

### Investment Objectives

**Smart Dynamics Notes** is a 5-year structured product with the purpose of providing investors with a Note which:

- Invests in different asset classes and various regions;
- Ensures full capital protection of their investment at maturity; and
- Ensures a Minimum Return at maturity.

**Smart Dynamics 65** - A capital protected note denominated in MUR offering a cumulative Minimum Return of 15.0%, only if held until maturity, plus 65% of any positive performance of the Reference Index calculated in USD and paid in MUR at maturity.

$$\text{Payout} = 100\% + 15.0\% + \text{Max} \left[ \left( \frac{\text{Final Level} - 100.56}{100.56} \times 65\% \times \frac{\text{Final FX}}{35.73} \right) \text{ or } 0\% \right]$$

**Smart Dynamics 100** - A capital protected note denominated in MUR offering a cumulative Minimum Return of 15.0%, only if held until maturity, plus 100% of any positive performance greater than 3% of the Reference Index calculated in USD and paid in MUR at maturity.

$$\text{Payout} = 100\% + 15.0\% + \text{Max} \left[ \left( \left[ \frac{\text{Final Level} - 100.56}{100.56} - 3\% \right] \times 100\% \times \frac{\text{Final FX}}{35.73} \right) \text{ or } 0\% \right]$$

### Market Highlight

**Equity** - Global equities rebounded in June, prompted by prospects of rate cuts by central banks globally and an apparent ease of the trade tensions between the US and China. US equities fluctuated near record high levels in June, driven by an anticipation of a rate cut by the US Federal Reserve along with hopes that the US and China would move closer to a deal in the G-20 summit. Materials, energy and technology were the best performing sectors in the US for the month. European equities also made strong gains over the month amid prospects of improved US - China trade relations. Meanwhile, the ECB President adopted a more dovish tone and indicated further loosening of monetary policy to stimulate economic growth. Of note, the Eurozone PMI hit a seven-month high in June after reaching 52.1. The UK equity market recouped losses made during the volatile month of May. The Bank of England kept interest rates on hold at 0.75%, warning that it expects economic growth to be flat for the second quarter. Japanese stocks closed higher although corporate confidence worsened as export manufacturers suffered from the US - China trade spat and related global slowdown. Emerging Market equities rallied in June boosted by renewed confidence following the announcement of an indefinite delay in the implementation on additional tariffs at the G-20 summit.

**Government Bond** - At the FOMC meeting in June, the FED did not adjust the Fed Funds rate but hinted towards a more dovish tone going forward. 10Yr US Treasury fell by 14 bps m-o-m to close at 2.00%. At end of June, Fed Funds futures projected a 100% probability of a rate cut at the FOMC meeting in July with a 25% chance of a 50bps rate cut. 10Yr Gilts, 10Yr German Bunds and 10Yr Japanese bonds all fell and closed at 0.86%, -0.32% and -0.15% respectively.

**Commodity** - Oil prices rose strongly over the month as US inventories reached their lowest level since 1990 and exports hit a record high level. Rising tensions between US and Iran have further propelled oil prices higher. With regards to the trade talks between China and the US, any agreement obtained will have a positive impact on oil demand.

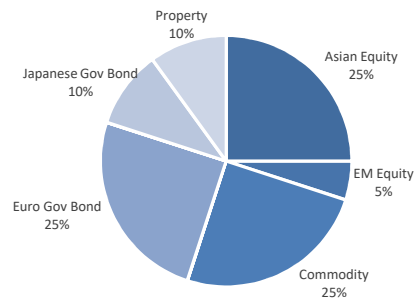
### Indicative Valuation (MUR)

Smart Dynamics 65: **111,894**      Smart Dynamics 100: **110,428**

### Key Facts

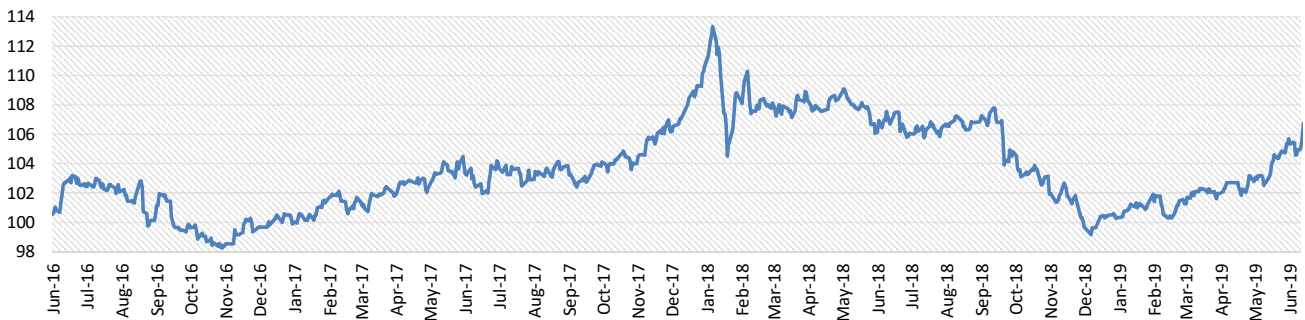
<b>Asset Class</b>	Debenture Note
<b>Base Currency</b>	MUR
<b>Investment Date</b>	21 June 2016
<b>Strike Date</b>	21 June 2021
<b>Maturity Date</b>	21 June 2021
<b>Reference Index</b>	J.P. Morgan Efficient Smart Beta (USD) Index
<b>Rebalancing Frequency</b>	Monthly
<b>Registrar</b>	Swan Corporate Affairs Ltd
<b>Financial Advisor</b>	Swan Wealth Managers Ltd
<b>Investment Dealer</b>	Swan Securities Ltd

### Asset Allocation of Reference Index



### Reference Index Performance (USD)

#### Index Level



Source: <https://jpmorganindices.com/indices/summary/EFJPSBUS>

### Cumulative Performance (MUR)

	1M	3M	6M	1Y	3Y	Since Inception
Smart Dynamics 65	1.5%	2.4%	4.0%	1.3%	10.4%	11.9%
Smart Dynamics 100	1.5%	1.9%	2.6%	0.5%	10.3%	10.4%

### Note:

For more information about the Reference Index, kindly refer to the Rules of the Reference Index and the Question & Answers ("Q&A") documents, which are available to investors on [www.jpmorganindices.com](http://www.jpmorganindices.com).

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