

AMC Aspermont Equity Rotator Basket

Product update as of December 31, 2018

Certificate price (Dec 31, 2018): EUR 1'050.53 monthly performance: -5.64%, YTD: -14.90%, since inception: 5.05%

The Aspermont Equity Rotator Basket

The Actively Managed Certificate (AMC) linked to the Aspermont Equity Rotator Basket gives investors the opportunity to invest in a dynamic, broadly diversified European equity portfolio. Since investments are made exclusively in indices, stock-specific risks are eliminated. The strategy is designed to give the manager the opportunity to add direct sector exposure to country allocations, as well as the capacity to short sectors or countries with a particularly negative outlook. Target weightings are determined by both fundamental and technical aspects and are continuously reviewed and adjusted as necessary. We place emphasis on the relative strength indicator (RSI), which is a technical momentum indicator that compares the magnitude of recent gains to recent losses of the asset to identify overbought and oversold conditions. Event-driven opportunities may also be exploited as they occur through combinations of long and short strategies.

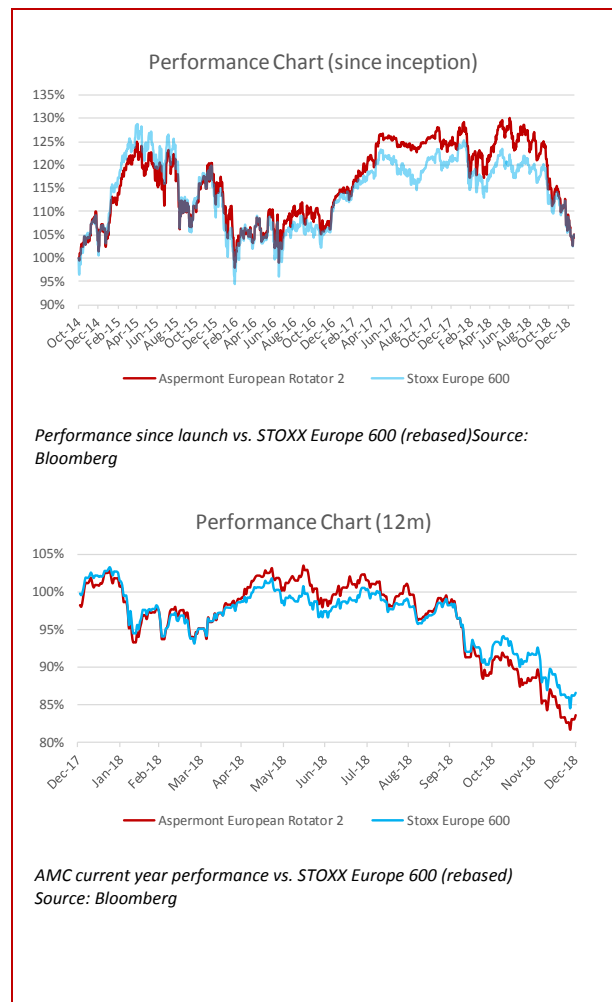
Manager's Comment

Aspermont European Rotator Basket was caught in the largest monthly market sell off in the last few years that puts almost all the world wide equity markets down more than 10% at the year end, a sell off that started in October fueled by trade disputes and concerns of global slowdown. European indices fell to the lowest levels since December 2016. The DAX was down -6.20% and the broadly diversified EuroStoxx 600 corrected -5.55%. Currently, the portfolio is invested in 21 positions; thereof 16 sectors long (68% of AuM), 5 countries (30% of AuM) while roughly 2% remained in cash at the end of the month.

Overall, world markets corrected, but one sector in Europe managed to stay afloat, Utilities (1.2% allocation). The index moved slightly upwards with a gain of 1.62% in December. Finland (1% allocation, -0.02% performance) is a fairly new position and held well against market dynamics with Nokia's performance (23% weight, 3.58% performance) supporting the index due to solid financial performance of 9m 2018 and the release of new smartphone 8.1 launched in December 2018.

France is the biggest country weight (15.5% allocation, -5.47% performance) and due to its weight had the biggest negative contribution. The performance was similar to the other European markets and had a political component to it as the "Yellow Vest" protests in France costs the economy 0.1% percentage points in Q4, according to French Finance Minister Bruno Le Maire. Especially hard hit was Vinci (-6.6%) as protestors damaged highway infrastructure. Airbus, a big weight in France (4.2% weight) and in Industrial Goods & Services (11.2% weight) affected both sectors substantially as the company declined some -11.3% after reports were released that they are being investigated by the US Department of Justice on inappropriate practices. Industrial Goods & Services (10.5% allocation, -6.59% performance) had a second similar event with Schneider Electric (7.3% weight, -7.1% performance) that are being investigated by the French authorities on suspicion of cartel pricing and corruption.

Our positioning within the basket still favors a recovery in European indices as we believe that parts of the recent market sell off was an overreaction to political trade tensions and companies remain well positioned with solid financials going into 2019.



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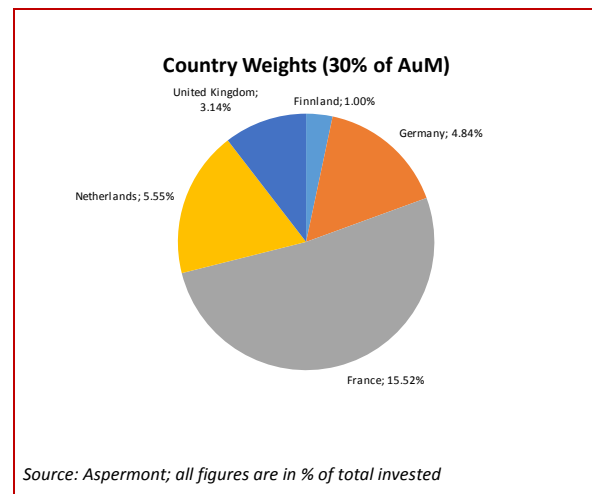
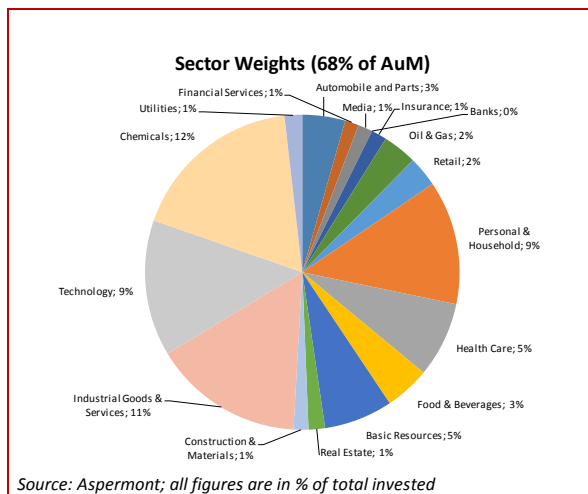
Returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2014										4.62%	3.56%	-2.36%	5.79%
2015	5.76%	5.48%	2.51%	-1.43%	0.81%	-4.62%	4.32%	-6.23%	-3.23%	6.70%	3.93%	-3.49%	9.85%
2016	-4.37%	-5.35%	0.26%	0.54%	3.75%	-5.06%	4.45%	0.02%	0.66%	-1.58%	-0.63%	5.57%	-2.00%
2017	-1.25%	3.77%	4.26%	1.98%	1.27%	-1.45%	-0.04%	-0.27%	1.62%	1.62%	-2.31%	-0.65%	8.40%
2018	2.61%	-3.34%	-2.36%	4.38%	0.90%	-1.26%	2.68%	-1.91%	-1.10%	-7.80%	-2.50%	-5.64%	-14.90%

Figures & Ratios

Performance	AMC ER	STOXX Eur 600	High/Low	AMC ER	STOXX Eur 600
1 month	-5.64%	-5.55%	52-week High	1'300.65	402.81
3 month	-15.58%	-12.06%	52-week Low	1'025.97	329.58
Since Launch	5.05%	5.01%	Lifetime High	1'300.65	414.06
Year-to-date	-14.90%	-13.24%	Lifetime Low	979.05	303.58
Risk	AMC ER	STOXX Eur 600	Ratios	AMC ER	STOXX Eur 600
Volatility (annualized)	13.02%	13.41%	Sharpe	0.09	0.09
Maximum Drawdown	-21.65%	-26.68%			

Note: Benchmark lifetime values are relevant for the same time series as that of the European Rotator



Certificate Terms

Issuer: Morgan Stanley & Co. International Plc
 Investment Manager: Aspermont Capital AG
 ISIN: XS1112678633
 Profile: Tracker-Certificate (SVSP-Code: 1300)
 Launch date: October 13, 2014

Currency: EUR
 Denomination: EUR 1000 per Unit
 Maturity date: October 14, 2019
 Listing: None

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