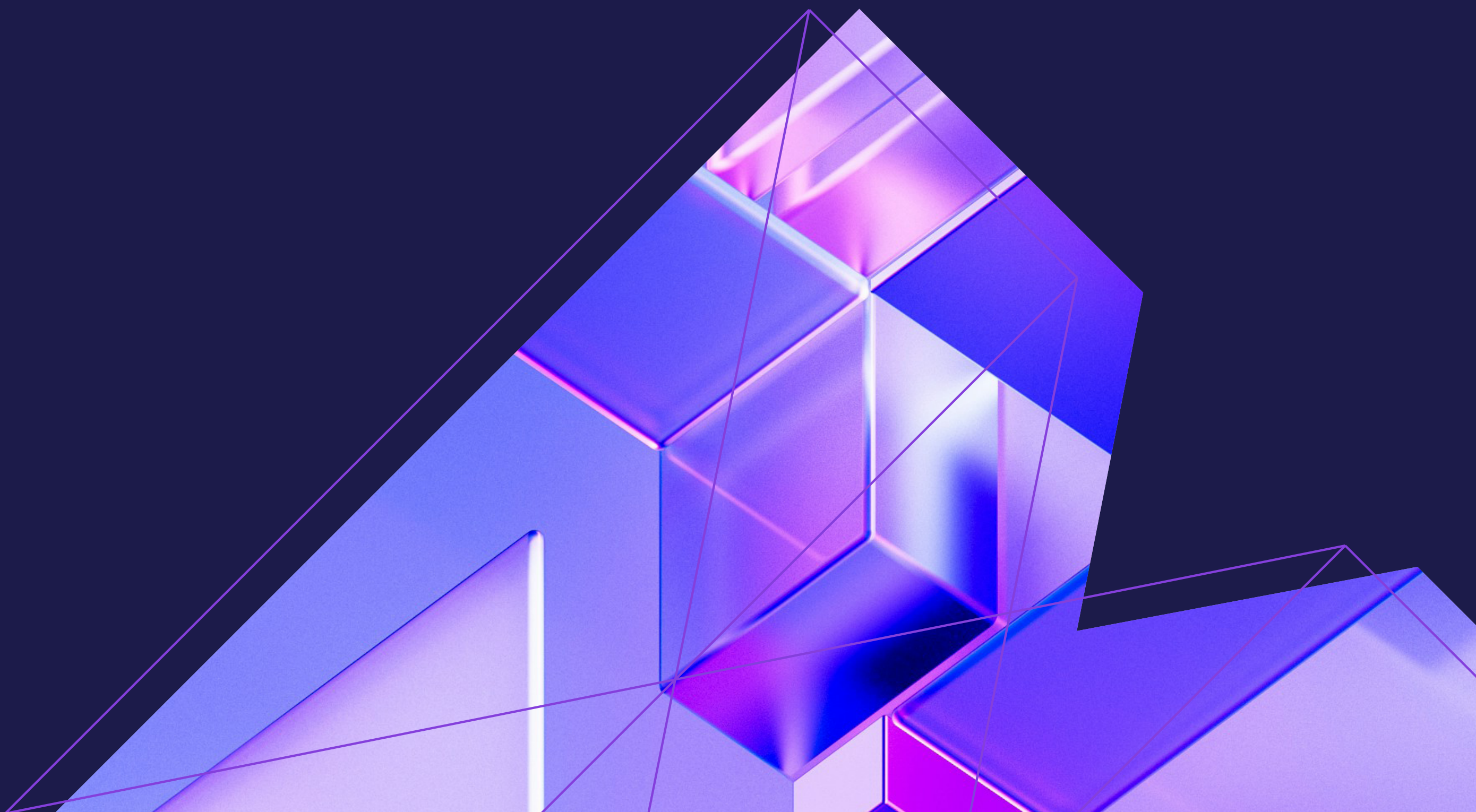


# Structured Products, Unstructured

## 15. Inverse Autocallables



# What are they?

An Inverse Autocall Note is a structured product designed for investors expecting markets to remain stable or avoid large upward moves.

Unlike traditional autocalls, these structures typically use an upside barrier and a best-of payoff structure. Investors receive regular coupons and full capital repayment at maturity, provided the underlying assets remain below a predefined barrier level.

If all underlyings breach the upside barrier, the payoff becomes inversely linked to the best-performing asset, meaning strong broad-based rallies can negatively affect returns.

# Why use them?

## Enhanced coupon potential

Inverse structures can offer higher coupons than traditional income products due to the embedded upside barrier risk.

## Designed for range-bound markets

Well suited to investors expecting markets to remain stable or rise only moderately over the investment horizon.

## Protection against isolated rallies

The upside barrier only triggers if all underlyings breach their respective levels, meaning a strong move in a single asset alone may not negatively affect the payoff.

## Defined income profile

Coupons, observation dates, barrier levels, and redemption mechanics are known upfront.

# How do they work?

During the life of the note, at each observation date:  
→ the investor receives a predefined coupon.

At maturity (if not called early):

**If no barrier event occurs:**

→ the investor receives full capital back.

**If a barrier event occurs:**

→ the payoff becomes inversely linked to the best performer's return.

# Illustrative example

Inverse Autocall on Apple, Microsoft, Nvidia

<b>Currency</b>	USD
<b>Underlyings (Best-of)</b>	Apple (AAPL), Microsoft (MSFT), Nvidia (NVDA)
<b>Maturity</b>	12 months
<b>Observation Frequency</b>	Quarterly
<b>Barrier Level</b>	130%
<b>Coupon Level</b>	14% p.a. (3.5% quarterly)

## Scenarios

Stable market outcome

Apple: +10% | Microsoft: +6% | Nvidia: -4%

→ No barrier breach → **Investor receives coupons + 100% capital back**

Strong market rally (barrier breached)

Apple: +35% | Microsoft: +32% | **Nvidia: +45%**

→ All underlyings breach barrier | Best performer = +45%

→ Redemption = 200% - 145% = **55% capital returned**

# Points to consider

## Inverse exposure

Large upward market moves can reduce redemption value.

## Barrier dependency

An upside barrier event changes the payoff profile.

## Best-of risk

Redemption depends on the strongest-performing asset, meaning a sharp rally in one underlying can negatively affect returns.

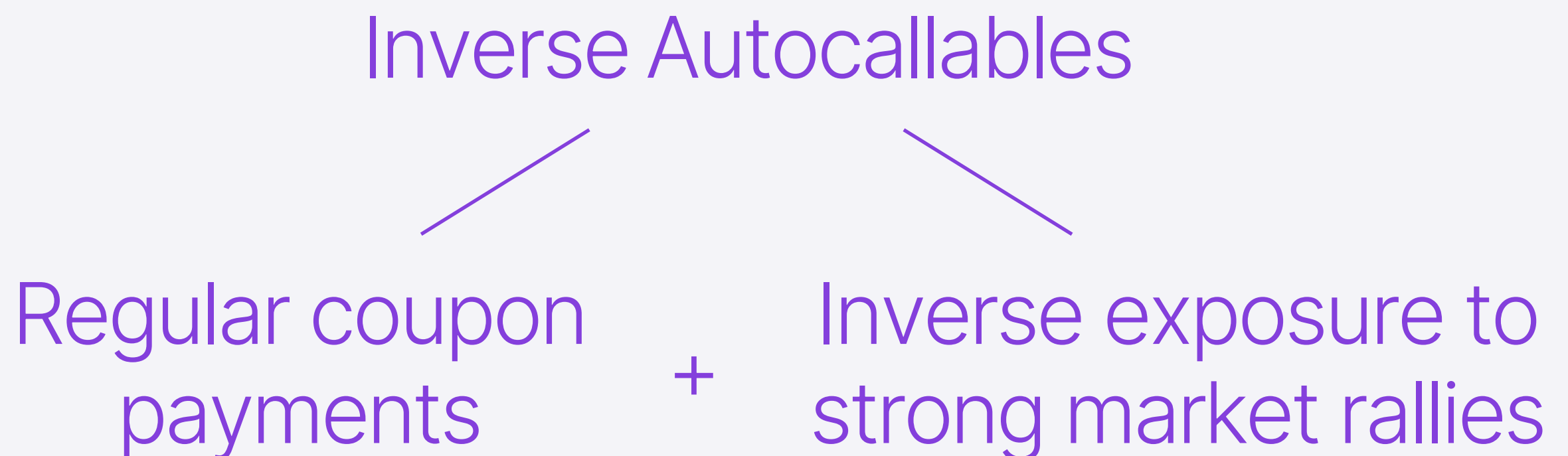
## High-risk structure

Potential losses can be significant if markets rally sharply.

## No dividends

Returns depend on price performance only.

# In summary



A way to earn enhanced income  
in stable or moderately bullish markets

# Glossary

## Best-of

The underlying asset with the highest performance, which determines the payoff.

## Inverse Barrier

An upside barrier level which, if breached, changes the redemption profile.

## Barrier Event

Occurs when each underlying rises above the predefined barrier level.

## Observation Frequency

How often coupons or barrier conditions are assessed.

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