Switzerland (SMI)

Description

The Swiss Market Index is an index of the 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.

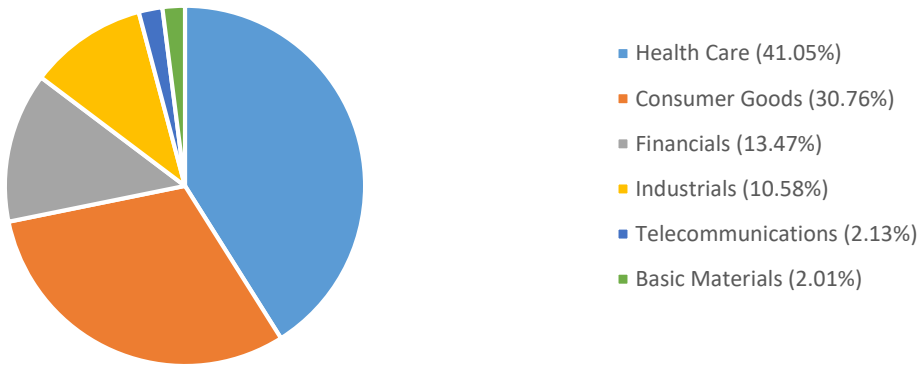
Source: www.bloomberg.com – 19.08.2019

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% range
- Inflation is low, but consistent with the central banks target of between 0-2%
- Growth for the country is projected to recover to the trend in 2020
- Household consumption will strengthen as job creation and real wage pick up

Source: www.oecd.org - May 2019

Sector Breakdown



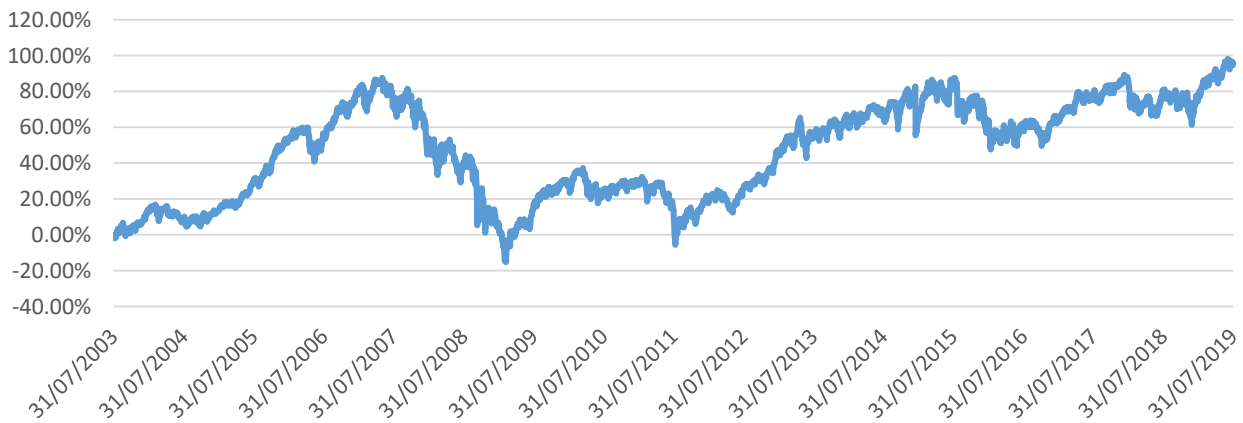
Source: https://www.marketscreener.com/SMI-7508/components/- 19.08.2019

Top 5 Constituents

Company	Sub-Sector	Index Weighting
Nestle	Consumer Goods	26.15%
Roche	Healthcare	19.63%
Norvartis	Healthcare	16.86%
Zurich Insurance	Financials	4.25%
Compagnie Financiere	Consumer Goods	3.51%

Source: Market Screener – 19.08.2019

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 19.08.2019, Data period: 31.07.2003 to 31.07.2019

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%

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 19.08.2019, Data period: 31.07.2003 to 31.07.2019

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