

Description

The S&P/Toronto Stock Exchange 60 is a capitalization-weighted index. It consists of 60 of the largest and most liquid (heavily traded) stocks listed on the Toronto Stock Exchange (TSX). They are usually domestic or multinational industry leaders.

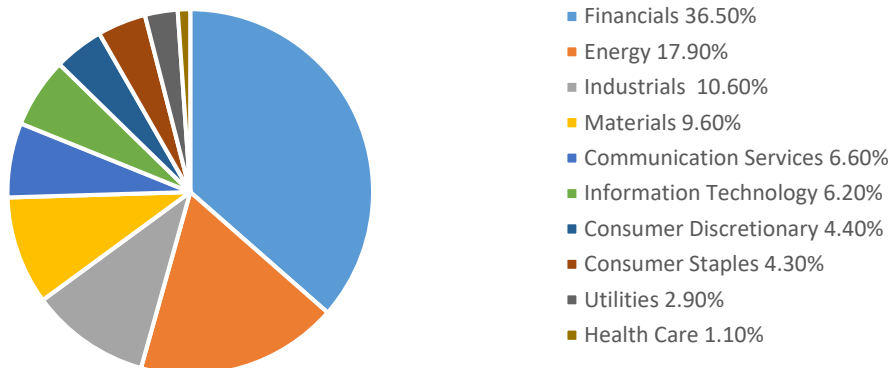
Source: www.Bloomberg.com – 11.09.2019

Outlook

- In 2018, GDP stood at USD 1.709 trillion making Canada the 10th largest country in terms of GDP
- Government debt (as a percentage of GDP) stands at around 90.60%. Whilst it is forecast to reduce slightly, it will remain high
- The country has a trade deficit of 2.6% of GDP
- Unemployment has dropped to 5.4% level in 2019, and continue reducing slowly thereafter.

www.tradingeconomics.com – September 2019

Sector Breakdown



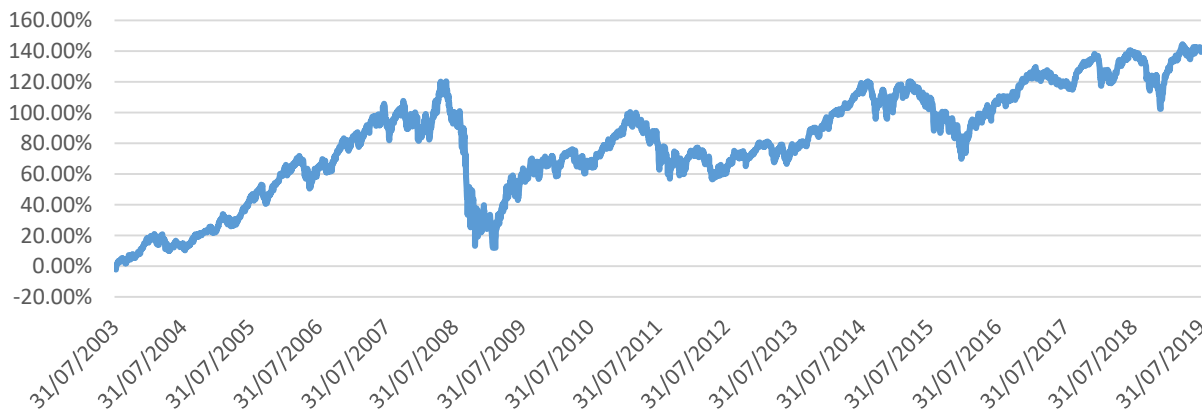
Source: ca.spindex.com – 31.07.2019

Top 5 Constituents

Company	Sub-Sector	Index Weighting
Royal Bank of Canada	Financials	8.13%
Toronto-Dominion Bank	Financials	7.48%
Enbridge	Energy	5.11%
Bank of Nova Scotia	Financials	4.93%
Canadian National Railway	Industrials	4.90%

Source: www.blackrock.com – 11.09.2019

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 14.08.2019, 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 TSX 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	2,360
% Autocalled	94.36%
% Not Autocalled	5.64%
% 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	8,076
Total Coupons Paid	8,076
Total Coupons Missed	0
% Paid	100.00%
% Missed	0.00%

Autocall Test	
Total Tested	2,501
Matured Early	2,318
% Matured Early	92.68%
% Reached Full Term	7.32%
% 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	8,076
Total Coupons Paid	8,031
Total Coupons Missed	45
% Paid	99.44%
% Missed	0.56%

Autocall Test	
Total Tested	2,501
Matured Early	2,318
% Matured Early	92.68%
% Reached Full Term	7.32%
% 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 14.08.2019, Data period: 31.07.2003 to 31.07.2019

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