momentum
securities

Structured Notes Features
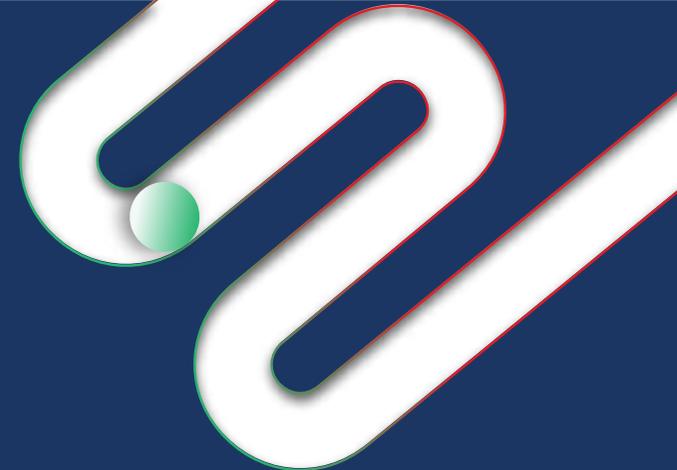
Feature	Type	Definition
Guarantees/Protection	Hard or soft	**Protection** refers to the level of guarantees applied to the initial investment amount. **Hard protection** means that capital guarantees are provided regardless of the performance of the underlying asset. **Soft protection** is dependent on the performance of the underlying asset. Protection levels might reduce or fall away if the asset breaches a certain level. Thisl is normally referred to as the barrier level.
Participation levels	Fixed capped/uncapped or geared/lock-in	**Participation** refers to the amount of the growth of the underlying asset the client will receive the benefit of. **Fixed participation** is when there is a specified participation level, but normally capped at a maximum level. **Uncapped participation** has no maximum level. This could mean that a lower level of protection applies. Participation can be geared to provide an enhanced return providing additional growth over and above what the underlying asset provided. Gearing may also apply on negative growth. **Lock in** can apply for products with a minimum return, which means that if that level has been reached during the term, then the minimum return can increase to the new level.
Term	Fixed or kick out	**Term** of the note can be influenced by the cost of the structure and can be set up for any term ranging from 1 year, 3 years, 5 years and more. The term is **fixed** at the start. A **Kick out** means that the product can mature earlier if a specific level was reached by the underlying asset.
Coupon	Fixed or memory	This is a **type of income** that is payable regularly throughout the term of the product. **Fixed coupon** normally applies to Reverse Convertible type notes, where a regular coupon is paid during the period of the product regardless of the performance of the underlying asset. Capital may be at risk if a barrier level applies. **The Memory function** normally applies to Auto callable notes. Here the client does not participate in the performance of the underlying asset, but instead receives a coupon and capital is guaranteed. The coupon is payable when the underlying asset reaches a specific level at the observation date. If that level was not reached, no coupon will be payable. If however that level was reached at the next observation date, then the memory function will kick in and pay out previous coupons that were not paid.
Underlying asset	Basket of shares, indices, options, commodities, currencies	The underlying asset can be anything. Make sure you understand what is being monitored. This could include Best of, Average or Worse of performance. The Strike date and observation dates are important to note as these will determine which point is being compared to determine the participation, capital guarantee or coupon payment.