oct 2020 - Oct 2021)



- Impressive positive performance for **99%** of all products matured
- Annualised returns between **0.6%** and **65%**
- Average annualised return: **7.81% pa**
- **85%** of the products returned $\geq 5\%$
- Only **five** products incurred a capital loss at maturity
- On the negative side, products returned between **-0.85% pa** and **-27.5% pa**

Key points

Annualised return per products type



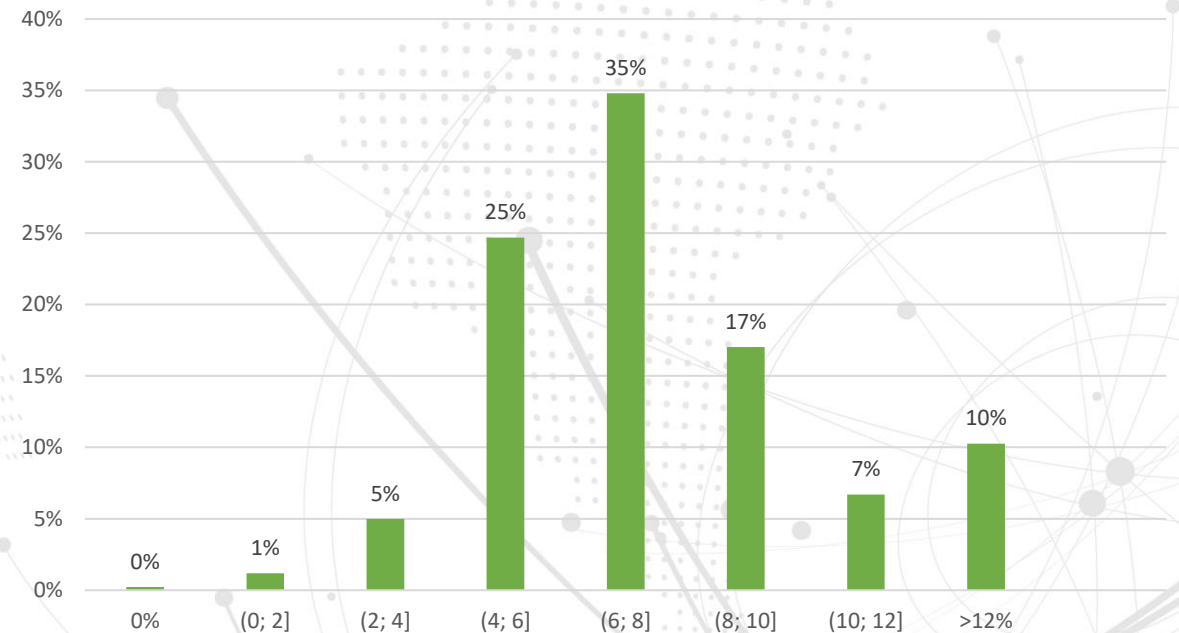
- Products with **participation (incl. Bullish Autocalls)** outperformed
- **Bullish autocalls (ft. Upside participation)** returned 2-digit coupons; averaged **17%**
- **Yield optimisation** products consistently delivered around **8% (annualised)**; averaged **7.75%**
- Annualised returns from **Capital guaranteed** products evolved around **0% and 4%**; averaged **2.65%**

Source: www.StructuredRetailProducts.com

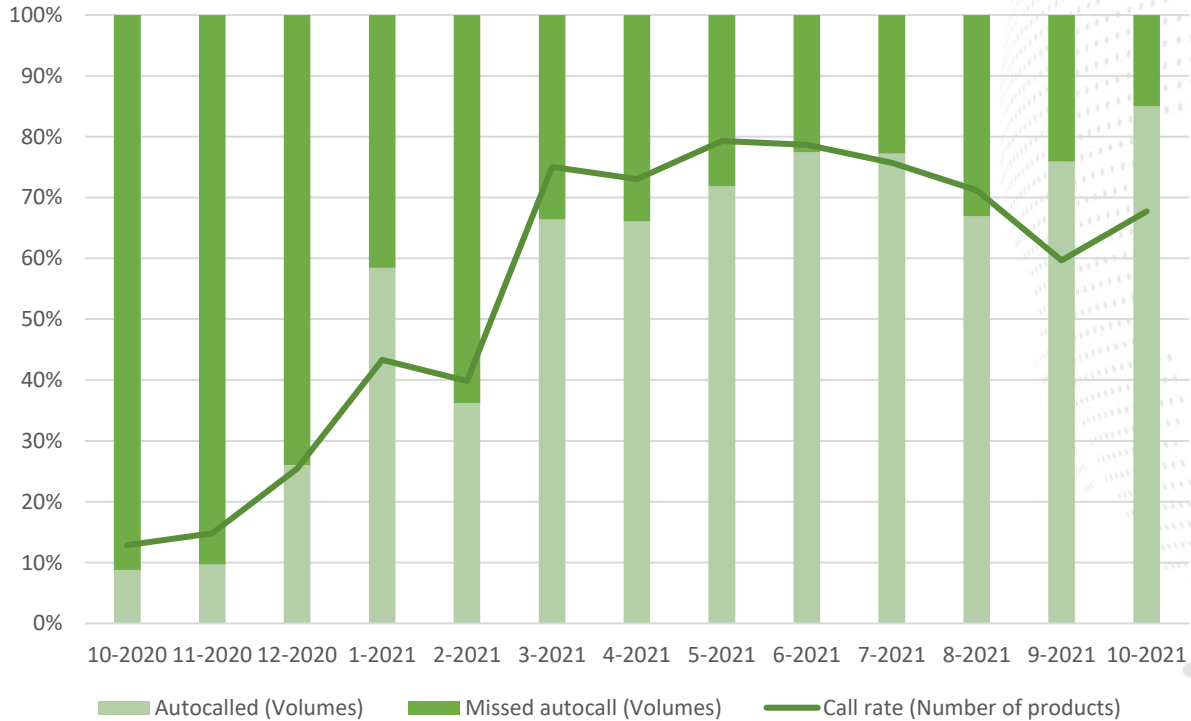
Key points

- Autocalled products represent **95%** of all matured products
- Average holding period 1.7 years
- Average annualized return of **8.1%** (+2.2% compared to the previous 12 months)
- **70%** of the products returned > 6%
- Outperformers include:
 - > **Bullish Autocalls** (the greater of digital or full upside)
 - > **Bonus coupon**
 - > **Products linked to stocks**
- <0.5% of the sample incurred a loss of capital

Histogram of annualised performances - Autocalled (Oct 2020 to Oct 2021)



Products Called v. Non-called



• Key points

- **Optimised indexes** allowed to increase the delivered average return by nearly **2%** compared to a market index **while** their **early call rate** was **1% lower** than the latter.
- **Stocks-linked** products have paid out an **above-average average return** when redeemed early **BUT** their call rate has been lower than with index-linked products.

	Average annualised coupon - Autocalls (%)	Call rate	Actual holding period (yrs)
Market cap index	5.81	78%	2.22
Decrement index	7.73	77%	1.92
Single stock	10.44	35%	1.29
Worst-of (stocks)	11.32	24%	0.91
Sector Index	8.44	78%	1.29

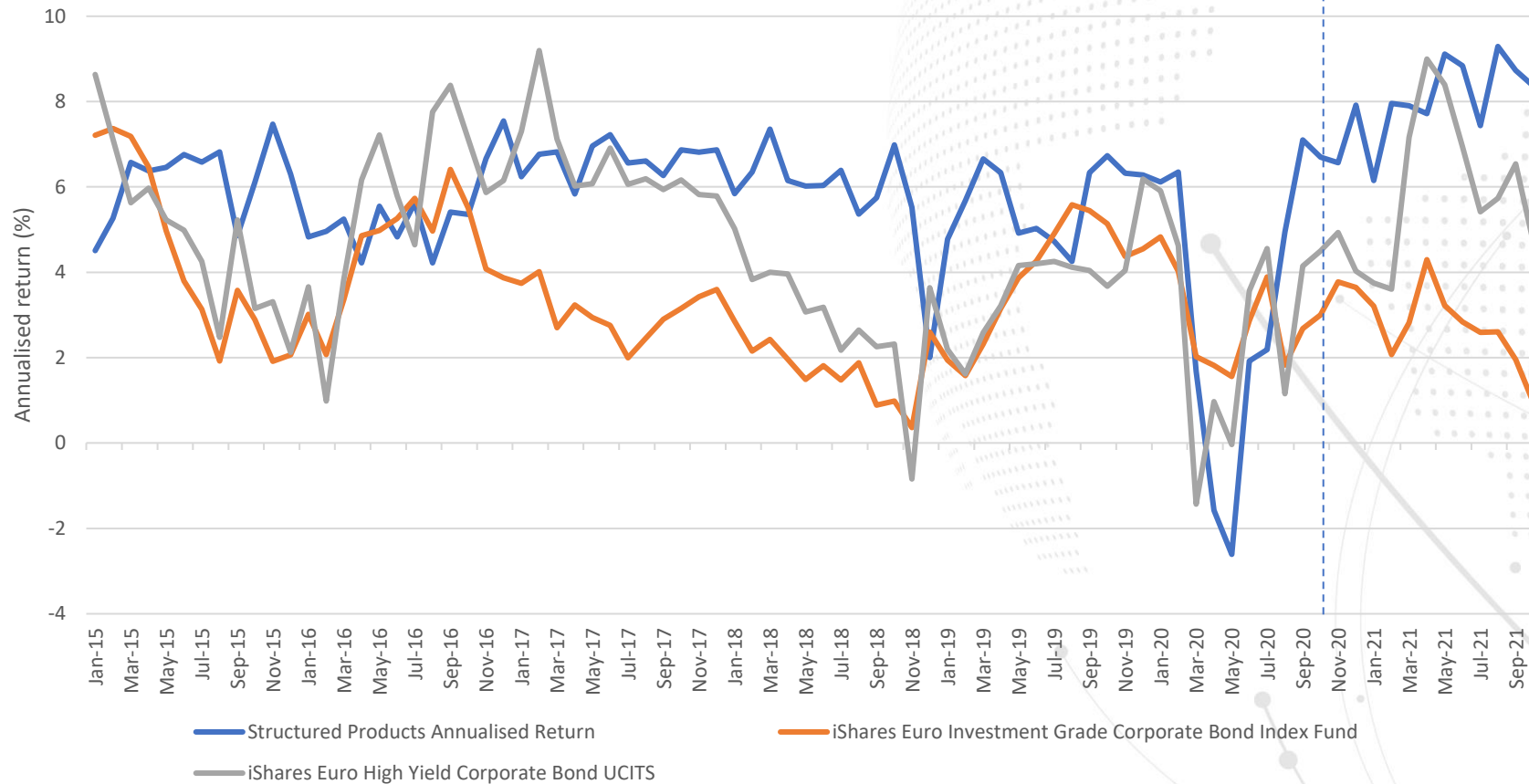
Source: www.StructuredRetailProducts.com

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Structured Products in Perspective

- **Structured products v. investment grade & high yield bond ETFs**
- **Structured products v. Equity ETFs**

Comparison against an investment in fixed-income

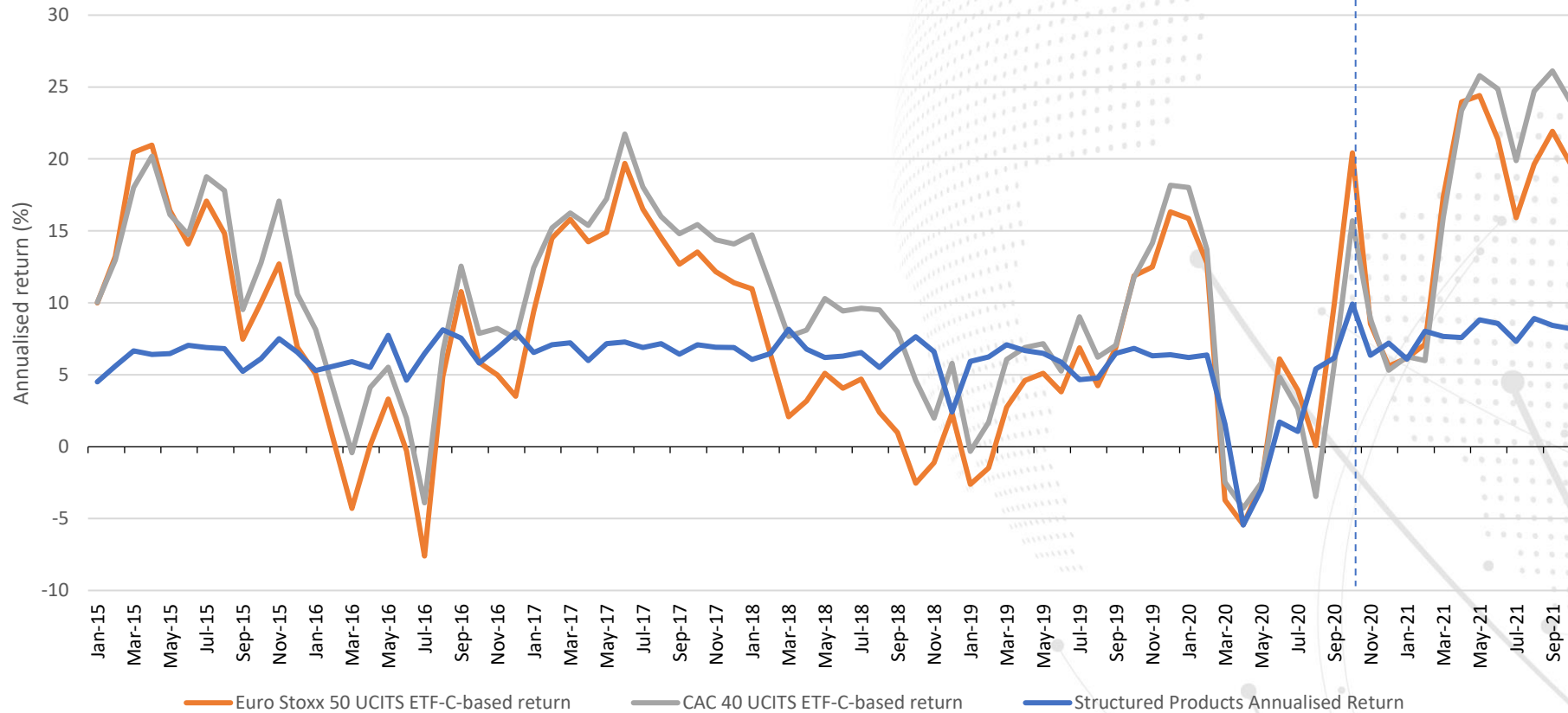


Key points

- Structured products have generated more **stable and higher** returns than an investment in a bond ETF with same duration.
- Since the beginning in the year, structured products' outperformed supported by many **autocalling products** amid markets rally.
- Rising inflation and potential **increase in interest rates** have put pressure on fixed-income investments.

Source: www.StructuredRetailProducts.com

Comparison against a direct investment in equities



Key points

- Structured products have delivered more **regular, stable and visible** return compared to a direct investment.
- **Controlled** exposure to risky asset class.
- Performance **peaked up and stabilised** since markets crash in 2020.
- Average returns **increased by 2%** compared to the annualised average recorded since 2015.

Source: www.StructuredRetailProducts.com

Conclusions

- **Regularity and visibility of structured products' performance**
- **Improved return compared to investment in the bond market.**
- **Controlled exposure to risky assets, i.e. equity markets**
- **Capacity to deliver return under different market conditions.**
- **Additional security and flexibility in the structures going forward**

Thank you for your attention

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