

## Yield enhancement strategy "Social Media"

a 15 months opportunity - Leveraged 3x

### Strategy Summary

1

					
Level of Risk	Time Horizon	Upside Opportunity	Asset Type	Coupons	Currency

### Your benefits:

- ▶ **Conditional capital guarantee:** 30 % (Barrier 70 % - Low Strike)
- ▶ **Issue Price:** 31%
- ▶ **Redemption:** 33%
- ▶ **Maturity:** 15 months
- ▶ **Capital gain feature:** 6.45%
- ▶ **Underlying companies:** Snap, Twitter, Facebook
- ▶ **Reimbursement triggers:** First observation after 6 months at 100 %, Q3 @ 85 %, Q4 @ 80%, and Q5 @75%
- ▶ **Coupon features:** Memory
- ▶ **Coupon barrier:** Coupon barrier fix at 70%. 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 100%
  - Else the client gets: 100 % - WOF Perf x Gearing
- ▶ **Valuation:** Bid/Ask live Intraday

### Investment Opportunity

2

#### A focused approach

Social media is swiftly becoming an essential for many of us. Creating, exchanging, and accessing data in an efficient manner is key; it is vital for many aspects of our life. Example, in investing information is vital – having all possible information on hand and being able to analyze and classify the latter, helps to improve the decision-making process for expert investors, private persons, and traders.

By definition, data is being generated by the social media participants in a random unstructured nature. While this is a beauty to start with it is at the same time a major difficulty to overcome. Managing and extracting content from numerous sources and database concepts and to distinct unreliable gossip from valuable information is the true challenge.

Companies proficient in the field will be able to translate their expertise to valuable revenue streams from consumers.

#### Company view:

- ▶ **SNAP:** Snap has about 215 million monthly users. This is an image messaging social platform that enables you to chat with friends by using pictures. It allows you to explore news and even check out live stories that are happening around the world. A generation opportunity? Next generation stocks are pure-play opportunities in powerful secular growth trends. Presently, these trends occur in four sub-themes: a) Online Connectivity and Media, b) Digital Entertainment, c) IoT, d) Healthy Living & Well-being.
- ▶ **FB:** In 2019, digital advertising accounted for approximately 53% of global advertising, the same figure is expected to be higher in 2020 (~61%). FB, with its large userbase of over 2 billion, is attracting much of that volume now and in the future. Facebook has been a critical advertising channel for SMBs, and we expect this to continue and we don't see any major change to this even with increased regulatory risks.
- ▶ **TWTR:** has about 400 million monthly users. This social networking site enables you to post short text messages (tweets), containing a limited number of characters (up to 280), to convey your message to the world. With the growing craze for online shopping, Twitter also makes it possible to promote a business and even shop directly through tweets, which is generating revenues for the company.

## Heatmaps

3

	Snap Inc.					Facebook, Inc.					Twitter Inc.				
	1 to 9.99	10 to 29.99	30 to 69.99	70 to 89.99	90 to 100	1 to 9.99	10 to 29.99	30 to 69.99	70 to 89.99	90 to 100	1 to 9.99	10 to 29.99	30 to 69.99	70 to 89.99	90 to 100
Price Momentum					Green				Green						Green
Analyst Revision				Green				Yellow							Green
Relative Value		Red					Red				Red				
Earnings Quality		Red							Green				Yellow		
Risk Metrics				Green			Red							Green	
Growth Metrics			Yellow					Yellow					Yellow		
Value Metrics		Red					Red					Red			
Earnings Mom. Metrics			Yellow					Yellow					Yellow		
Social Media Metrics															
Total [Data Quality]	91.84					97.95					91.84				

Snap Inc. is a camera company. The Company's flagship product, Snapchat, is a camera application that helps people to communicate through short videos and images known as a Snap. The Company provides Camera, Friends Page, Discover, Snap Map, Memories and Spectacles. Snapchat opens directly into the Camera, helping in creating a Snap and sending it to friends. It offers a range of creative tools that enables people to personalize and add content to their Snaps. Its chat services includes creating and watching stories, chatting with groups, making voice and video calls, and communicating through a range of stickers and Bitmojis.

Facebook, Inc. is focused on building products that enable people to connect and share through mobile devices, personal computers and other surfaces. The Company's products include Facebook, Instagram, Messenger, WhatsApp and Oculus.

Twitter, Inc. offers products and services for users, advertisers, developers and data partners. The Company's products and services include Twitter, Periscope, Promoted Tweets, Promoted Accounts and Promoted Trends. Its Promoted Products enable its advertisers to promote their brands, products and services, amplify their visibility and reach, and extend the conversation around their advertising campaigns. Promoted Trends appear at the top of the list of trending topics for an entire day in a particular country or on a global basis. Its MoPub is a mobile-focused advertising exchange. Twitter Audience Platform is an advertising offering.

## 12-months price probability analysis

4

TP	-10%	-20%	-30%	-35%	TP	-10%	-20%	-30%	-35%	TP	-10%	-20%	-30%	-35%
65%	29%	25%	21%	17%	52%	13%	10%	7%	4%	96%	4%	3%	2%	2%

## Guidance

5

### 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 (% price*)	100%	100%	100%	100%	100%	90%	75%	60%	45%	30%	15%	0%

## Characteristics

Name	RCB "Social Media I"
Issuing Bank	
ISIN Number	
Duration:	Maximum 15 months, early 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
- \* - redemption is a function of leverage, gearing, and WOF - Increased downside risk

## Product Launch

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

## Disclaimer

Past performance is no guarantee of future returns.

This company/fund overview has been established by IRISOS SA based on their Portfolio Management System using end of day data from sources which are considered reliable. Because of different sources and different datatimestamps used, there might be discrepancies between the information provided in this printout and other providers. Prices and ratios have been valued at the market prices prevailing at the date of this publication. Although prices and key input data have been obtained from reliable sources, we do not accept any responsibility for their exactness. The assets in question in this report should be considered as part of your global strategy, level of risk, and the maximum drawdown you can withstand. Actual level of risks and potential returns may be mitigating upon implementation; price sensitive ratios will change based on your level on input and may alter substantially the proposed framework. Leveraged strategies may result in a total loss of your accumulated wealth.

No assurances or guarantees

Although IRISOS SA has taken due care to ensure that the information on this website is correct at the time of posting, IRISOS SA cannot either explicitly or implicitly provide any assurance or guarantee (including third-party liability) with regard to its correctness, reliability or completeness. IRISOS SA also offers no assurance that information will remain unaffected by any technical mistake (transmission errors, technical deficiencies, interruptions, tampering by unauthorized third parties, etc.). IRISOS SA does not assume liability under any circumstances for any losses, including direct, indirect, accidental, special or consequential losses, on the basis of this information or in connection with this information or as a consequence of the risks inherent in the financial markets. Investors should be aware that investments are subject to various risks, including market fluctuations, regulatory change, possible delays in repayment and loss of income and principal invested. For this reason, a positive performance in the past is no guarantee of a positive performance in the future. Investments in foreign currencies are also subject to multiple risks including exchange rate fluctuations and settlement risks. The investments discussed in this Website may not be suitable for all investors and investors must make their own investment decisions based upon their specific financial situation and investment objectives. Nothing in this Website constitutes investment, legal, accounting or tax advice, or a representation that any investment or strategy is suitable or appropriate to any individual circumstances, or otherwise constitutes any personal recommendation.

**E.A.& O—Final terms subject to market conditions at issue date—This document is for marketing purposes only—by no means is it a recommendation to buy/sell the product promoted. The product is addressed for the exclusive use to investors categorized as "professional investors" or who are intuitional investors themselves.**