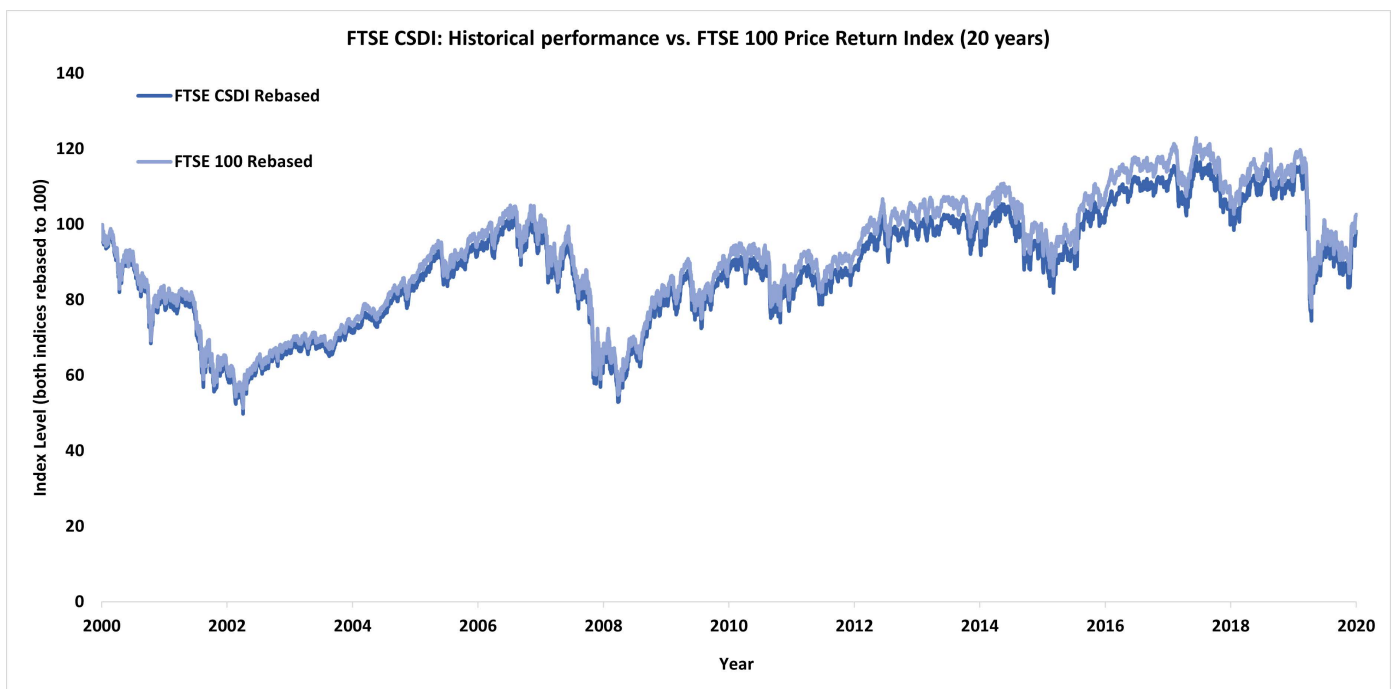




About the FTSE Custom 100 Synthetic 3.5% Fixed Dividend Index (FTSE CSDI)

The CSDI Index was created specifically for structured products by FTSE Russell, the same organisation that calculates and publishes the FTSE 100 Index. The CSDI tracks the same 100 shares but unlike the FTSE 100, the CSDI includes the benefit of the dividends paid by the 100 companies (which have historically averaged around 3.5% per annum) and then deducts the equivalent to a fixed 3.5% dividend per annum, on a daily basis. The result is that the index will perform almost identically to the FTSE 100 if dividends are at 3.5% pa, moderately underperform if they are less, and moderately overperform if they are more. In return for the structured product investor accepting the risk of variability of dividends, the counterparty bank doesn't have to. At times like now, counterparties are erring on the side of caution when estimating future dividend yields, with the cost of their caution reflected in the potential return they are prepared to offer on FTSE 100 linked structured products, compared to those linked to the CSDI.

The net result is that the returns that can currently be offered on structured products are enhanced by using the CSDI which is around 98% correlated with the FTSE 100 index. We consulted at length over the introduction of the CSDI and have no hesitation in endorsing its use as an alternative underlying index for autocall structured products. For more information on the FTSE CSDI, please refer to the product literature.



Source: Mariana Capital, 10 December 2020. The FTSE CSDI was launched on 1 July 2020, and the chart above therefore includes simulated historical performance up until this date.

Whilst it will not be perfectly correlated, the FTSE 100 Index can be used as a rough guide to the performance of the FTSE CSDI. The current price of the Index can be accessed via www.Lowes.co.uk/CSDI . You can monitor your structured products linked to this or any other index through our SP-Perspective.com service. If you have not yet registered account please contact us.

Structured products out capital at risk.

Past performance (actual or simulated) is not a guide to future performance.