

Yield enhancement strategy «Miners»

a 24 months opportunity

Strategy Summary

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Level of risk	Time horizon	Upside Opportunity	Asset Allocation	Investment Focus	Currencies

Your benefits:

- ▶ Conditional capital guarantee of up to -30 %, type Low Strike
- ▶ Maturity: 24 months
- ▶ Currency: USD
- ▶ Underlying companies: Rio Tinto, Antofagasta, BHP
- ▶ Reimbursement Triggers: Autocall trigger at 100%, starting after 3 months
- ▶ Coupon Barrier: Coupon barrier at 70 %, if each stock is at or above coupon barrier, the product will be redeemed at 100 %, coupon level at 12.00 p.a.
- ▶ Payout at Maturity: Low strike at 70 %, if each equity is at or above Low Strike level, the investor will be redeemed 100 %; else: the payout will be linked to the worst performing equity from 70 %

Investment Opportunity

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A focused approach

The global economy is bending, not breaking. Recent data suggest that stabilization in manufacturing is in sight. We expect positive news on the trade front as well as a potential stimulus in China to provide the next catalysts.

Sector news flow:

- ▶ Q3 Chinese GDP growth slowed to %6.0+, the bottom of the range set by Chinese authorities. We believe this is another signal that more policy measures will be announced to support the economy in 2020.
- ▶ The so-called “Phase 1” trade deal between China and the US is likely to be formally signed mid-November and this will further support investor’s expectations that the end of the manufacturing contraction is near.
- ▶ An interesting way to play improving growth expectations in Asia is to take indirect exposure to base metals through miners.
- ▶ Rather than taking a straight commodity exposure, investors can buy well-chosen / high quality miners who will benefit from a better pricing environment.
- ▶ We like the long-term prospects for copper due to 1/ booming electrification needs: cities + emerging markets power infrastructure + the rise of electrical vehicle and the need to upgrade the grid 2/ limited additional greenfield supply
- ▶ We note that miners currently trade at a discount to historical valuations despite strong balance sheet and high free cash flow generation

Heatmaps

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Rio Tinto

	1 to 9.999	10 to 29.999	30 to 69.999	70 to 89.999	90 to 100
Price Momentum			Yellow		
Analyst Revision		Orange			
Relative Value			Yellow		
Earnings Quality					Green
Risk Metrics			Yellow		
Growth Metrics			Yellow		
Value Metrics			Yellow		
Momentum Metrics		Orange			
Social Media Metrics					
Total of Metrics		Orange			
Data Quality:	97.96%				

Rio Tinto is one of the largest miner worldwide with significant exposure to Iron Ore (60%) and Aluminium (24%) and more than 50% of sales coming from China. Strong free cash flow generation, coupled with elevated levels of excess capital, should contribute to increasing shareholder returns and lead to a multiple rerating.

Antofagasta

	1 to 9.999	10 to 29.999	30 to 69.999	70 to 89.999	90 to 100
Price Momentum		Orange			
Analyst Revision	Red				
Relative Value		Orange			
Earnings Quality				Cyan	
Risk Metrics			Yellow		
Growth Metrics			Yellow		
Value Metrics			Yellow		
Momentum Metrics		Orange			
Social Media Metrics					
Total of Metrics			Yellow		
Data Quality:	97.96%				

Antofagasta is a copper mining group with some of the world's highest quality assets, pre-dominantly located in Chile. Its balance sheet is very strong and free cash flow generation should support increased shareholder return. Antofagasta is a pure-play on copper, one of our most preferred commodity with attractive mid/long term prospects.

BHP Group

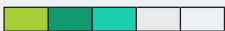
	1 to 9.999	10 to 29.999	30 to 69.999	70 to 89.999	90 to 100
Price Momentum				Cyan	
Analyst Revision		Orange			
Relative Value			Yellow		
Earnings Quality					Green
Risk Metrics			Yellow		
Growth Metrics			Yellow		
Value Metrics			Yellow		
Momentum Metrics		Orange			
Social Media Metrics					
Total of Metrics			Yellow		
Data Quality:	97.96%				

BHP is a diversified mining group with exposure to iron ore (66% EBIT), copper (14%), coal (11%) and petroleum products (9%). We like its strong balance sheet, capital discipline and improving strategic direction. Additionally, the strong cash flow generation should support current valuation and potential.

Guidance

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Characteristics

Name	RCB Miners
Issuing Bank	to be announced
ISIN Number	to be announced
Management Fee	1.25 % p.a.
Performance Fee	-
Type of shares	Yield enhancement
Minimum Investment	USD 10'000
Risk scale	

Risk

- Capital is not protected below barrier or if the issuer or guarantor fails
- Gain is limited to the coupon payment
- The investor will not receive dividend payments from the underlying

Disclaimer

Past performance is no guarantee of future returns.

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