

SPONSORED INDICES

Partnership with Natixis

MARKET ACCESS INDEX

- KOREA & TAIWAN
- MOST LIQUID INFORMATION TECHNOLOGY STOCKS

OCTOBER 2018

THIS DOCUMENT IS FOR PROFESSIONAL INVESTORS ONLY
NOT TO BE FORWARDED TO RETAIL CLIENTS



KOREA TAIWAN IT PREMIER NET TOTAL RETURN INDEX USD

SUMMARY



Bloomberg Ticker:
KRTWITN Index

Launch Date:
8th September 2017

Index Sponsor:
KRX® & TWSE®

Calculation Agent:
S&P Dow Jones

Investment &
Reference Universe:
**Korea & Taiwan (Most
liquid Information
Technology stocks)**

Weighting Method:
Market Cap Weighted

Return:
Net Total Return

Currency:
USD

Benchmark:
KOSPI2 & TWSE Indices

OVERVIEW

The Korea Taiwan IT Premier Net Total Return Index USD designed by Korea Exchange (KRX®) and Taiwan Stock Exchange (TWSE®) was launched on the 8th of September 2017. The Index universe consists of the listed Information Technology companies in Korea and Taiwan. The index constituents are weighted by free-floating market capitalization after selection of the most liquid stocks.

Index Rationale

Korea Taiwan IT Premier Net Total Return Index USD marks the first cross-border index developed by Korea Exchange and Taiwan Stock Exchange. Korea and Taiwan have a similar economic profile where both are export-oriented economy with a strong presence in technological sector. IT products such as semi-conductors, electronic equipments and components constituent to over one-third of their total export.

Index Sponsor & Calculation Agent

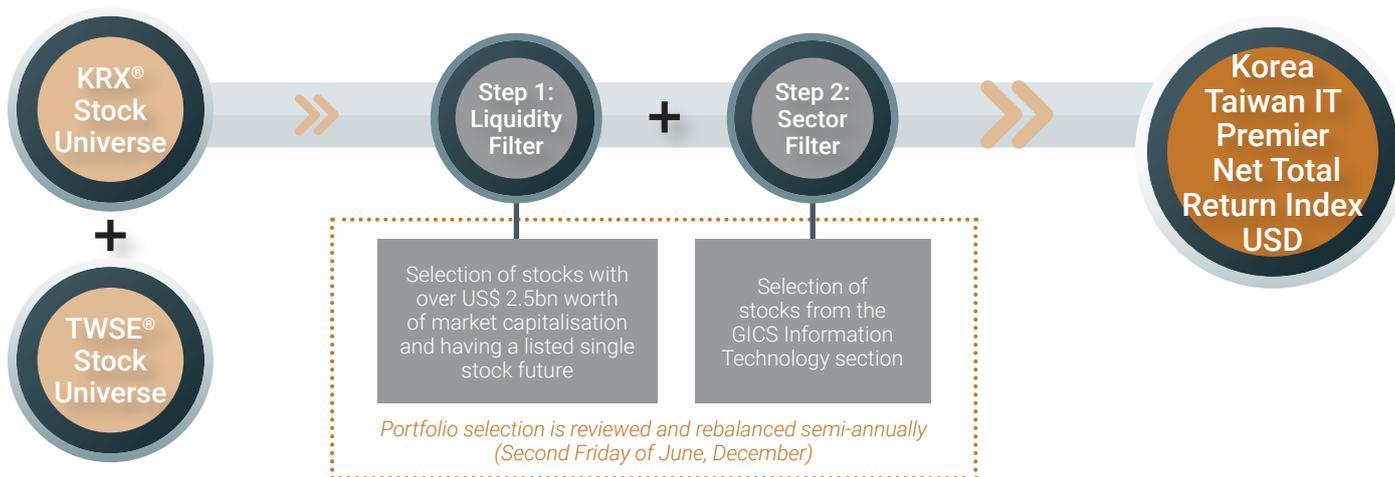
Korea Exchange, founded in 1956 and created in 2005 by merging stock market, future market and KOSDAQ is the unique market for financial instruments in South Korea.

Taiwan Stock Exchange, founded in 1961, is the main securities exchange in Taiwan.

S&P Dow Jones is the calculation agent of the index.



THE CREATION PROCESS OF THE KOREA TAIWAN IT PREMIER NET TOTAL RETURN INDEX USD



Selection of stocks is floating market cap weighted with the following constraints:

- Maximum weight of 20% per stock.
- Maximum 60% weight for the top 5 components.

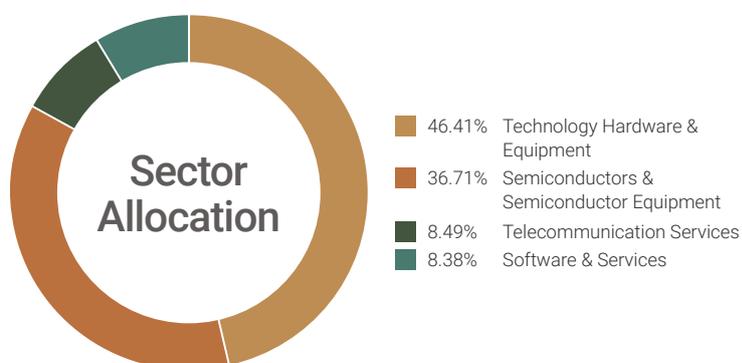
COMPARISON WITH KOSPI[®] 2 INDEX (KOSPI2) & TAIWAN STOCK EXCHANGE WEIGHTED INDEX (TWSE)⁽¹⁾ (base 100)



Statistics (calculated between 03 Jan. 2011 to 19 Sept. 2018)

	KRTWITN Index	KOSPI2 Index	TWSE Index
Annualised Return	8.03%	1.04%	2.43%
Annualised Volatility	19.48%	15.38%	14.02%
Sharpe Ratio	0.41	0.07	0.17
Max Drawdown	-31.9%	-27.5%	-27.5%
1-month Return	2.90%	2.80%	1.56%
3-month Return	0.89%	-1.56%	-0.43%
6-month Return	-9.65%	-7.40%	-1.72%
1-year Return	-5.51%	-6.87%	2.66%
3-year Return	62.32%	23.03%	28.30%
5-year Return	73.86%	12.98%	32.26%

SECTOR ALLOCATION⁽²⁾



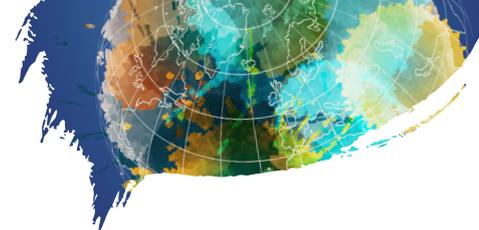
Past performances and simulations of past performances are not an indicator or a guarantee of future results.

(1) KRTWITN Index was launched on the 08 Sept. 2017 and past performances has been backtested from 03 Jan. 2011 to 07 Sept. 2017

(2) Last rebalancing as of 8 June 2018

Sources: Natixis, KRX, TWSE, Bloomberg

TOP 10 COMPONENTS OF THE INDEX⁽³⁾



Name		Bloomberg Ticker	Industry Classification	Weight
Taiwan Semiconductor Manufacturing Co Ltd		2330 TW	Semiconductors & Semiconductor Equipment	23.31%
Samsung Electronics Co		005930 KS	Technology Hardware & Equipment	18.14%
SK Hynix Inc		000660 KS	Semiconductors & Semiconductor Equipment	7.52%
Hon Hai Precision Industry Co Ltd		2317 TW	Technology Hardware & Equipment	7.15%
NAVER Corp		035420 KS	Software & Services	3.52%
Chunghwa Telecom Co Ltd		2412 TW	Telecommunication Services	3.18%
Largan Precision Co Ltd		3008 TW	Technology Hardware & Equipment	2.95%
Samsung SDI Co		006400 KS	Technology Hardware & Equipment	2.92%
Mediatek Inc		2454 TW	Semiconductors & Semiconductor Equipment	2.59%
SK Telecom Co Ltd		017670 KS	Telecommunication Services	2.28%

(3) As of 8 June 2018

Sources: Natixis, KRX, TWSE, Bloomberg

DISCLAIMER

This document is for discussion and information purposes only; it is highly confidential, the property of Natixis and intended solely for the use of the addressee(s). It should not be transmitted to any person(s) other than the original addressee(s) without the prior written consent of Natixis (which term includes any of its branches). This document does not constitute an independent investment research and has not been prepared in accordance with the legal requirements designed to promote the independence of investment research. Accordingly there are no prohibitions on dealing ahead of its dissemination. The distribution, possession or delivery of this document in, to or from certain jurisdictions may be restricted or prohibited by law. The recipients of this document are therefore required to ensure that they are aware of, and comply with, such restrictions or prohibitions. Neither Natixis nor any of its affiliates, directors, employees, agents or advisers nor any other person accepts any liability to anyone in relation to the distribution, possession or delivery of this document in, to or from any jurisdiction. It is intended for general distribution and the products or services described herein do not take into account any specific investment objective, financial situation or particular need of any recipient. It should not be construed as an offer or solicitation with respect to the purchase, sale or subscription of any interest or security or as an undertaking by Natixis to complete a transaction subject to the terms and conditions described in this document or any other terms and conditions. Any guaranty, funding, interest or currency swap, underwriting and more generally any undertaking provided for in this document should be treated as preliminary only and is subject to a formal approval and written confirmation in accordance with Natixis' current internal procedures. Natixis has neither verified nor independently analysed the information contained in this document. Accordingly, no representation, warranty or undertaking, express or implied, is made to recipients as to or in relation to the accuracy or completeness or otherwise of this document or as to the reasonableness of any assumption contained in this document. The information contained in this document does not take into account specific tax rules or accounting methods applicable to counterparties, clients or potential clients of Natixis. Therefore, Natixis shall not be liable for differences, if any, between its own valuations and those valuations provided by third parties, as such differences may arise as a result of the application and implementation of alternative accounting methods, tax rules or valuation models. Prices and margins are deemed to be indicative only and are subject to changes at any time depending on, inter alia, market conditions. Past performances and simulations of past performances are not a reliable indicator and therefore do not predict future results. The information contained in this document may include results of analyses from a quantitative model, which represent potential future events, that may or may not be realised, and is not a complete analysis of every material fact representing any product. Information may be changed or may be withdrawn by Natixis at any time without notice. More generally, no responsibility is accepted by Natixis nor any of its holding companies, subsidiaries, associated undertakings or controlling persons, nor any of their respective directors, officers, partners, employees, agents, representatives or advisors as to or in relation to the characteristics of this information. The statements, assumptions and opinions contained in this document may be forward-looking and therefore subject to risks and uncertainties. Actual results and developments may differ materially from those expressed or implied, depending on a variety of factors and accordingly there can be no guarantee of the projected results, projections or developments. Natixis makes no representation or warranty, express or implied, as to the accomplishment of or reasonableness of, nor should any reliance be placed on any projections, targets, estimates or forecasts, or on the statements, assumptions and opinions expressed in this document. Nothing in this document should be relied on as a promise or guarantee as to the future. It should not be assumed that the information contained in this document will have been updated subsequent to the date hereof. In addition, the delivery of this document does not imply in any way an obligation on anyone to update the information contained herein at any time. Natixis shall not be liable for any financial loss or any decision taken on the basis of the information contained in this document and Natixis does not hold itself out as providing any advice, particularly in relation to investment services. In any event, you should request for any internal and/or external advice that you consider necessary or desirable to obtain, including any financial, legal, tax or accounting advice, or any other specialist advice, in order to verify in particular that the investment(s) described in this document meets your investment objectives and constraints, and to obtain an independent valuation of such investment(s), its risks factors and rewards. Natixis and its holding entities, affiliates, employees or clients may have interest or possess or acquire information in any products, markets, indices or securities mentioned in this document that could be material and/or could give rise to a conflict of interest or potential conflict of interest. This may involve activities such as dealing in, holding, acting as market makers, or performing financial or advisory services in relation to any products, markets, indices or securities mentioned in this document. Natixis has no obligation to disclose such activities or information or other potential and actual conflicts of interest and may engage in any such activities without regard to the products, markets, indices or securities mentioned in this document or the effect that such activities may directly or indirectly have on those products, markets, indices or securities. Natixis reserves the right to record, exchange, analyse and use relevant information about you and your relationships with any affiliates of Natixis (including the nature of your transactions) for combating money laundering and terrorists financing as well as for credit assessment, market research, insurance and administrative purposes including back office management. This may include information provided by you, or someone acting on your behalf. Relevant information may also be exchanged with members of the Natixis group and others, for audit or compliance purposes and if required by appropriate governmental and non-governmental regulators as well as in accordance with applicable laws and regulations. Natixis is authorised in France by the Autorité de contrôle prudentiel et de résolution (ACPR) as a Bank – Investment Services Provider and subject to its supervision. Natixis is regulated by the AMF in respect of its investment services activities. This document is not intended for distribution in the United States, or to any US person, or in Canada, Australia, the Republic of Ireland or the Republic of South Africa.

Selling Restriction:

Notice to China (PRC) Investors: The Product may not be offered or sold directly or indirectly within the borders of the People's Republic of China ("PRC" which, for such purposes, does not include the Hong Kong or Macau Special Administrative Regions or Taiwan). Natixis, or the offering material or information contained herein relating to the Product, which has not been and will not be submitted to or approved/verified by or registered with any relevant governmental authorities in the PRC (including but not limited to the China Securities Regulatory Commission), may not be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of the Product in the PRC. The offering material or information contained herein relating to the Product does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC. The Product may only be offered or sold to PRC investors that are authorized to engage in the purchase of Product of the type being offered or sold. PRC investors are responsible for obtaining all relevant approvals/licenses, verification and/or registrations themselves from relevant governmental authorities (including but not limited to the China Securities Regulatory Commission, the State Administration of Foreign Exchange and/or the China Banking Regulatory Commission), and complying with all relevant PRC regulations, including, but not limited to, all relevant foreign exchange regulations and/or foreign investment regulations. **Notice to Residents in Hong Kong:** In Hong Kong this document is for distribution to professional investors only (as defined in the Securities and Futures Ordinance (Cap.571) of Hong Kong and any rules made under that Ordinance). **Notice to Residents in Korea:** This Document is only addressed to Investment Professionals as set out in Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 or to persons regarded as professional investors under equivalent legislation under a jurisdiction of the European Economic Area or to institutional investors that are duly licensed to purchase offshore loans under the Korean Foreign Exchange Regulation. This Document may not be acted upon by any other person. Please notify Natixis or Natixis Asia immediately if you are not an Institutional Investor and receive this document in error. **Notice to Taiwan Investors:** The Product may not be sold or offered to Taiwan resident investors or in Taiwan unless they are made available, (i) outside Taiwan for purchase by such investors outside Taiwan and/or (ii) investors are authorized to engage in the purchase of product in accordance with applicable laws. For Professional Institutional Investors only pursuant to the Taiwan Rules Governing Offshore Structured Products. **Notice to Singapore Investors:** This document is distributed in Singapore by Natixis Singapore branch, which is regulated by the Monetary Authority of Singapore. This document is intended solely for distribution to Institutional Investors, Accredited Investors and Expert Investors as defined in Section 4A of the Securities and Futures Act of Singapore. No sale of the Notes should be allowed unless such sale is made to an "institutional investor", "relevant person" or any person pursuant to an offer under Section 275(1A) of the SFA. **Notice to Japan Investors:** This document is distributed in Japan by Natixis Japan Securities Co., Ltd., which is regulated by the Financial Services Agency Japan. This document is intended solely for distribution to Professional Investors as defined in Article 2 of the FIEA.



Equity Solutions

ICC Level 72
1 Austin Road West
Kowloon, Hong Kong
www.natixis.com

