

Description

The IBEX 35 is the official index of the Spanish Continuous Exchange. The index is comprised of the 35 most liquid stocks traded on the Continuous market. It is calculated, supervised and published by the Sociedad de Bolsas. The equities use free float shares in the index calculation. The index was created with a base level of 3000 as of December 29, 1989.

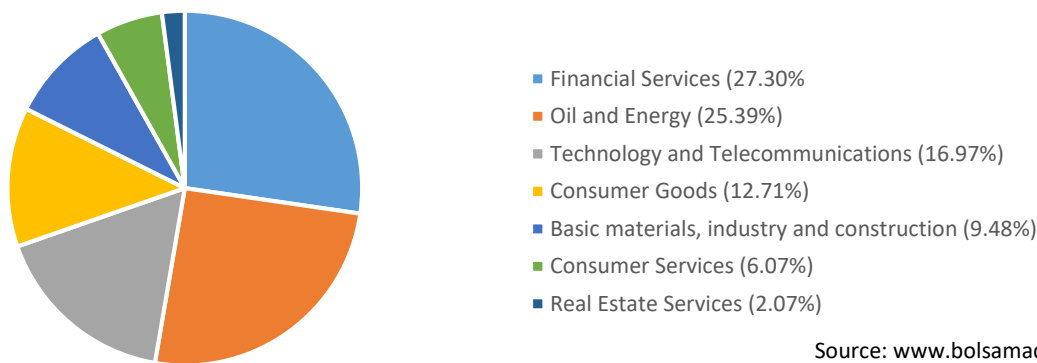
Source: www.bloomberg.com – 22.08.2019

Outlook

- The fiscal deficit is projected to decline to 2% of GDP in 2019, mainly due to favourable macroeconomic conditions.
- Export growth has moderated in line with export markets. Labour markets continue to improve, with the unemployment rate having fallen close to 14%.
- The economy is projected to grow at a robust, but more moderate pace in 2019 and 2020. Solid employment growth will support domestic demand, which will remain the main driver for growth.

Source: www.oecd.org – August 2019

Sector Breakdown



Source: www.bolsamadrid.es – June 2019

Top 5 Constituents

Company	Sub-Sector	Index Weighting
Santander	Financial	13.48%
Iberdrola	Speciality Distribution	12.11%
Inditex	Computer Software	9.89%
Telefonica	Communication Services	7.83%
BBVA	Financial	6.81%

Source: www.bolsamadrid.es – June 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 22.08.2019, 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 IBEX 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	1,996
% Autocalled	79.81%
% Not Autocalled	20.19%
% Breached Final Barrier	5.84%

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	12,242
Total Coupons Paid	9,186
Total Coupons Missed	3,056
% Paid	75.04%
% Missed	24.96%

Autocall Test	
Total Tested	2,501
Matured Early	1,990
% Matured Early	79.57%
% Reached Full Term	20.43%
% Breached Final Barrier	5.84%

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	12,242
Total Coupons Paid	10,739
Total Coupons Missed	1,503
% Paid	87.72%
% Missed	12.28%

Autocall Test	
Total Tested	2,501
Matured Early	1,990
% Matured Early	79.57%
% Reached Full Term	20.43%
% Breached Final Barrier	5.84%

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 22.08.2019, Data period: 31.07.2003 to 31.07.2019

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