

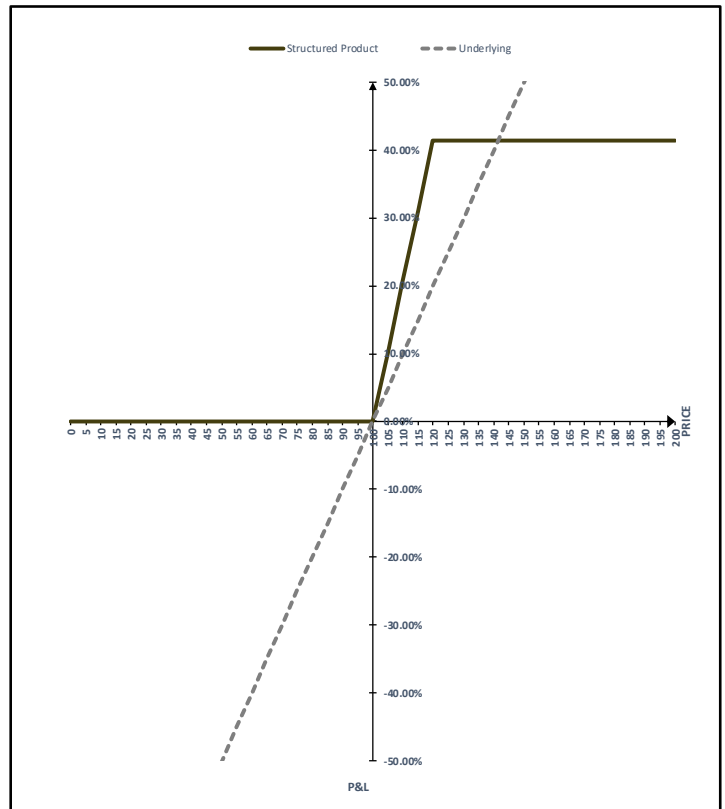
Structured Note On Selected Emerging Markets ETFs

3 Years 100% KG Note with 207% Participation and 120% Cap on Brazil, Mexico, India Basket

Product Overview

Issuer	BBB-
Maturity	3 Years
Currency	USD
Underlying	iShares MSCI Brazil ETF (EWZ UP) iShares MSCI Mexico ETF (EWW UP) iShares MSCI India ETF (INDA UP)
Exposure	Equally Weighted
Capital Protection	100.00%
Participation	207.00%
Cap	120.00%
Max Redemption	141.40%
Observation	At Maturity
Format	EMTN (Euro Medium Term Note)

Underlying	Structured Product
100%	41.40%
90%	41.40%
80%	41.40%
70%	41.40%
60%	41.40%
50%	41.40%
40%	41.40%
30%	41.40%
20%	41.40%
10%	20.70%
0%	0.0%
-10%	0.0%
-20%	0.0%
-30%	0.0%
-40%	0.0%
-50%	0.0%
-60%	0.0%
-70%	0.0%
-80%	0.0%
-90%	0.0%
-100%	0.0%



Product Description

This is a capital protected product with the underlyings being Brazil, Mexico and India's Respective ETFs

2 Scenarios Possible:

- 1) At maturity the investor will receive: 100% of the initial capital + the 2.07x performance of the basket if the average performance of the three underlyings is positive
- 2) At maturity the investor will receive: 100% of the initial capital if the average of the performance of the three underlyings is negative .

Risk Analysis

Pros:

- 100% capital protection at maturity.
- Participation to the upside is Leveraged.

Cons:

- The product only offers capital protection at maturity.
- The redemption value of the product may be lower than the amount of the initial investment during the lifetime of the product.
- The investor takes a credit risk on the issuer, i.e. the insolvency
- The Product has a capped performance on the upside

WHY NOW ?

India:

India stands as one of the world's most stable and fastest expanding economies, underpinned by several key factors. It boasts a colossal domestic market, its youthfulness presents a demographic dividend, and its workforce is both alluring and well-prepared. Positioned as a burgeoning "global economic hub," India is poised to benefit from the ongoing regionalization of the world and the turmoil in Ukraine. Moreover, ongoing infrastructure development initiatives are expected to provide a significant impetus to this growth trajectory.

Brazil:

Brazil's strategic assets are gaining prominence in our evolving world. With increasing global demand driven by the energy transition and population growth, Brazil's goods are in high demand. Brazil's mining sector, rich in nickel, is vital for electric vehicle batteries. As a major agricultural player, it supplies 10% of the world's population with key products. The country is also a significant oil producer and a leader in biofuels. Brazil's stock market remains attractively valued, making Brazil an appealing investment destination.

Mexico:

Mexico's economy has shown remarkable resilience in 2023, with strong GDP growth and positive data releases defying initial expectations of a slowdown due to external factors. Employment and retail sales have grown, while industrial production and exports have faced some challenges. The Mexican peso remains strong, driven by capital investment flows, tight monetary policy, and low levels of debt. Overall, Mexico's macroeconomic outlook for the near future appears positive, with expectations of modest GDP growth and improvements in the labor market, despite inflationary pressures and potential export challenges due to a potential U.S. economic slowdown.

Why did we exclude China?

A few points have contributed to our decision on why to exclude China from this basket. The first one being that the Chinese model that once fueled extraordinary growth, transforming China into a global powerhouse, appears to be faltering as the nation enters an era of slower growth, exacerbated by unfavorable demographics and a widening rift with the U.S. and its allies, endangering foreign investment and trade. Moreover, recent negative CPI readings indicate a creeping deflation, while the housing market, constituting approximately 25% of China's GDP, teeters on the brink of collapse with millions of vacant apartments and dwindling investment returns. Concurrently, manufacturing activity has shrunk, exports have dwindled, and youth unemployment has surged to unprecedented levels.

WHICH INVESTMENT VEHICLE?

iShares MSCI Brazil ETF (EWZ UP):

The investment seeks to track the investment results of the MSCI Brazil 25/50 Index. The fund generally will invest at least 80% of its assets in the component securities of its underlying index and in investments that have economic characteristics that are substantially identical to the component securities of its underlying index. The index is a free float-adjusted market capitalization-weighted index designed to measure the performance of the large- and mid- capitalization segments of the equity market in Brazil. The fund is non-diversified.

iShares MSCI Mexico ETF (EWW UP):

The investment seeks to track the investment results of the MSCI Mexico IMI 25/50 Index. The fund generally will invest at least 80% of its assets in the component securities of its underlying index and in investments that have economic characteristics that are substantially identical to the component securities of its underlying index. The underlying index is a free float-adjusted market capitalization-weighted index that is designed to measure the performance of the large-, mid- and small- capitalization segments of the equity market in Mexico. The fund is non-diversified.

iShares MSCI India ETF (INDA UP):

The investment seeks to track the investment results of the MSCI India Index composed of Indian equities. The fund generally will collectively invest at least 80% of the fund's assets in the component securities of the underlying index and in investments that have economic characteristics that are substantially identical to the component securities of the underlying index. The index measures the performance of equity securities of companies whose market capitalization, as calculated by the index provider, represents the large- and mid-capitalization segments of the Indian securities market. The fund is non-diversified.

EWB BASKET PERFORMANCE VS MSCI EMERGING MARKETS INDEX

We have decided to push our analysis further and modelled our equally weighted basket's performance.

Our result: We found out that since the Covid-19 pandemic occurred, our equally weighted basket has significantly outperformed the broader Emerging Markets Index by approximately 60%.



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