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# Europe (Euro Stoxx 50)

## Description

The EURO STOXX 50 Index, Europe's leading blue-chip index for the Eurozone, provides a blue-chip representation of super sector leaders in the region. The index covers 50 stocks from 11 Eurozone countries. The index is licensed to financial institutions to serve as an underlying for a wide range of investment products such as exchange-traded funds (ETFs), futures, options and structured products.

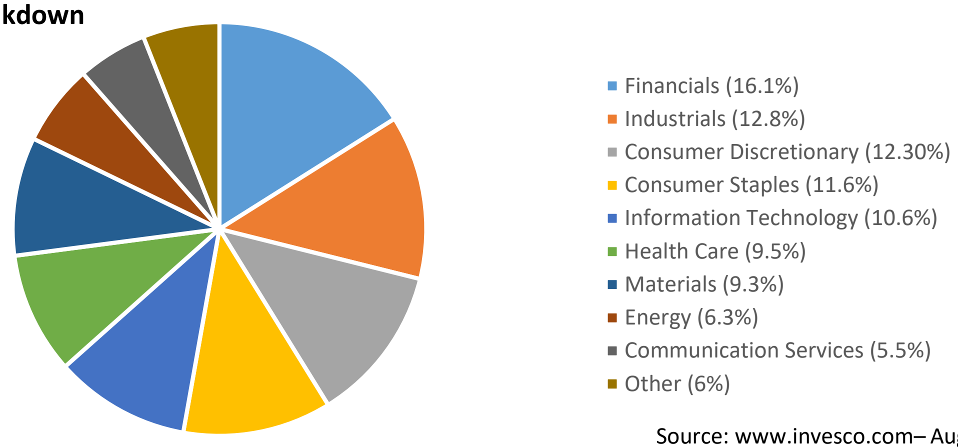
Source: www.Bloomberg.com – 15.08.2019

## Outlook

- Across the Eurozone, economic growth is set to moderate to just above 0.2% in 2nd quarter of 2019
- The total Government debt, as a percentage of overall GDP has now dropped to 101.2% and is forecast to fall to 100% in 2020.
- Total unemployment has fallen to 7.9% in 2019 and is predicted to reduce further (7.7% by 2020) with wage growth firming up modestly.

Source: www.oecd.org – August 2019
Source: www.tradingeconomics.com – August 2019

## Sector Breakdown



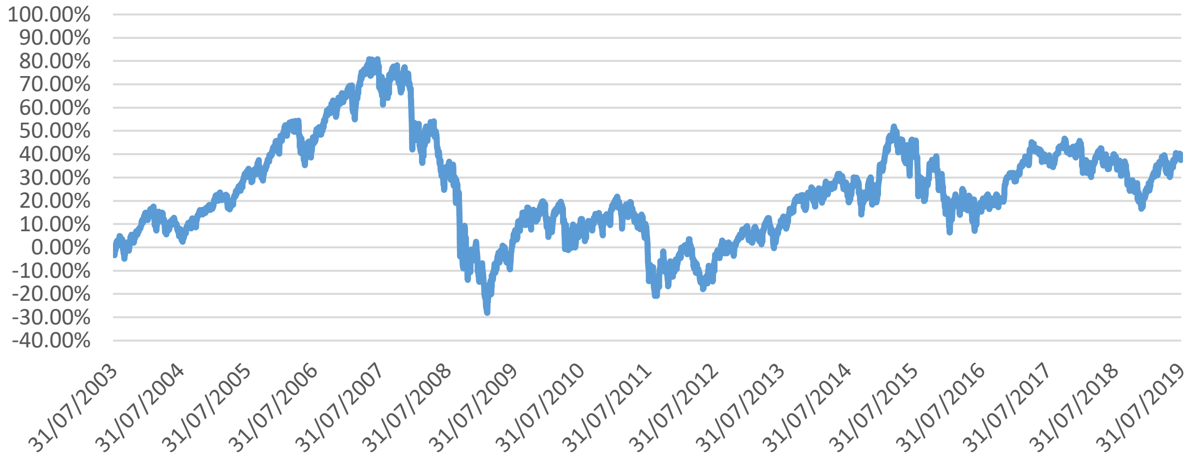

Source: www.invesco.com– August 2019

## Top 5 Constituents

| Company | Supersector | Index Weighting |
|---|---|---|
| Total | Oil & Gas | 5.03% |
| SAP | Technology | 4.88% |
| LVMH Moet Hennessy | Personal & Household Goods | 4.03% |
| Linde | Chemicals | 3.86% |
| Allianz | Insurance | 3.59% |

Source: www.stoxx.com– 31.07.2019

## 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 15.08.2019, 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 Euro Stoxx 50 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 | 2,088 |
| % Autocalled | 83.49% |
| % Not Autocalled | 16.51% |
| % Breached Final Barrier | 1.08% |

**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 | 10,747 |
| Total Coupons Paid | 7,992 |
| Total Coupons Missed | 2,755 |
| % Paid | 74.36% |
| % Missed | 25.64% |

| Autocall Test | |
|---|---|
| Total Tested | 2,501 |
| Matured Early | 2,076 |
| % Matured Early | 83.01% |
| % Reached Full Term | 16.99% |
| % Breached Final Barrier | 1.08% |

**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 | 10,747 |
| Total Coupons Paid | 9,435 |
| Total Coupons Missed | 1,312 |
| % Paid | 87.79% |
| % Missed | 12.21% |

| Autocall Test | |
|---|---|
| Total Tested | 2,501 |
| Matured Early | 2,076 |
| % Matured Early | 83.01% |
| % Reached Full Term | 16.99% |
| % Breached Final Barrier | 1.08% |

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Data Source: Bloomberg 15.08.2019, Data period: 31.07.2003 to 31.07.2019