

# Yield enhancement strategy "E-Commerce Growth Opportunity II"

a 24 months opportunity - Leverage: 3x

## **Strategy Summary**

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Level of Risk

Time Horizon

Upside Oppotunity

Asset Type

Coupons

Currency

## Your benefits:

Conditional capital guarantee: Up to 33 %

Issue Price: 31%
Redemption: 33%

▶ Upside opportunity: Capital gain: 6.45%, plus coupon payment of 17.46% p.a. (early call conditions may apply)

► Maturity: 24 months

Currency: EUR

► Underlying Companies: Amazon, Paypal, Pinterest

Reimbursement Triggers: First observation after 3 months at 95 %, then: Q2 & Q3: 94 %, thereafter and until maturity: 90 %

► Coupon Features: Memory

Coupon Barrier: Coupon barrier fix at 67%. If each stock is at or above coupon barrier, coupon is paid; otherwise it is

pushed forward and paid at next observation, provided conditions are met.

Payout at Maturity:
If each stock is at or above the barrier, the client is redeemed at 33%

• Else the client gets Wof performance - 67% (minimum redemption at 0%)

► Valuation: Bid/Ask live Intraday

# **Investment Opportunity**

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### A focused approach

The US election outcome is positive for the market and in particular for technology stocks. The political gridlock, with Democrats controlling the White House and Republicans the Senate, makes the break-up of FAANG and other big technology companies unlikely in the near future. On the back of an increased political predictability, economic uncertainty should evaporate and this should lead to lower market volatility.

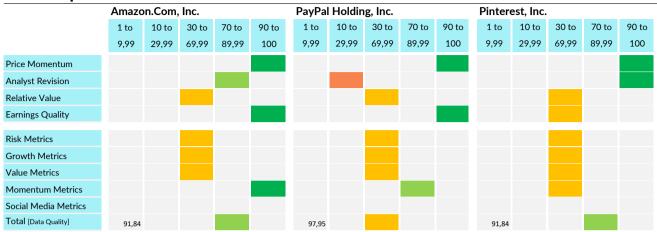
Why the combination of Amazon, PayPal, and Pinterest? E-commerce has attractive growth prospects; we estimate that LGW situates in the region of 15% to 20% for the years to come. Margin expansion (share price supportive) will occur in business areas such as e-platforms (AMZN), payments (PYPL), and visual marketing and pinning (PINS). In general, e-commerce may suffer from increased government regulation (but out of context for the time being), slowdown in consumer spending (but economic recovery is on its way), increased online competition, and execution missteps.

## Companny view:

- ▶ AMZN: The number and volume of e-commerce related transaction is ever increasing, and we believe that AMZN is a key beneficiary from the shift to online purchase behavior. AMZN is focusing on prime members who have an increased average purchase power compared to traditional online clients. Given this, we expect profitability to increase further over time.
- **PYPL**: PayPal is well positioned to benefit from the ongoing secular shift to online payments. We expect double-digit growth figures for the next years ahead and this is in turn share prices supportive.
- ▶ PINS: Pinterest is an emerging visual marketing platform and is well positioned to ride the wave of social commerce which should increase user engagement. This in turn will lift revenue growth and boost profit margins over the next few years.



3 **Heatmaps** 



Amazon.com, Inc. offers a range of products and services through its websites. The Company's products include merchandise and content that it purchases for resale from vendors and those offered by third-party sellers. It also manufactures and sells electronic devices. It operates through three segments: North America, International and Amazon Web Services (AWS). In addition to the traditional services, AMZN provides services such as advertising. It also offers Amazon Prime, a membership program that includes free shipping, access to streaming of various movies and television (TV) episodes.

PayPal Holdings, Inc. is a technology platform and digital payments company that enables digital and mobile payments on behalf of consumers and merchants. The Company's combined payment solutions, including its PavPal. PavPal Credit. Braintree, Venmo, Xoom and Paydiant products, compose its Payments Platform. It operates a two-sided global technology platform that links its customers and merchants around the globe to facilitate the processing of payment transactions. It also offers consumers person-to-person payment solutions through its PavPal website and mobile applications, Venmo and Xoom.

Pinterest, Inc. is a visual discovery engine. The Company operates a visual discovery platform where users can create and manage theme-based image collections and share inspirations for their lives. Its visual discovery platform acts like a virtual pinboard, where people use pins to share their subjects of interest. Its offered platform is also integrated with image recognition technology, which allows users to take pictures to provide related information and ideas to the object. It offers online marketing services to brands, which allows brands to connect with people on the basis of their shared tastes and interests.

# 12-months price probability analysis

-10% -20% -30% -35% TP -10% -20% -30% -35% TP -10% -20% -30% -35% 2% 65% 4% 78% 26% 22% 12% 8% 4% 69% 15% 12% 16%

5 Guidance

## Pay-out diagram (plus eventual coupons payment) based on issue price of 31 %

Worst-Performer	100%	90%	80%	70%	67%	60%	50%	40%	30%	20%	10%	0%
Redemption	33%	33%	33%	33%	33%	23%	15%	8%	0%	0%	0%	0%

## **Characteristics**

Nam Name RCB "E-Commerce Growth Opportunity II" **Issuing Bank** Leonteq Zuerich AG **ISIN Number** CH0579770105 Maximum 2 years, early **Duration:** redemption mechanism applies Management Fee 1 % on the invested capital Type of investment Yield enhancement Issue size: USD 100K, min denomination USD 1K Risk scale

## Risk

- Capital is not protected below barrier or if the issuer or guarantor fails
- Gain is limited to the coupon payment
   The investor will not receive dividend payments from the underlying

## Product Launch

- Launch subject to investment conditions fixed by the issuer and amount raised.

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