

Standard and Poor's 500 Index is a capitalisation-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The index was developed with a base level of 10 for the 1941-43 base period.

United States – Economic Forecast Summary

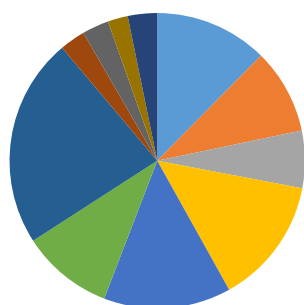
Economic growth is set to strengthen in 2017 and 2018, as an assumed fiscal stimulus boosts the economy and the effects of dollar appreciation, declines in energy investment and a substantial inventory correction abate. Employment has risen steadily, although the pace is expected to ease somewhat in 2017. A pick-up in wages will further support growth, offsetting somewhat sluggish external demand.

Monetary policy has remained very accommodative, consistent with inflation running below target. As economic slack is eliminated and pressure on resources emerges, policy rates will gradually increase. Monetary policy needs to tread a cautious path. Some measures of inflation expectations have edged down and persistently undershooting the inflation target could entrench lowered expectations. On the other hand, sustained low interest rates create financial market risks, which may require stronger macro-prudential action. More supportive fiscal policy eases the burden on monetary policy.

Fiscal policy was broadly neutral in 2016. The new Administration will begin implementing its policy priorities next year and in this context the fiscal stance is projected to become more expansionary as public spending and investment rise, while taxes are cut. This will provide a boost to the economy, particularly in 2018. Action will be needed to ensure public finances are sustainable in the medium term.

Source: OECD (Nov 2016)

Sector Breakdown



- Consumer Discretionary (12.40%)
- Energy (6.28%)
- Health Care (13.94%)
- Information Technology (22.97%)
- Real Estate (2.92%)
- Utilities (3.21%)
- Consumer Staples (9.32%)
- Financials (13.91%)
- Industrials (10.04%)
- Materials (2.81%)
- Telecommunication Services (2.20%)

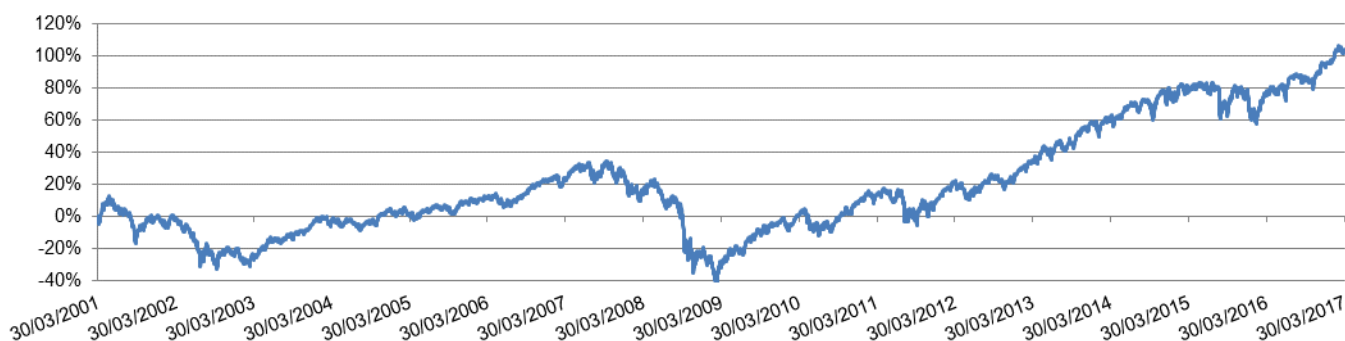
Source: Bloomberg

Top 5 Constituents

Company	Sector	Index Weighting
Apple Inc.	Information Technology	3.94%
Microsoft Corp.	Information Technology	2.58%
Amazon.com Inc.	Consumer Discretionary	1.87%
Facebook Inc.	Information Technology	1.71%
Johnson & Johnson	Health Care	1.70%

16 Years Past Performance

Source: Bloomberg



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 15.05.2017, Data period: 30.03.2001 to 30.03.2017

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 60-60 Income Autocall with no memory coupon, an 80-60 Income Autocall with memory coupon and a classic autocall with memory coupon. These results show how each would have performed historically if S&P 500 was the underlying. The back-test gives results from 2,501 scenarios.

Back-Testing Results

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	9,629
Total Coupons Paid	9,334
Total Coupons Missed	295
% Paid	96.94%
% Missed	3.06%

Autocall Test	
Total Tested	2,501
Matured Early	2,389
% Matured Early	95.52%
Reached Full Term	112
Breached Final Barrier	0

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	9,629
Total Coupons Paid	9,629
Total Coupons Missed	0
% Paid	100%
% Missed	0%

Autocall Test	
Total Tested	2,501
Matured Early	2,389
% Matured Early	95.52%
Reached Full Term	112
Breached Final Barrier	0

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.

Memory Coupons	
Total Coupons Tested	9,629
Total Coupons Paid	9,629
Total Coupons Missed	0
% Paid	100%
% Missed	0%

Autocall Test	
Total Tested	2,501
Matured Early	2,389
% Matured Early	95.52%
Reached Full Term	112
Breached Final Barrier	0