CIO Office: Global Equity Strategy

Expected impact on equity markets from the U.S. elections

Introduction from the Chief Investment Officer

It is unusual to start an investment note with a quote from the Russian revolutionary Vladimir Lenin, but never has his famous saying been truer: "There are decades where nothing happens; and there are weeks where decades happen."

The key event of 2020 was of course when an initially obscure virus from China became a global pandemic. The radical measures to stop it triggered the most brutal and broad-based recession in history, across the entire world. Action from political leaders has been, and still is, decisive, on two battlefronts: containing the virus, but also avoiding irreversible economic damage. Against such a backdrop, the fact that the world's largest economy is also holding key elections in the coming weeks is not anecdotal. The US is the world's leading market, and policy action is crucial: after massive monetary support, but before the virus is actually under control, fiscal stimulus is paramount and urgent, to keep the recovery on a sustainable path.

As an introduction to the rich insight from our Equity Team, on what is at stake and how markets should react, I will share with you what we think of the current recessionary backdrop, from an investment perspective.

First, there is light at the end of the tunnel. We human beings have proven an extraordinary ability to adapt to radical circumstances. Scientific research will come with an effective solution to the virus. In the meantime, the examples of the most successful countries, in Asia but also in the UAE, demonstrate that we can live with the virus.

Second, the pandemic has brought clear answers to two big questions. The first one was the end of the current expansion cycle: it happened, everywhere, in March 2020, and we have only recovery ahead. It will be long, uneven, probably incomplete, but still, it is growth. Second, in front of such an emergency, Central Banks have pulled the trigger of their full arsenal without any taboo. For an extended period, major economies will not have funding issues and interest rates will remain extremely low. This raises long-term questions of course, but Modern Monetary Theory is happening.

As a result, the medium term combines economic growth, supporting profits, with low interest rates justifying high valuation multiples. For sure, decades will keep on happening within weeks and generate turbulence, but this is not just an adverse outlook for equities, and we have convictions, as you will see in the following pages.

Equity Positioning, from the CIO Office Equity Strategy Team

Markets last week followed the dynamics of a full Democratic House + Senate win and we saw renewables, infrastructure and China exposure rallying. However, the story can and will change every week on election rhetoric and only nearer to the date, could an outcome be certain. For markets, elections are a key catalyst as of now, but eventually only demand trends, profit growth and valuations will determine market direction. Currently markets are expecting a rebound in earnings growth in 2021, but valuations are trending above average and the virus is still impacting economic activity and this will limit upside with rational/reasonable expectations built in for any rallies.

The focus for markets for the next few weeks remains the U.S. elections, a shift away from the absolute concentration on the containment of the virus. Pres. Trump testing positive for Covid-19 increased market volatility, with even more uncertainty into the election process. We see any substantial pullback as an opportunity to add to equity positions in line with our CIO Office recommended positioning, along geographies and themes.

- The U.S. has led global returns this past decade and we expect no shift in leadership as long as economic growth does not disappoint. Economic data in the U.S. remains mixed: the unemployment rate has improved and there is optimism about an additional round of stimulus
- This complemented with high growth Asian equities should provide upside into the medium term
- Earnings expectations continue to trend higher with positive earnings revisions in September and 3Q20 earnings should surprise to the upside, similar to 2Q, though sustainability of the earnings recovery would be more certain with additional fiscal support

We assess the consequences on equity markets of the policies proposed by the Democrat and Republican Presidential candidates on taxation, government spending and trade policy.

Key is whether or not the market gets a cyclical boost from the proposed fiscal stimulus under a Democratic sweep...**If yes, then this predicates a rally in equities, a broadly weaker USD and higher nominal yield**s. If not, and the market choses to focus on the tax implications, then its status quo for equity markets with unchanged long-end nominal rates.

There is no simplistic view as to the outcome of the elections, and possibly, contested till the postal ballots are counted.

✓ Joe Biden wins and both houses are controlled by the Democrats, a so-called 'blue sweep'.
✓ Joe Biden wins and the Senate remains with the Republicans: Congress is split
✓ Donald Trump wins and the Senate is with the Democrats: Congress is split
✓ Donald Trump wins and both houses are controlled by the Republicans

Markets like certainty: A Democratic win provides policy certainty for both international and the U.S. markets as that brings conviction as to domestic and foreign policy and a more balanced approach to governance. Presidential candidate Joe Biden, supported by Vice Presidential candidate Kamala Harris are seen to be moderates and pro-growth with a focus on reducing inequality, benefits to the larger working population and the middle class, pro education and worried about climate change.

The Democratic proposal and market implications:

- A USD three to seven trillion spending plan over the next decade is large, but this is only a 2-3% increase as a percentage of GDP
- More taxes on wealthy individuals, targeting those with income of more than USD 400,000 p.a. This is less than 1% of the U.S. population
- More corporate taxes with an increase from the current 21% to 25 -28%. We don't think this will be implemented till economic growth starts to rebound, once the pandemic effects wear off and 25% is more likely.
- More money spent on infrastructure and expansion of public health insurance
- Higher minimum wages at USD 15 per hour
- Climate change focus on cutting emissions; R&D on research on renewable energy

This is positive for relations with other countries, cheaper raw materials with tariffs in control and higher consumption from an increase in wages and spending power.

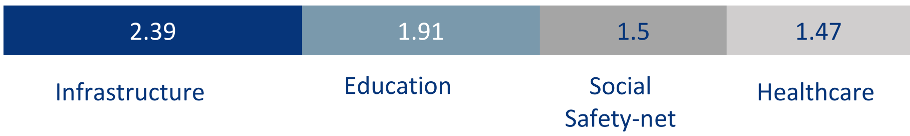
According to Moody's, the economic outlook is strongest under a blue sweep as the economic agenda can be fully adopted. "during Biden's term as president, the economy returns to full employment, with unemployment of just over

4%, the average American household's real after-tax income increases by approximately USD4,800, and the homeownership rate and house prices increase modestly. Near-term economic growth is lifted by Biden's aggressive government spending plans, which are deficit-financed in significant part. Greater government spending adds directly to GDP and jobs, while the higher tax burden has an indirect impact through business investment and the spending and saving behavior of high-income households.

Longer-term growth under Biden's policies is also stronger because on net they expand the supply side of the economy—the quantity and quality of labor and capital needed to produce goods and services. His plan to increase spending on the nation's infrastructure also boosts business competitiveness and productivity. These benefits to long-term growth will more than offset the economic costs from the higher marginal corporate and personal tax rates under his plan that reduce the incentives to save, invest and work and the higher federal minimum wage that would be phased in over a long enough period to mitigate much of its negative effects on jobs."

Joe Biden's Proposed New spending, by Category:

2021-2030 cumulative, USD 7.27 trillion (Source: Moody's Analytics)



The Republican mandate and market implications:

- China bold positioning to continue and fraught international relations
- Status quo on fiscal policy and healthcare – lower tax regime to continue
- Climate change policy: withdrawal from Paris agreement confirmed; No renewables/clean energy focus
- Trump proposes a sizable infrastructure plan costing USD1 trillion over the decade, but this is more than offset by spending cuts across a wide range of nondefense programs. Healthcare, education and social welfare programs suffer the biggest cuts
- Assume that Trump will continue to pursue a highly restrictive foreign immigration policy

What's common on policy for both parties?

- China policy: whilst tariffs may not be withdrawn (19% average currently) a softer stance from Biden is expected. On tech Intellectual Property rights issues, both parties would be expected to be equally harsh
- Both like "Made in America" and the effort to bring supply chains home will put pressure on margins, but convert into better wages and consumption
- Infrastructure overhaul
- Tech overview – risk of breakup of monopolies

Our recommended positioning into the elections and further into 2021 is largely agnostic as to the election outcome, we focus on the current macroeconomic environment and fundamental equity metrics, growth and valuation. Our market outlook not only considers the elections but also the myriad factors affecting economies currently. We are in a challenging phase of the economic cycle with the Pandemic causing changes in consumer behavior and policy differences around fiscal support, taxes, China relationship and minimum wage legislation.

Energy, tech, consumer and healthcare are the four market sectors we see most impacted by the economic policies of both parties. Equity markets tend to trade cautiously into elections, as experienced in September, and that could easily be the case for the next month or so with potential for election dispute and as equities have already rallied the last few months.

Our recommended positioning across geographies and sectors for 2020 and into 2021:

	Direction	View
U.S. Equities	Positive	Led by consumption which is picking up. Tech innovation too drives the market and the sector still predicates strong growth, even with the shadow of stronger regulation. A Biden sweep implies more expenditure funded by higher taxes but increased consumer spend and higher wages will lead to economic growth. Better foreign relations will lead to more favourable cost of goods. If Trump remains, the markets are familiar with policy and will be driven more by fundamentals than policy changes.
EM Equities	Positive	Improved geopolitical camaraderie if a Biden government: would have implications for major EMs besides China, as the structure of geopolitical risk premiums is reconfigured favourably. India would likely see more FDI inflows medium term. For Russia, Biden is widely reckoned to introduce more orderly sanctions. Mexico would be a clear beneficiary of export restrictions. But ESG risks would grow under Biden for both Mexico and Brazil. EM markets have now taken in their stride Trump's foreign policies so expect a more fundamentally and domestically driven market performance, with no change to markets on account of a continued Trump administration.
Technology	Positive	Driven by innovation, not policy and has been a primary driver of growth for the U.S. economy for decades. Underlying fundamentals revolve around the handling of the relationship with China, potential antitrust action, regulation and national security concerns. Overall, there is near consensus that new legislative and regulatory action should occur, but no defined path. Secular and trend tailwinds for the sector remain more important for performance. Break up of big tech monopolies is a huge focus and the Democrats have made additional scrutiny of M&A activity, especially acquisitions by large tech companies, high on their priority list. A key policy change in U.S. policy in recent years is viewing U.S. technology as a national security asset - a Biden Administration is expected to reinstate a White House post for cybersecurity. Both parties seem to be anti-China/Huawei, but the Biden administration is likely to be less confrontational. AI. The rise of artificial intelligence and use of tech-driven algorithms have raised concerns about bias. Social justice issues are high on the Democratic Agenda and expect increased regulator attention towards developing anti-bias policies. However the Biden mandate at the same time has an allocation towards tech R&D and wants to maintain the U.S. lead in tech and AI and R&D specially on 5G and EVS in line with significant investment to reduce emissions in the transport sector. Plan to support all emerging technologies that foster lower emissions. Any immigration reform is a positive for skilled workers

		In a divided government, we see less happening on antitrust enforcement and if the current government continues China and Huawei would remain on top of the agenda and we would favour domestic telecom companies that are ahead in 5G technology. A Biden administration would likely seek more normalized China relations and less concerns over delisting of China securities.
Healthcare	Positive	Importance of the sector even more significant with the current health crisis. The U.S. Supreme Court is scheduled to hear a case on the Affordable Care Act a week after the election, pushing the healthcare debate to the front burner. Healthcare policy would be relatively stable in the first year of a potential Biden administration but expect expand coverage of Medicare favourable for managed care companies. Both governments are working to limit price increases, difficult with the focus on COVID therapies and vaccines.
Consumer	Neutral	As we are at the beginning of an economic recovery, over the next 1-3 years, the consumer discretionary sector is positioned to outperform the but keeping in mind the impact from changes in tax rates, relationship with China, minimum wage legislation, fiscal support payments, inflation, and regulation. Discretionary should do better under an improving economic backdrop. Effect of yields: over the last 40 years, relative performance of the consumer discretionary sector when the 10-year Treasury yield rises by 100+ bp over the past year (which usually occurs in an economic recovery), the consumer discretionary sector outperforms the S&P 500 by c.14% Value retail is likely the best positioned under any government scenario. This sector is undergoing rapid change in terms of increasing e-commerce transformation. Performance likely to be determined by pace of continued fiscal stimulus as well as political regulatory actions The sector includes many high dividend payers which provides a defensive tilt. Underweight Leisure and Hotels: The biggest concerns for this industry are the potential for higher taxes (corp. and individual) and labor costs (higher federal minimum wage and/or elimination of tip credit).
Industrials	Neutral	Selective investing recommended towards heavy machinery firms with digital/IoT capability as infra spend targeted under both governments. Neutral defense firms Negative aircraft manufacturers

Financials	Positive selectively	Higher yields – 10 year Treasury rates are rising as inflation ticks up and as economic activity is improving. Large well capitalized banks and those ahead on their digital transformation will outperform. Global Payment processors – shift to digital payments continues and they are immune to political bias. The financial services industry is heavily regulated and D.C. can have a significant impact on the sectors earnings and business activity. The industry has already seen historic regulatory reform with the passage of the Dodd-Frank Act, the size and scope of the regulatory response in a post-COVID world are yet to be seen. The best year for financials is generally the year after the election, which could set up a rebound for financials in 2021. A Dem sweep will bring regulatory concerns to the group, with nonbank financials and consumer products impacted.
Real estate	Underweight	Besides the impact on slower demand as a result of the Pandemic, could see further downside as Democratic plans are to remove tax perks for real estate firms. On the positive side low rates good but demand lower as unemployment has risen.
Energy	Underweight, would buy renewables	The election outcome carries read-throughs for legislative and regulatory shifts under a Democratic administration. Energy sector fundamentals are much more driven by commodity prices (and, in turn, the broader economy) as well as technological change, rather than policy in the U.S. or anywhere else. We would expect a relief rally in most U.S.-focused oil and gas stocks, in the case of a Trump win. A Biden win would have the opposite effect as Democratic reform is around: • Ending new oil / shale gas leases on government land • Ending offshore drilling • Focus on supporting renewables

Our recommended investment vehicles for the above strategies:

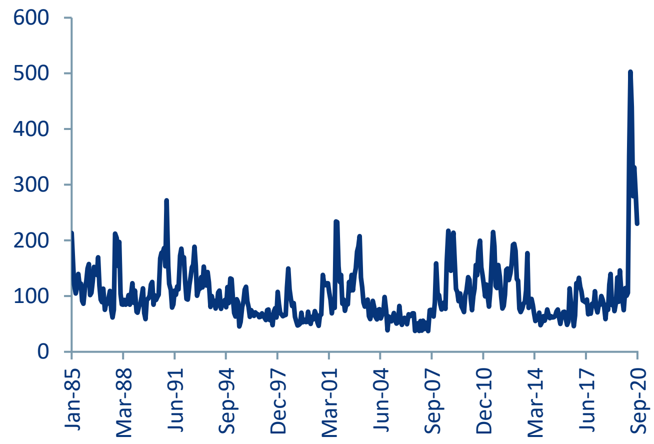
	Investment Vehicle	**Strategy**
U.S.	**Fund: Neuberger Berman US Multi Cap Opportunities**	The fund follows a fundamental research driven approach to uncover investment opportunities across market cap and style spectrums. The portfolio focuses on companies with the potential to generate free cash flow and is split across classic, special situations and opportunistic allocations.
	Recommended list of stocks	Quality names with a bias towards growth and long term earnings growth in sectors that are in demand in the future
EM	**Fund: Comgest Growth Emerging Markets**	The fund's approach is characterized as quality growth, investing in companies that meet its strict quality criteria including strong earnings visibility, exceptional business franchises, low cyclicality, high returns on equity, sustainable profit margins and self-financing capabilities. The average holding period of a company within the fund is typically 3-5 years (subject to valuations and/or other significant changes). The portfolio is intended to deliver regular, double-digit aggregated earnings per share growth per annum on a five-year horizon.
	Recommended list of stocks in Hong Kong, Singapore and India	Key consumer and retail focus with a bias towards Fintech and E-commerce
Technology	**Fund: Pictet Digital**	The fund focuses on data driven, web based business models with a view to capitalizing on digital transformation driven by internet penetration, R&D spending and innovation. Every portfolio holding must derive at least 20% of its revenues, EBITDA or enterprise value from the digital theme. The key themes that the fund is invested in include Online advertising, Interactive entertainment, E-commerce, 5G, Cloud/SaaS, Fintech, Digital payments
	Recommended list of stocks	Growth names in the key sectors of ecommerce, big data, EVs, 5G, cyber security, gaming, streaming, social media, robotics, AI
Healthcare	**Recommended list of stocks**	Growth names in the key sectors of big pharma, genomics, tele health, medical devices, life sciences and diagnostics companies
Consumer	**Fund: Robeco Global Consumer Trends Equities**	The fund invests in three broad structural growth trends in consumer spending; digital consumer, emerging markets and strong brands and the fund managers select stocks of the structural winners within these trends. The fund is not constrained by a benchmark.

Note: Please refer for details to the fund fact sheets, the CIO list of recommended securities across geographies and sectors and niche ETFs for the tech and healthcare subsectors.

Some charts around the elections:

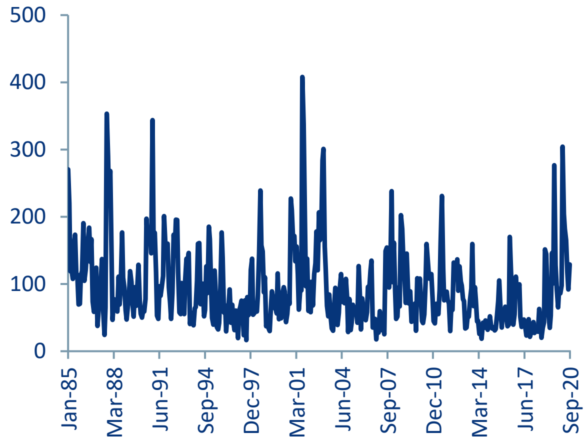
Recently we have seen reduced uncertainty on economic and monetary policy.

Exhibit: Economic policy uncertainty Index - US Monthly



Source: Source: policyuncertainty.com

Exhibit: Monetary policy uncertainty Index- US Monthly

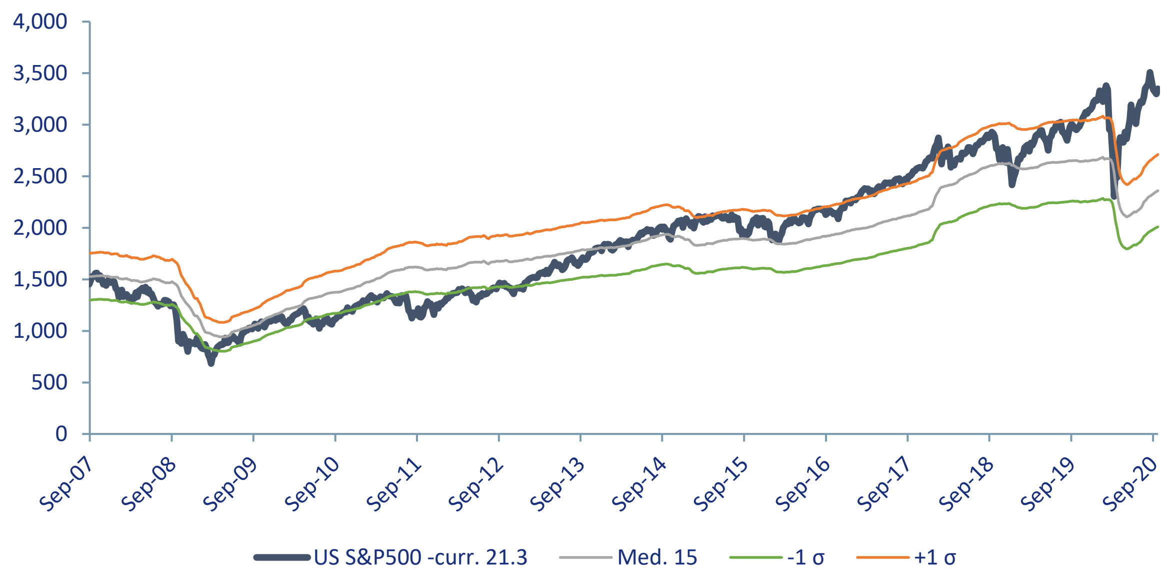


Source: Source: policyuncertainty.com

U.S. market performance

U.S. equities have over the past decade returned 245% (as of 9th Oct 2020, S&P 500 total returns) i.e. 13.7% annualized and have recovered well from the March sell off. The higher valuation multiple at 26X earnings is supported by low interest rate earnings and consensus expectations of EPS growth rebounding strongly in 2021, coming off a low 2020 base.

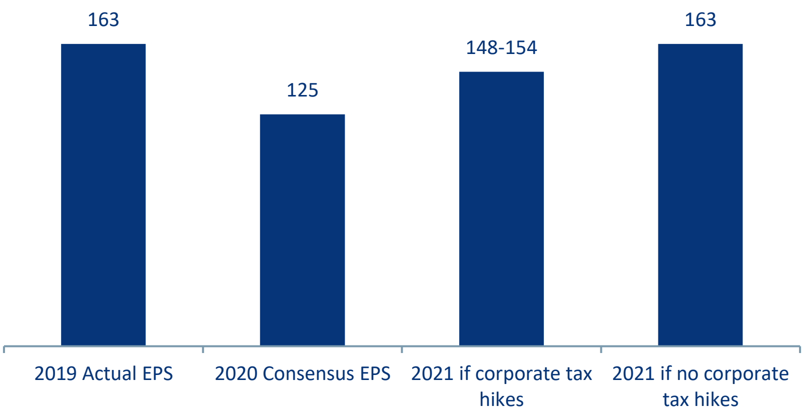
Exhibit: U.S. equity markets, the S&P 500, whilst volatile is trading up with valuations above long term trends



Source: Bloomberg; CIO Office Oct 2nd 2020

There's a lot about 2020 that has been unusual and there's more uncertainty to come, with largely populated countries like India which are seen as a global growth beacon, still reeling from the effects of the virus on normal economic activity. Sharper daily swings in markets as the US election nears, around additional US fiscal stimulus, a rise in global COVID-19 cases, vaccine timing and still-unresolved Brexit create significant ambiguity, and will keep markets volatile and range-bound over the next few months. But this creates opportunity, and this cycle is more normal than appears on the surface, with positioning still light from the global investors community.

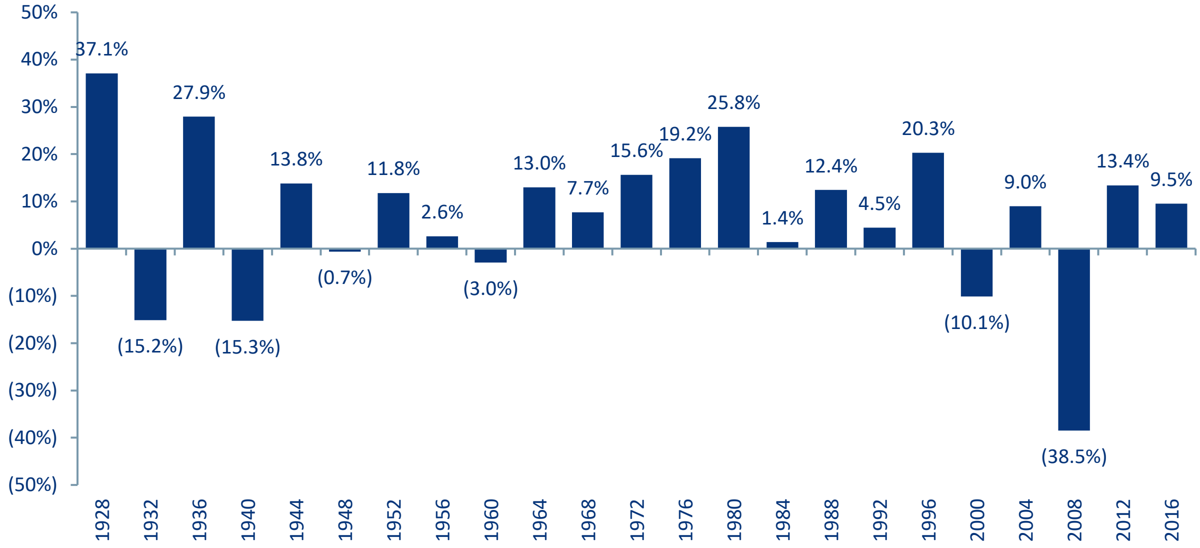
Exhibit: Earnings would take a hit if corporate taxes are raised. S&P 500 annual earnings per share (EPS)



Source: RBC Wealth management, Aug 4, 2020

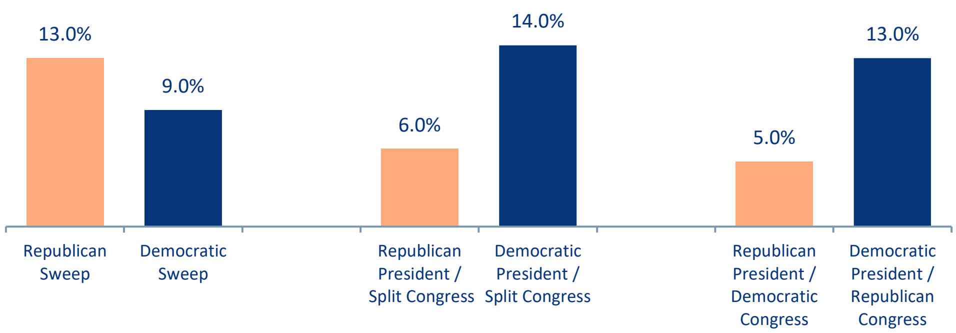
Focus should remain on selectivity and quality: investing in companies with sustainable growth strategies or dividend players with strong cash flows. Systematic investing, would yield the best returns. Geographic preference remains for the U.S. and EM Asia and sector preference continues for tech companies in the connectivity and data subsectors, healthcare in the big pharma, digital and gene editing sectors and consumer durables.

Exhibit: S&P 500 rose by an average of 7% during US Presidential election years, but with substantial variations



Source: S&P Global, data begins on Jan 3, 1928

Exhibit: Average historical S&P 500 returns by various party control scenarios since 1933



Source: RBC Wealth management, July 16, 2020

Global Equity Indices: 2020 Year to Date, 10 year performance and current valuation metrics

Region/ Sector	Index	Last Price	%5D	YTD	Annualized 10 year return	P/E	P/B	Dividend Yield	ROE
Developed Markets						Forward			
US	S&P 500 INDEX	3477	3.8%	9.2%	13.7%	25.88	3.70	1.7%	23.9%
US	DOW JONES INDUS. AVG	28587	3.3%	2.0%	12.7%	24.44	4.32	2.1%	26.5%
US	NASDAQ COMPOSITE	11580	4.6%	30.1%	18.2%	37.66	5.74	0.8%	55.3%
US	RUSSELL 2000 INDEX	1638	6.4%	-0.8%	9.8%	96.54	1.89	1.2%	-1.4%
Europe	STXE 600 (EUR) Pr	370	2.1%	-8.8%	7.0%	22.52	1.74	2.9%	3.4%
UK	FTSE 100 INDEX	6017	1.9%	-18.0%	4.5%	19.65	1.47	3.7%	2.5%
Hong Kong	HANG SENG INDEX	24119	2.8%	-11.8%	4.1%	12.75	1.03	3.0%	9.9%
Japan	NIKKEI 225	23620	2.6%	1.5%	11.6%	23.65	1.76	1.7%	8.4%
DM	MSCI DM TR USD	7269	3.6%	5.2%	9.4%	24.44	2.57	2.0%	10.4%
Emerging Markets									
China	CSI 300 INDEX	4681	2.6%	16.6%	6.8%	16.02	1.94	2.0%	10.4%
India	S&P BSE SENSEX INDEX	40509	4.7%	-0.8%	8.1%	25.68	2.88	1.3%	10.7%
UAE	DFM GENERAL INDEX	2224	-1.2%	-15.5%	7.6%	11.22	1.10	3.1%	8.5%
UAE	ADX GENERAL INDEX	4493	0.0%	-6.3%	10.7%	16.59	1.33	4.0%	10.1%
KSA	TADAWUL ALL SHARE INDEX	8503	4.0%	3.0%	5.9%	27.12	2.07	2.3%	17.0%
EM	MSCI EM TR USD	541	3.8%	2.6%	2.5%	18.08	1.70	2.2%	8.5%
World Sectors									
Finance	MSCI ACWI/FINANCE	105	3.6%	-18.5%	4.6%	13.37	0.93	3.4%	8.0%
Technology	MSCI ACWI/INF TECH	410	4.6%	31.4%	18.2%	28.58	6.26	1.2%	40.6%
Healthcare	MSCI ACWI/HLTH CARE	304	3.5%	10.0%	13.5%	19.86	4.13	1.7%	24.7%
Consumer Discretionary	MSCI ACWI/CONS DIS	345	3.9%	24.3%	13.5%	45.65	3.91	0.8%	6.7%
Industrial	MSCI ACWI/INDUSTRL	260	3.4%	0.2%	8.3%	29.98	2.72	1.8%	7.3%
Communication Services	MSCI ACWI/COMM SVC	90	2.7%	10.7%	6.8%	22.52	2.94	1.5%	9.7%
Consumer Staples	MSCI ACWI/CON STPL	256	2.1%	3.5%	9.1%	21.97	3.86	2.6%	19.9%
Energy	MSCI ACWI/ENERGY	121	4.9%	-40.1%	-3.1%	80.78	0.91	6.0%	1.9%
Material	MSCI ACWI/MATERIAL	290	4.3%	6.9%	3.0%	21.30	1.89	2.7%	8.1%
Utility	MSCI ACWI /UTILITY	146	3.4%	0.0%	5.8%	17.44	1.69	3.7%	10.6%
Real Estate	MSCI ACWI/REAL EST	992	1.5%	-9.9%	3.3%	21.69	1.47	3.5%	9.5%
Key levels									
Gold	XAU-USD X-RATE	1923	1.2%	1.2%	27.8%				
10 Year Yield	US Generic Govt 10 Yr	0.77	10.4%	10.4%	-51.1%				
2 Year Yield	US Generic Govt 2 Yr	0.15	18.6%	18.6%	-89.6%				
Brent	Generic 1st 'CO' Future	42.9	9.1%	9.1%	-26.5%				

Source: Bloomberg: 11th October 2020

Wealth Management: CIO Office Equity Strategy Team

Anita Gupta
Head of Equity Strategy
AnitaG@EmiratesNBD.com
Tel: +971 (0)4 609 3564

Nawaf AlNaqbi
Equity Strategist
NawafAlNa@EmiratesNBD.com
Tel: +971(0)4 609 3838

Rashed Bindrai
Equity Analyst
RashedBI@EmiratesNBD.com
Tel: +971(0)4 609 3829

Kaltham Alhashimi
Equity Analyst
KalthamS@EmiratesNBD.com
Tel: +971(0)4 609 3783

DISCLAIMER

Reliance

Emirates NBD Bank PJSC ("Emirates NBD") uses reasonable efforts to obtain information from sources which it believes to be reliable, however, Emirates NBD makes no representation that the information or opinions contained in this publication are accurate, reliable or complete and should not be relied on as such or acted upon without further verification. Opinions, estimates and expressions of judgment are those of the writer and are subject to change without notice. Emirates NBD accepts no responsibility whatsoever for any loss or damage caused by any act or omission taken as a result of the information contained in this publication. Data/information provided herein are intended to serve for illustrative purposes and are not designed to initiate or conclude any transaction. In addition this publication is prepared as of a particular date and time and will not reflect subsequent changes in the market or changes in any other factors relevant to the determination of whether a particular investment activity is advisable. This publication may include data/information taken from stock exchanges and other sources from around the world and Emirates NBD does not guarantee the sequence, accuracy, completeness, or timeliness provided thereto by unaffiliated third parties. Moreover, the provision of certain data/information in this publication is subject to the terms and conditions of other agreements to which Emirates NBD is a party. Anyone proposing to rely on or use the information contained in this publication should independently verify and check the accuracy, completeness, reliability and suitability of the information and should obtain independent and specific advice from appropriate professionals or experts. Further, references to any financial instrument or investment product are not intended to imply that an actual trading market exists for such instrument or product. The information and opinions contained in Emirates NBD publications are provided for personal use and informational purposes only and are subject to change without notice. The material and information found in this publication are for general circulation only and have not been prepared with any regard to the objectives, financial situation and particular needs of any specific person, wherever situated

Confidentiality

This publication is provided to you upon request on a confidential basis for informational purposes only and is not intended for trading purposes or to be passed on or disclosed to any other person and/or to any jurisdiction that would render the distribution illegal. The investor may not offer any part of this publication for sale or distribute it over any medium including but not limited to over-the-air television or radio broadcast, a computer network or hyperlink framing on the internet without the prior written consent of Emirates NBD or construct a database of any kind.

Solicitation

None of the content in this publication constitutes a solicitation, offer, opinion, or recommendation by Emirates NBD to buy or sell any security, or to provide legal, tax, accounting, or investment advice or services regarding the profitability or suitability of any security or investment and further does not provide any fiduciary or financial advice.

Third party

The security or investment described in this publication may not be eligible for sale or subscription to certain categories of investors. This publication is not intended for use by, or distribution to, any person or entity in any jurisdiction or country where such use or distribution would be contrary to law or regulation. It is the responsibility of any person in possession of this publication to investigate and observe all applicable laws and regulations of the relevant jurisdiction. This publication may not be conveyed to or used by a third party without the express consent of Emirates NBD. The investor may not use the data in this publication in any way to improve the quality of any data sold or contributed to by the investor to any third party.

Liability

Anything to the contrary herein set forth notwithstanding, Emirates NBD, its suppliers, agents, directors, officers, employees, representatives, successors, assigns, affiliates or subsidiaries shall not, directly or indirectly, be liable, in any way, to you or any other person for any: (a) inaccuracies or errors in or omissions from the this publication including, but not limited to, quotes and financial data; or (b) loss or damage arising from the use of this publication, including, but not limited to any investment decision occasioned thereby. Under no circumstances, including but not limited to negligence, shall Emirates NBD, its suppliers, agents, directors, officers, employees, representatives, successors, assigns, affiliates or subsidiaries be liable to you for direct, indirect, incidental, consequential, special, punitive, or exemplary damages even if Emirates NBD has been advised specifically of the possibility of such damages, arising from the use of this publication, including but not limited to, loss of revenue, opportunity, or anticipated profits or lost business.

This publication does not provide individually tailored investment advice and is prepared without regard to the individual financial circumstances and objectives of person who receive it. The appropriateness of an investment activity or strategy will depend on the person's individual circumstances and objectives and these activities may not be suitable for all persons. In addition, before entering into any transaction, the risks should be fully understood and a determination made as to whether a transaction is appropriate given the person's investment objectives, financial and operational resources, experiences and other relevant circumstances. The obligations relating to a particular transaction (and contractual relationship) including, without limitation, the nature and extent of their exposure to risk should be known as well as any regulatory requirements and restrictions applicable thereto.

Forward looking

Past performance is not necessarily a guide to future performance and should not be seen as an indication of future performance of any investment activity. The information contained in this publication does not purport to contain all matters relevant to any particular investment or financial instrument and all statements as to future matters are not guaranteed to be accurate. Certain matters in this publication about the future performance of Emirates NBD or members of its group (the Group), including without limitation, future revenues, earnings, strategies, prospects and all other statements that are not purely historical, constitute "forward-looking statements". Such forward-looking statements are based on current expectations or beliefs, as well as assumptions about future events, made from information currently available. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "seek", "believe", "will", "may", "should", "would", "could" or other words of similar meaning. Undue reliance should not be placed on any such statements in making an investment decision, as forward-looking statements, by their nature, are subject to known and unknown risks and uncertainties that could cause actual results, as well as the Group's plans and objectives, to differ materially from those expressed or implied in the forward-looking statements. Estimates of future performance are based on assumptions that may not be realized.

DISCLAIMER

Risk

Data included in this publication may rely on models that do not reflect or take into account all potentially significant factors such as market risk, liquidity risk, and credit risk. Emirates NBD may use different models, make valuation adjustments, or use different methodologies when determining prices at which Emirates NBD is willing to trade financial instruments and/or when valuing its own inventory positions for its books and records.

The use of this publication is at the sole risk of the investor and this publication and anything contained herein, is provided "as is" and "as available." Emirates NBD makes no warranty of any kind, express or implied, as to this publication, including, but not limited to, merchantability, non-infringement, title, or fitness for a particular purpose or use.

Investment in financial instruments involves risks and returns may vary. The value of and income from your investments may vary because of changes in interest rates, foreign exchange rates, prices and other factors and there is the possibility that you may lose the principle amount invested. Before making an investment, investors should consult their advisers on the legal, regulatory, tax, business, investment, financial and accounting implications of the investment.

In receiving this publication, the investor acknowledges it is fully aware that there are risks associated with investment activities. Moreover, the responsibility to obtain and carefully read and understand the content of documents relating to any investment activity described in this publication and to seek separate, independent financial advice if required to assess whether a particular investment activity described herein is suitable, lies exclusively with the investor.

Intellectual property

This publication has been developed, compiled, prepared, revised, selected, and arranged by Emirates NBD and others (including certain other information sources) through the application of methods and standards of judgment developed and applied through the expenditure of substantial time, effort, and money and constitutes valuable intellectual property of Emirates NBD and such others.

All present and future rights in and to trade secrets, patents, copyrights, trademarks, service marks, know-how, and other proprietary rights of any type under the laws of any governmental authority, domestic or foreign, shall, as between the investor and Emirates NBD, at all times be and remain the sole and exclusive property of Emirates NBD and/or other lawful parties. Except as specifically permitted in writing, the investor may not copy or make any use of the content of this publication or any portion thereof. Except as specifically permitted in writing, the investor shall not use the intellectual property rights connected with this publication, or the names of any individual participant in, or contributor to, the content of this publication, or any variations or derivatives thereof, for any purpose.

This publication is intended solely for non-commercial use and benefit, and not for resale or other transfer or disposition to, or use by or for the benefit of, any other person or entity. By accepting this publication, the investor agrees not to use, transfer, distribute, copy, reproduce, publish, display, modify, create, or dispose of any information contained in this publication in any manner that could compete with the business interests of Emirates NBD. Furthermore, the investor may not use any of the trademarks, trade names, service marks, copyrights, or logos of Emirates NBD or its subsidiaries in any manner which creates the impression that such items belong to or are associated with the investor or, except as otherwise provided with Emirates NBD, prior written consent. The investor has no ownership rights in and to any of such items.

Emirates NBD is licensed and regulated by the UAE Central Bank.

United Kingdom

This publication was prepared by Emirates NBD Bank PJSC in the United Arab Emirates. It has been issued and approved for distribution to clients by the London branch of Emirates NBD Bank PJSC which is authorized by the Prudential Regulation Authority and regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority in the UK. Some investments and services are not available to clients of the London Branch. Any services provided by Emirates NBD Bank PJSC outside the UK will not be regulated by the FCA and you will not receive all the protections afforded to retail customers under the FCA regime, such as the Financial Ombudsman Service and the Financial Services Compensation Scheme. Changes in foreign exchange rates may affect any of the returns or income set out within this publication.

Singapore

This publication was prepared by Emirates NBD Bank PJSC in the United Arab Emirates. It has been issued and approved for distribution to clients by the Singapore branch of Emirates NBD Bank PJSC which is licensed by the Monetary Authority of Singapore (MAS) and subject to applicable laws (including the Financial Advisers Act (FAA) and the Securities and Futures Act (SFA). Any services provided by Emirates NBD Bank PJSC outside Singapore will not be regulated by the MAS or subject to the provisions of the FAA and/or SFA, and you will not receive all the protections afforded to retail customers under the FAA and/or SFA. Changes in foreign exchange rates may affect any of the returns or income set out within this publication. Please contact your Relationship Manager for further details or for clarification of the contents, where appropriate.

For contact information, please visit www.emiratesnbd.com