

AMC Aspermont Equity Rotator Basket

Product update as of December 31, 2016

Certificate price (December 31, 2016): EUR 1'078.78, monthly performance: 5.57%, YTD: -2.00%

Performance in 2014 (since inception on October 14): 9.58%, Performance in 2015: 9.85%

Last month price per certificate (November 30, 2016): EUR 1'078.78.

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

December saw a strong rally in the European Markets. The Aspermont European Rotator Basket was up 5.57% as the STOXX Europe 600 Index (SXXP) also gained some 5.68%.

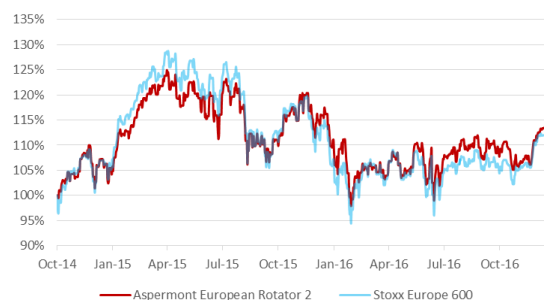
All the sectors and countries were up in December with several reaching low double digit gains. The lagers on the other hands came almost exclusively from countries, where Belgium and Greece were at the bottom of the performance with +2.03% and +2.60%, respectively. In comparison the lowest performers in the sectors were the Food & Beverage +2.08% and Retail +3.73%. Main driver was the continued accommodative stance of the ECB that is said to continue its asset purchase program at the current pace until march 2017 and then with a reduction from EUR 80 bln to EUR 60 bln until at least December 2017.

For the Aspermont European Rotator Basket this development in the European markets helped boost its performance in the end of year rally. The biggest country contributions came from Germany (Index +7.59%) led by a rebound in its automotive industry where Daimler (+12.68%) and BMW (+10.37%) have managed to increase their sales.

The sectors performed well overall with technology (Index +6.68%) led by the increasing demand for chip maker ASML's products and Nokia where information leaked about their potential return as a mobile phone manufacturer in the form of an Android phone. Oil & gas (Index +10.16%) also contributed a sizeable chunk to the performance with support from the OPEC who has agreed to lower output. Construction materials (Index +5.50%) and basic resources (Index +5.97%) had similar contributions. Tenaris led the performance in basic resources as it was awarded USD 162 mln in arbitration with Venezuela. In the construction materials Saint-Gobain profited from various upgrades and awards that

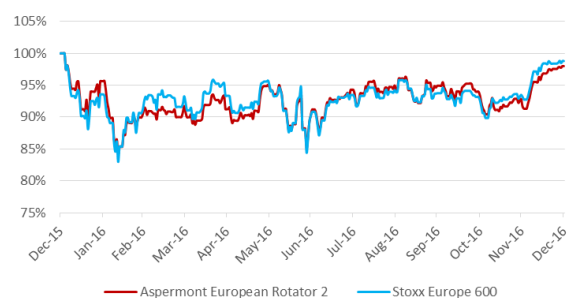
Within our portfolio our biggest two allocations are to the tech sector and to Germany of which both performed above average. During the reporting period we kept the respective sector allocations steady.

Performance Chart (since inception)



Performance since launch vs. STOXX Europe 600 (rebased)
Source: Bloomberg

Performance Chart (YTD)



AMC current year performance vs. STOXX Europe 600 (rebased)
Source: Bloomberg

Legal Disclaimer:

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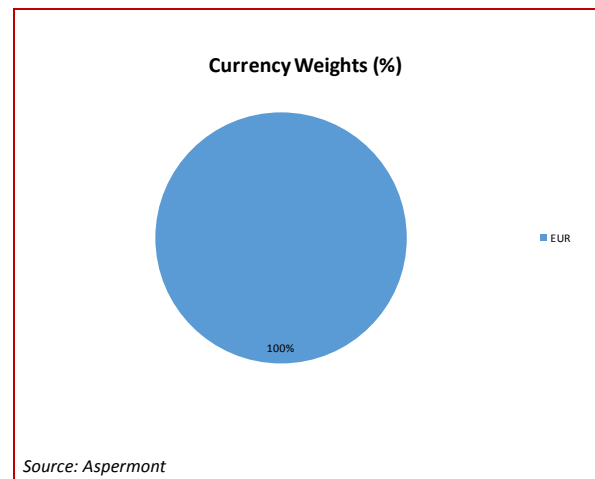
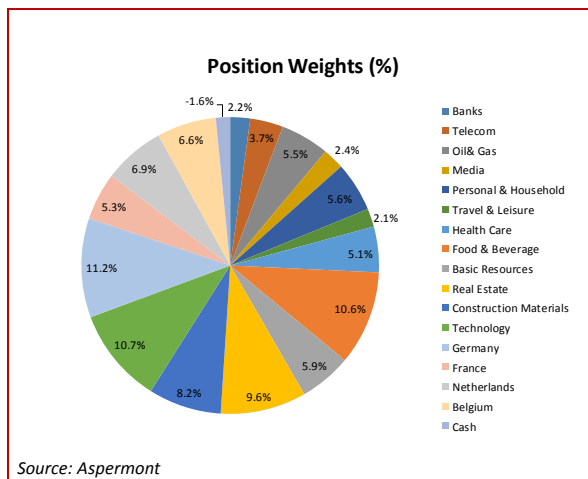
Returns

	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%

Figures & Ratios

Performance	AMC ER	STOXX Eur 600	High/Low	AMC ER	STOXX Eur 600
1 month	5.57%	5.68%	52-week High	1'162.09	365.81
3 month	3.25%	5.39%	52-week Low	979.05	303.58
Since Launch	13.89%	12.41%	Lifetime High	1'249.62	414.06
Year-to-date	-2.00%	-1.20%	Lifetime Low	979.05	303.58
Risk	AMC ER	STOXX Eur 600	Ratios	AMC ER	STOXX Eur 600
Volatility (annualized)	15.51%	16.44%	Sharpe	0.39	0.33
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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