

AMC Aspermont Equity Rotator Basket

Product update as of October 31, 2016

Certificate price (October 31, 2016): EUR 1'085.65, monthly performance: -1.58%, YTD: -6.58%

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

Last month price per certificate (September 30, 2016): EUR 1'103.10.

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.

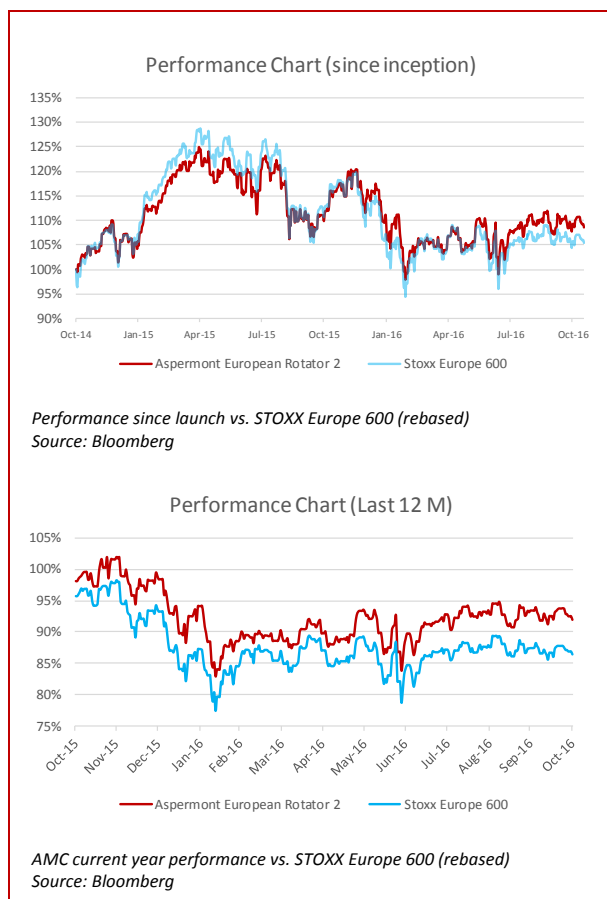
Manager's Comment

In October the Aspermont European Rotator Basket was down -1.58% while the STOXX Europe 600 (SXXP) -1.15%.

European markets were mixed in October as the more defensive markets such as Switzerland were down in performance, others such as Spain and Italy outperformed that were driven by their banks beating earnings expectations. Earnings seasons kicked off in the US at the beginning of October where companies managed to beat expectations at first, but then some big tech companies (Apple & Amazon) disappointed investors. Our exposure in the tech sector was also hit as SAP missed its Q3 target after beating Q2 estimates by gaining 5% revenue. Although ASML managed to beat their numbers, the tech sector lost -4.35% (10% weight). The other three big detractors were: Real Estate (-7.24%, 9.7% weight) where the resignation of José Luis Duran from the board the supervisory board at Unibail-Rodamco raised questions and sent the stock downwards, dragging the rest of the sector with it; Food & Beverage (-6.84%, 10.6% weight) and Belgium (-6.27%, 6.6% weight) suffered when Anheuser's 3Q numbers missed on a very weak Brazil that could not capitalize on the Olympics. The other big position, Germany (+0.96%, 11.2%) performed middle of the pack with mixed earnings coming in from its high diversified index.

Banks rebounded (+13.11%, 2.5% weight) as Q3 estimates were beaten. Basic Resources (+8.81%, 5.9% weight) followed closely behind as the Finnish paper producers beat estimates, the metal companies are yet to announce their earnings. Lastly, Oil & Gas (+3.87%, 5.5% weight) also had a good month thanks to Oil that peaked above 50 and despite mixed earnings with Eni missing their Q3 targets and Total just beating them. Repsol showed that they have managed to reduce refining costs, a cost saving measure many refiners had to follow due to the low oil price.

During the reporting period we kept the respective sector and country allocations.



Returns

Legal Disclaimer:

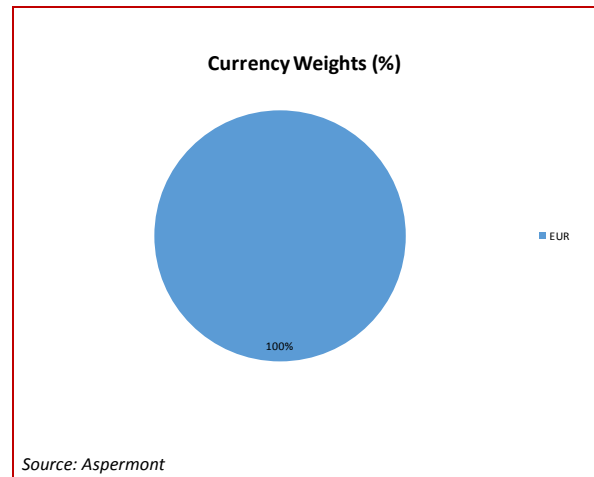
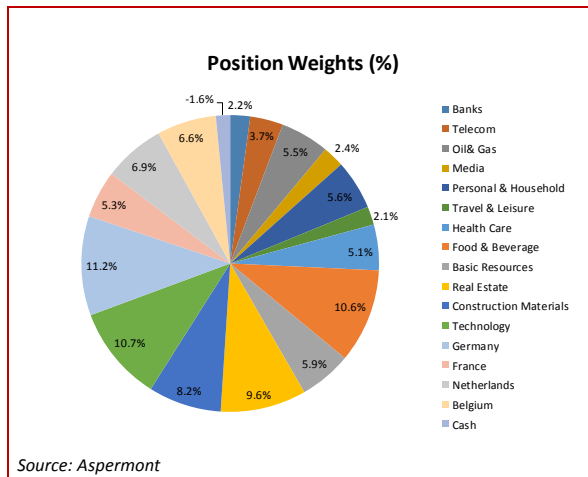
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	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2014										4.62%	3.56%	-2.36%	5.79%
2015	5.76%	5.48%	2.51%	-1.43%	0.81%	-4.62%	4.32%	-6.23%	-3.23%	6.70%	3.93%	-3.49%	9.85%
2016	-4.37%	-5.35%	0.26%	0.54%	3.75%	-5.06%	4.45%	0.02%	0.66%	-1.58%			-6.58%

Figures & Ratios

Performance	AMC ER	STOXX Eur 600	High/Low	AMC ER	STOXX Eur 600
1 month	-1.58%	-1.15%	52-week High	1'204.14	385.43
3 month	-0.91%	-0.85%	52-week Low	979.05	303.58
Since Launch	8.57%	5.42%	Lifetime High	1'249.62	414.06
Year-to-date	-6.58%	-7.34%	Lifetime Low	979.05	303.58
Risk	AMC ER	STOXX Eur 600	Ratios	AMC ER	STOXX Eur 600
Volatility (annualized)	15.93%	17.19%	Sharpe	0.26	0.15
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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