

AMC Aspermont Equity Rotator Basket

Product update as of October 31, 2018

Certificate price (October 31, 2018): EUR 1141.79 monthly performance: -7.80%, YTD: -7.51%.

Performance in 2014 (since inception on October 14): 5.79%, performance in 2015: 9.85%, performance in 2016: -2.00%, performance in 2017: +8.40%

Last month price per certificate (September 30, 2018): EUR 1238.31

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.

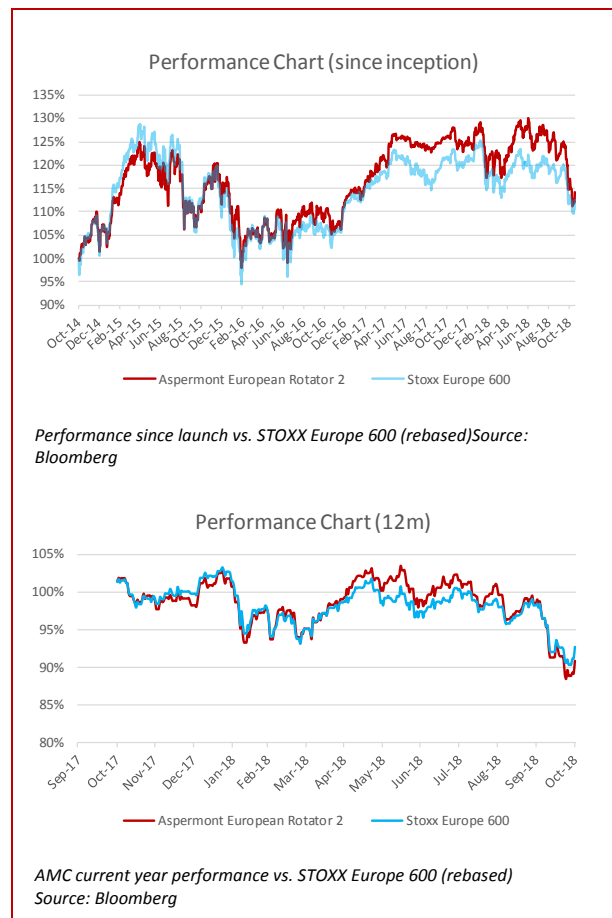
Manager's Comment

Aspermont European Rotator Basket was caught in the middle of a market wide correction and performed -7.80% in October, similar to the DAX that was down -6.53% and the broadly diversified EuroStoxx 600 that corrected -5.63%. Currently, the portfolio is invested in 22 positions; thereof 16 sectors long (66% of AuM), 5 countries (30% of AuM) and one short (-2% of AuM) while 2% remained in cash at the end of the month.

Overall, the whole market corrected, dragging all the sectors and countries with it. The biggest correction was in Basic Resources (5% allocation, -16% performance) that was hit hard by the correction in both of the Finnish paper companies and metal companies. We believe that these companies suffered in the recent sell-off, but remain solid in our opinion as their earnings release showed. Technology (10% allocation, -8.53% performance) was the second weakest performing sector that was under pressure by its US counterpart's not meeting analyst expectations and dragging worldwide tech stocks down. Q3 earnings release of the European companies remain solid future driven. Industrial Goods & Services (10.5% allocation, -7.98% performance) were also hammered by growth slow down fears coming out of China. However, companies such as Schneider that increased their FY earnings outlook, and Airbus that sold off ahead of their earnings that then beat analyst expectations while being on target to deliver 800 commercial airlines this year, remain solid and we expect a rebound in this sector due to its strong underlying companies.

The biggest positions (France, 15% allocation, -7.1% performance) was hurt by a broad sell off that affected banks (BNP Paribas, 4.26% allocation, -12.48% performance) after the European Commission rejected Italy's budget proposal. The consumer discretionary sector led by LVMH (6% allocation, -11.75%) was weak with news out of China limiting the amount of luxury goods that their citizens can import, even though their Q3 figures were above estimates. France did have a bright light with Sanofi (5.9% allocation, +2.98% performance) that outperformed the overall market by a substantial margin.

In the middle of the month we increased Chemicals from 7% to 12% as we believe that BASF's stock performance (27.55% allocation, -11-13% performance) does not reflect the company's value and we see the sector with upside potential. Banks remain under pressure due to political issues in Italy and Turkey has been under pressure YTD. While we believe in the recovery of Europe, we see this sector as remaining weak and took a short position (-2%) while we monitor the sector closely. All in all, we believe in a recovery in Europe and remain invested while keeping a close eye on the markets.



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Returns

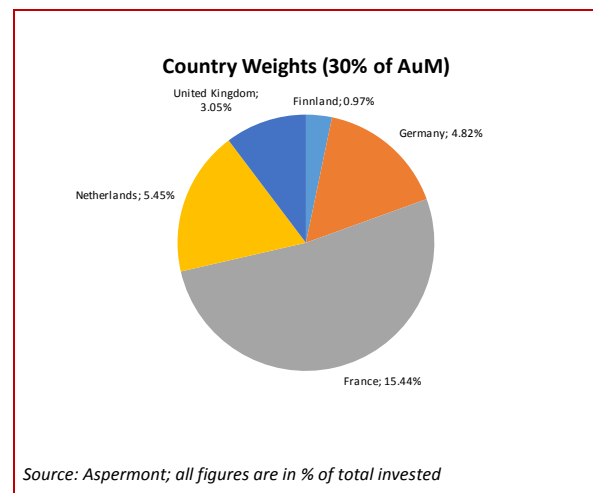
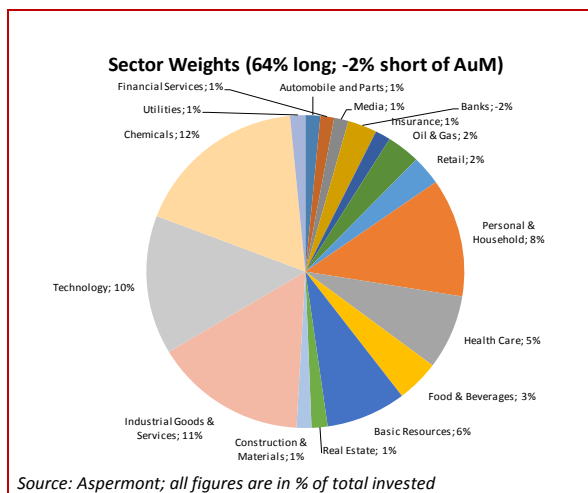
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2014										4.62%	3.56%	-2.36%	5.79%
2015	5.76%	5.48%	2.51%	-1.43%	0.81%	-4.62%	4.32%	-6.23%	-3.23%	6.70%	3.93%	-3.49%	9.85%
2016	-4.37%	-5.35%	0.26%	0.54%	3.75%	-5.06%	4.45%	0.02%	0.66%	-1.58%	-0.63%	5.57%	-2.00%
2017	-1.25%	3.77%	4.26%	1.98%	1.27%	-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%			-7.51%

Figures & Ratios

Performance	AMC ER	STOXX Eur 600	High/Low	AMC ER	STOXX Eur 600
1 month	-7.80%	-5.63%	52-week High	1'300.65	402.81
3 month	-10.55%	-7.66%	52-week Low	1'111.45	352.34
Since Launch	14.18%	12.47%	Lifetime High	1'300.65	414.06
Year-to-date	-7.51%	-7.08%	Lifetime Low	979.05	303.58

Risk	AMC ER	STOXX Eur 600	Ratios	AMC ER	STOXX Eur 600
Volatility (annualized)	13.00%	13.40%	Sharpe	0.26	0.22
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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