

### Description

The Swiss Market Index is an index of the 20 largest and most liquid stocks traded on the Geneva, Zurich, and Basel Stock Exchanges. The index has a base level of 1500 as of June 1988.

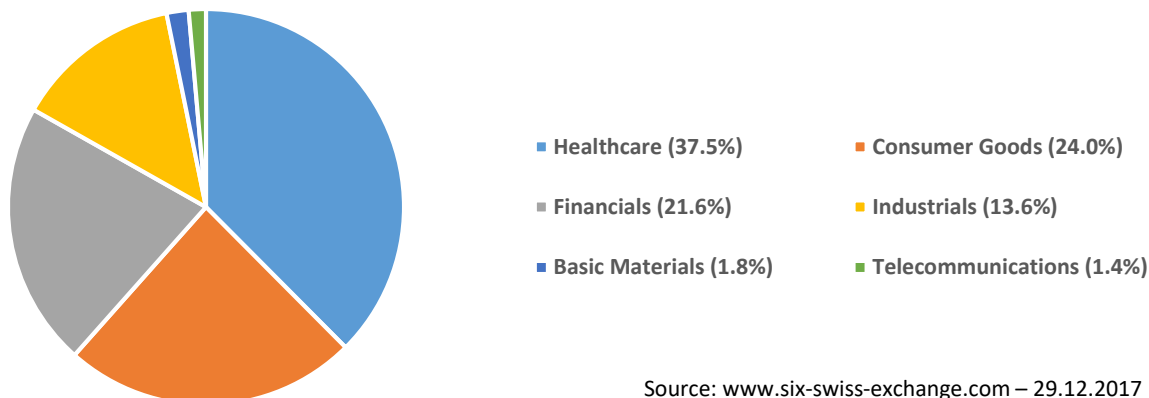
Source: www.bloomberg.com – 14.12.2018

### Outlook

- Government debt, as a percentage of GDP, has reduced to 40.0% and is forecast to continue dropping in the coming years
- The country's current account balance is expected to remain in the 10% - 11% range
- GDP is projected to reduce but remain robust at around 1.6%
- Household consumption will gain momentum, supported by real wages gains and falling employment

Source: www.oecd.org - November 2018

### Sector Breakdown



Source: www.six-swiss-exchange.com – 29.12.2017

### Top 5 Constituents

Company	Sub-Sector	Index Weighting
Novartis	Healthcare	19.67%
Roche	Healthcare	19.29%
Nestle	Consumer Goods	18.58%
UBS	Financials	5.73%
Zurich Insurance	Financials	5.17%

Source: Credit Suisse email – 04.12.2018

### 16 Years Past Performance



Past performance is not a reliable indicator of future performance and should not be used to assess the future returns or risks.

Data Source: Bloomberg 05.11.2018, Data period: 31.10.2002 to 31.10.2018

## Back-Testing

Back-testing shows how the investment would have performed historically using data from previous potential strike dates. Although past performance is not an indication of future performance, it can give a factual insight into how the investment would have performed historically.

This 16 year back-test uses the historical data for a full 10 years of 6 year products that could reach the full term. The tables below show the results from three popular types of structured product, a Classic Autocall with memory coupon, an 80-60 Income Autocall with memory coupon and a 60-60 Income Autocall with no memory coupon. These results show how each would have performed historically if SMI was the underlying. The back-test gives results from 2,501 scenarios.

## Back-Testing Results

**Classic Autocall (Memory Coupon)** - 100% semi-annual autocall trigger from 12 months, 60% European style final barrier.

This structure will mature early and pay a coupon for each semester elapsed if, on any autocall observation date, including the final observation date, the underlying is at or above 100% of its initial value.

If the product has not autocalled, at the final observation date, if the underlying is below 100% but is at or above 60% of its initial level, full capital is returned. If the underlying is below 60% of its original level, capital return will be reduced on a 1-for-1 basis.

Autocall Test	
Total Tested	2,501
Autocalled	2,223
% Autocalled	88.88%
% Not Autocalled	11.12%
% Breached Final Barrier	0.00%

**80-60 Income Autocall (Memory Coupon)** - 80% semi-annual coupon trigger from 6 months with memory feature, 100% semi-annual autocall trigger from 12 months, 60% European style final barrier.

This structure will pay the coupon plus any previously missed coupons if, on any coupon observation date, the underlying is at or above 60% of its initial value.

This structure will mature early if, on any autocall observation date, the underlying is at or above 100% of its initial value.

If early maturity does not occur, at the final observation date, if the underlying is at or above 60% of its initial level full capital is returned. If any underlying is below 60% of its original level, capital return will be reduced on a 1-for-1 basis.

Memory Coupons	
Total Coupons Tested	9,973
Total Coupons Paid	9,625
Total Coupons Missed	348
% Paid	96.51%
% Missed	3.49%

Autocall Test	
Total Tested	2,501
Matured Early	2,217
% Matured Early	88.64%
% Reached Full Term	11.36%
% Breached Final Barrier	0.00%

**60-60 Income Autocall (Non-Memory Coupon)** - 60% semi-annual coupon trigger from 6 months, 100% semi-annual autocall trigger from 12 months, 60% European style final barrier.

This structure will pay the coupon if, on any coupon observation date, the underlying is at or above 60% of its initial value.

This structure will mature early if, on any autocall observation date, the underlying is at or above 100% of its initial value.

If early maturity does not occur, at the final observation date, if the underlying is at or above 60% of its initial level full capital is returned. If any underlying is below 60% of its original level, capital return will be reduced on a 1-for-1 basis.

Non-Memory Coupons	
Total Coupons Tested	9,973
Total Coupons Paid	9,686
Total Coupons Missed	287
% Paid	97.12%
% Missed	2.88%

Autocall Test	
Total Tested	2,501
Matured Early	2,217
% Matured Early	88.64%
% Reached Full Term	11.36%
% Breached Final Barrier	0.00%

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Data Source: Bloomberg 05.11.2018, Data period: 31.10.2002 to 31.10.2018

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