April 5, 2018

RBC WEALTH MANAGEMENT

Global Insight Weekly

Partaker Wealth Management
www.partakerwealth.com
partakerwealth@rbc.com

A closer look

Unpopular populism

Tom Garretson, CFA – Minneapolis

Markets shook off yet another round of escalating trade war fears, but not without further volatility. And with tax reform now in the rear-view mirror, markets are left to contend with a populist agenda, and one that has been unpopular with markets.

U.S. equity markets are positive for the week, but that masks another round of volatility in the middle of the week with the Dow trading in a range of nearly 1,300 points. Trade war fears flared up yet again as we saw the next steps in the tit-for-tat standoff between the U.S. and China, with each identifying $50B of goods eligible for tariffs. Recent tweet attacks on Amazon and its alleged contribution to the destruction of local stores weighed on the stock, and markets more broadly.

As markets sold off, Trump officials made a full-court press to ease concerns, citing months of negotiations ahead before any actual implementation of tariffs—if any—followed by reports that there are no actual ongoing discussions at the White House with respect to any specific steps to be taken against Amazon.

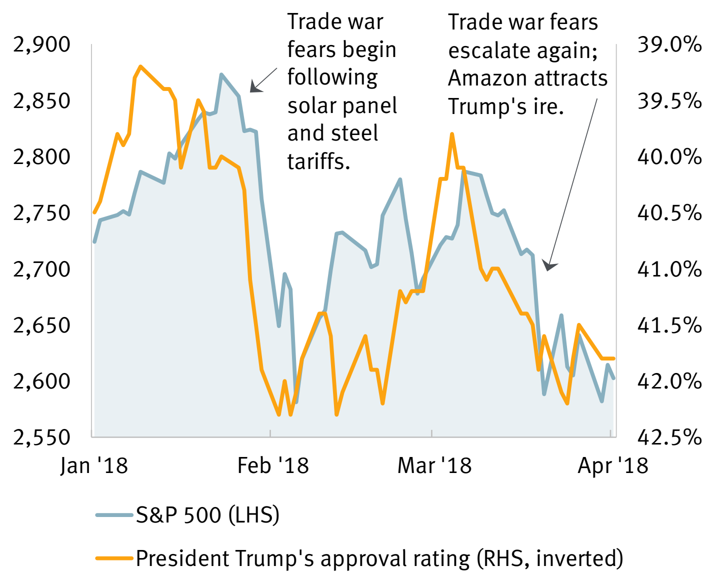
Is this how 2018 is going to go?

Markets have largely brushed off these types of things over the past year, so why care now? If we go back to the closing stages of the 2016 U.S. presidential election, we can recall that there was a noticeable correlation between Donald Trump's chances of winning and negative equity market performance—largely predicated on the idea that his victory would present an abnormal level of uncertainty for markets.

Of course, that theme was short-lived as markets were off to the races as early as election night on the prospects of tax reform and a generally more positive environment for businesses—both of which overwhelmed any lingering concerns over other aspects of Trump's agenda.

However, markets are forward-looking, and without the security blanket of tax cuts, which are now in the rear-view

Post tax cuts: Markets return to trading on populism & Trump sentiment in 2018?



Source - RBC Wealth Management, Bloomberg, Real Clear Politics Trump Job Approval Poll Average; data through 4/4/18

Market pulse

Click here for authors' contact information.

Priced (in USD) as of 4/5/18 market close, EST (unless otherwise stated).

For important disclosures and required non-U.S. analyst disclosures, see page 6.

Wealth Management

mirror, perhaps they are left with nothing but Trump's populist impulses, and all of the uncertainty that surrounds that.

As the chart on the previous page shows, 2018 has seen markets trade in step with Trump's approval rating. In our view, populist views that appeal to his base, but are seen as largely unfriendly for markets and the broader economy, have boosted his approval rating, but sent markets lower. We are looking to the upcoming earnings season to shift the focus back to fundamentals and soothe markets, but with the 2018 midterms looming, we remain concerned that volatility could linger should Trump maintain this populist rhetoric.

Equity market volatility extends to corporate bonds

Turning to fixed income markets, we have been watching the ongoing rise in investment-grade corporate credit spreads, or the yield compensation over Treasuries that investors receive for credit risk.

Since reaching the tightest levels to Treasuries since 2007 at just 0.85% on February 2, spreads have widened by nearly 30%, to 1.09%.

While widening credit spreads at times can be alarming, perhaps on deteriorating fundamentals, we haven't seen similar movements in riskier speculative-grade credit spreads—spreads there are only 10% higher since February.

So if it's not fundamentals, then what? The investment-grade corporate bond new issuance market has been busy with a number of large M&A deals to fund, and investors have shown greater discretion in prices they are paying. But we could also be seeing an impact from trade war fears given that investment-grade companies tend to have greater international revenue exposure than their smaller speculative-grade counterparts, which tend to be more U.S.-centric.

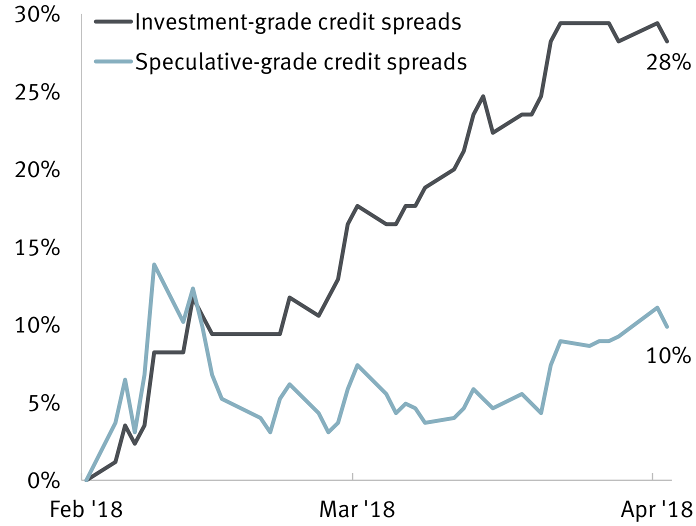
The fact that we have yet to see significant spread widening from speculative-grade corporates should offer some comfort for wary equity investors, but that is one metric we would continue to watch for signs of growing stress.

The 4% bogey

With that rise in credit spreads, along with the 10-year Treasury yield holding north of 2.70%, the average yield on the Bloomberg Barclays USD Baa Investment Grade Corporate Index has climbed to 4.07%, the first time over 4% since early 2016.

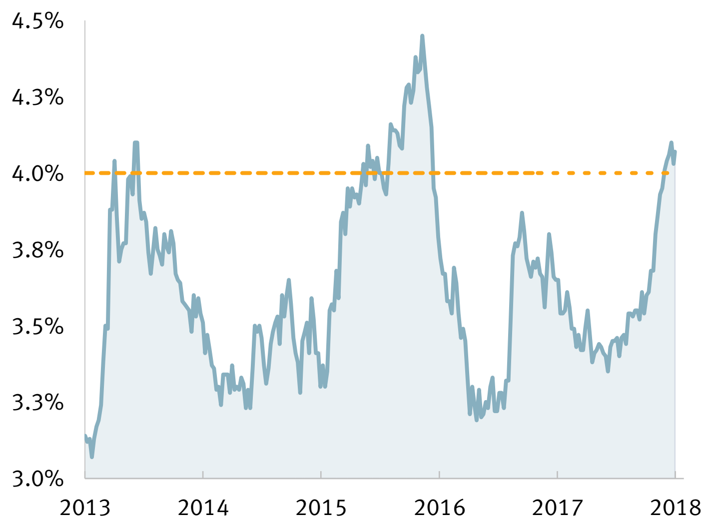
Despite the rise in credit spreads to 1.09% over Treasuries, that level of yield compensation for credit risk remains below the five-year average of 1.28%, but we suspect that the 4% level will begin to attract buyers—particularly should volatility in equity markets subside.

Investment-grade credit spreads widening at a faster pace than speculative-grade spreads



Source - RBC Wealth Management, Bloomberg; data through 4/3/18

Investment-grade corporate bond yields breach 4% for first time since 2016



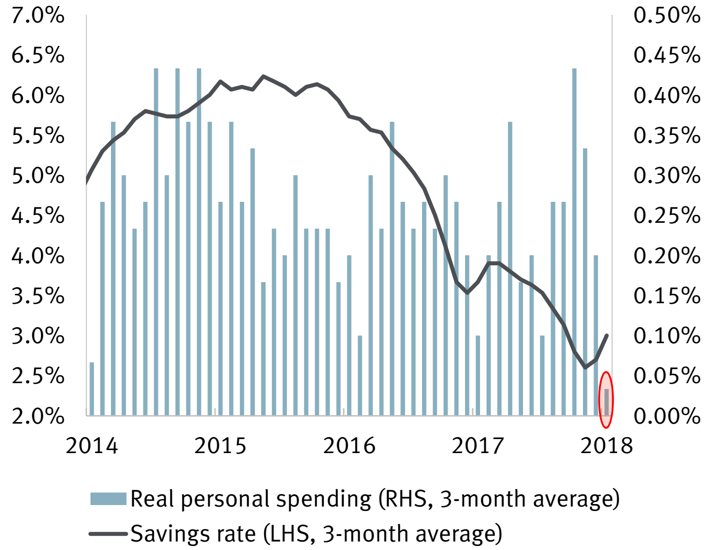
Source - RBC Wealth Management, Bloomberg; data through 4/3/18

United States

Bill Kuehn, CFA & Sam Renikoff – Minneapolis

- **The New York Federal Reserve unveiled the Secured Overnight Funding Rate**, or SOFR, which is slated to become the new benchmark rate once the London Interbank Offered Rate (LIBOR) is phased out by 2021. SOFR **debuted with nearly $850B in daily trading volume with a median rate of 1.80%**. While SOFR is viewed as the natural LIBOR replacement, it is in fact calculated very differently. LIBOR requires banker input for estimates regarding lending rates, which can be somewhat subjective, whereas SOFR is comprised of volume-weighted transaction rates from *actual* collateralized repurchase (or repos) agreements backed by U.S. Treasuries. The Alternative Reference Rate Committee (ARRC) selected SOFR as the LIBOR alternative due to its composition of transaction data and depth of the repo market, which will be necessary for a smooth transition for the $200T+ assets currently tied to LIBOR.
- **Personal consumption has had a slow start to 2018**, with real personal spending growth coming in at -0.2% m/m and 0% m/m, respectively, in the first two months of the year. There is almost always a step back in consumer spending in the first quarter of the year due to seasonality, but, in our view, **the pullback is simply a result of spending pulled forward into Q4 2017**. The last three months of 2017 saw personal consumption grow 4% q/q (annualized), the fastest pace since 2015, largely fueled by the largest quarterly increase ever in consumer credit growth, growing $73B. This occurred as the likelihood of tax reform grew, and as a result consumers depleted their savings, pushing the savings rate to a 12-year low of 2.4% in anticipation of larger paychecks. For many, larger paychecks didn't arrive until February when the updated tax withholding tables were released, and consumers have used the extra cash from their paychecks to replenish their personal savings accounts, as evidenced by the savings rate rising to 3.4% in February.
- **Bloomberg median forecasts project that Q1 GDP will come in at 2.8%**, with a modest projection for personal consumption at just 2.2% q/q (annualized). While consumers have been fairly conservative with spending thus far in 2018, we expect the labor market backdrop of **plentiful jobs and rising wages to support a rebound in spending** in Q2 and beyond.

Real personal spending at 5-year low as consumers replenish savings



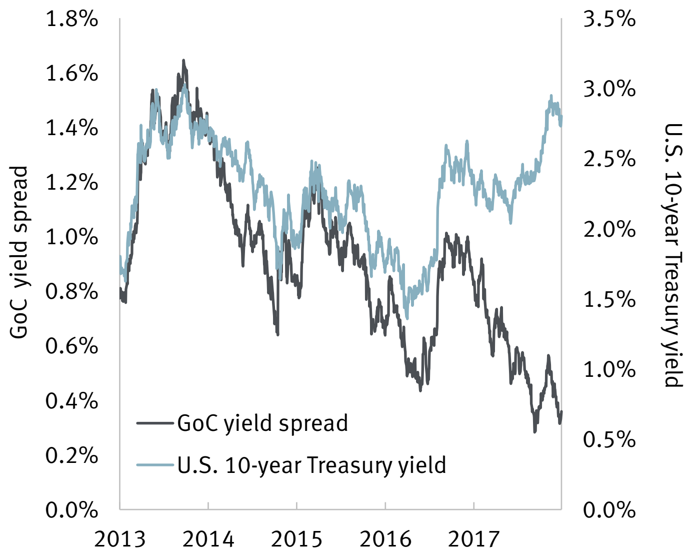
Source - RBC Wealth Management, Bloomberg; data through 2/28/18

Canada

Diana Di Luca – Toronto

- **Longer-dated Government of Canada (GoC) yields have fallen over the past month**, reflecting a walking back of interest rate hike expectations beyond the next two years amidst trade policy uncertainty and weaker growth. The current market expectation that the Bank of Canada will not be able to raise interest rates beyond 2.25%, well below the estimated neutral rate (2.5%–3.5%), seems a little pessimistic, in our view. We expect some of this pessimism to fade and with it, the GoC yield curve to resteepen. Higher U.S. Treasury yields should also help lift GoC yields over the course of the year (see chart on following page).
- **Buying discounted bonds (those trading below CA$100) provides a tax-efficient fixed-income-return stream** because more of the return comes in the form of a capital gain rather than interest income. **At a time when credit spreads are very narrow, we believe upgrade trades make sense** and these tax savings can make such trades even more palatable.
- Given elevated household debt and recently implemented mortgage stress tests, **the fragility of the Canadian consumer and stability of the housing market pose key risks to the Canadian credit market and are major factors in shaping our outlook for interest rates**. We recommend diversifying away from names that are highly

U.S. yields should help lift GoC yields higher



Source - RBC Wealth Management, Bloomberg; data through 4/4/18

exposed to the Canadian consumer, which can be done via Maple bonds (Canadian-dollar-denominated debt issued by non-Canadian issuers).

- **Despite the risk-off tone and dramatic selloff in equities during the week, the preferred share market remained fairly resilient**, with the TSX Preferred Share Index only down less than 1.0%. Given the current market backdrop, however, we continue to recommend a more defensive mix of preferred shares, shifting into high reset spread issues. These instruments offer a reasonable yield, limited interest rate risk, and downside protection. In terms of discounted issues, less than 10% of the rate-reset market trades below CA$20, so it requires increased precision to select issues with meaningful upside potential.

Europe

Frédérique Carrier – London

- The **European equities market bounced back**, with defensive sectors such as **Consumer Staples, Energy, and Utilities outperforming**. Cyclical sectors such as Industrials and Tech suffered further losses.
- **Macroeconomic news was mostly disappointing in Europe**. The manufacturing Purchasing Managers' Index (PMI) confirmed flash estimates which heralded a loss of momentum. The **manufacturing index declined in March for the third consecutive month**, and is now at its weakest level in the past 12 months. The fall was widespread across the core economies. **Despite the decline, the index remains at a robust level of 56.6**.
- **Inflation came out higher than expected**, at 1.7% compared to 1.1% in February, though **mostly for one-off reasons and core inflation (ex-food and energy prices) was unchanged at 1%**. RBC Capital Markets' economists attributed the rise in inflation to the timing of Easter in March, which pushed up travelling costs, and an increase in cigarette prices in Italy and France.
- **One bright spot was unemployment, which continues to retreat** and reached 8.5% in February. While this may seem elevated, it was as high as 9.5% one year ago. Unemployment in France is 8.9%, the first time since 2009 that it is below 9%. This **should bode well for consumption**, though after a splurge in consumption ahead of Christmas, euro area consumers have reined in spending somewhat, and retail sales were up a mere 0.1% m/m in February.
- **The euro took the newsflow in stride** and remained within its recent trading range at 1.22 versus the U.S. dollar.
- **In the U.K., the composite PMI declined by two points** to 52.5 in March due to weather-related disruption earlier in the month. **RBC Capital Markets does not expect the Bank of England to change its policy** as a result of this slowdown and expects it will raise the Bank rate by 25 basis points in May.

MARKET SCORECARD

Data as of April 5, 2018

Equities (local currency)	Level	MTD	YTD	1 yr	2 yr
S&P 500	2,662.84	0.8%	-0.4%	13.2%	30.2%
Dow Industrials (DJIA)	24,505.22	1.7%	-0.9%	18.7%	39.2%
NASDAQ	7,076.55	0.2%	2.5%	20.7%	46.1%
Russell 2000	1,542.93	0.9%	0.5%	14.1%	40.8%
S&P/TSX Comp	15,356.05	-0.1%	-5.3%	-1.8%	15.4%
FTSE All-Share	3,961.28	1.7%	-6.2%	-0.9%	18.2%
STOXX Europe 600	376.13	1.4%	-3.4%	-1.0%	14.6%
EURO STOXX 50	3,429.95	2.0%	-2.1%	-1.2%	18.7%
Hang Seng	29,518.69	-1.9%	-1.3%	21.0%	46.3%
Shanghai Comp	3,131.11	-1.2%	-5.3%	-4.3%	2.6%
Nikkei 225	21,645.42	0.9%	-4.9%	14.8%	37.6%
India Sensex	33,596.80	1.9%	-1.4%	12.1%	35.0%
Singapore Straits Times	3,405.65	-0.7%	0.1%	7.2%	21.6%
Brazil Ibovespa	85,209.66	-0.2%	11.5%	31.5%	73.7%
Mexican Bolsa IPC	47,951.75	4.0%	-2.8%	-2.6%	6.1%

Commodities (USD)	Price	MTD	YTD	1 yr	2 yr
Gold (spot $/oz)	1,326.35	0.1%	1.8%	5.6%	7.7%
Silver (spot $/oz)	16.39	0.1%	-3.3%	-10.5%	8.2%
Copper ($/metric ton)	6,690.75	0.2%	-7.2%	14.1%	39.6%
Oil (WTI spot/bbl)	63.54	-2.2%	5.2%	24.2%	77.0%
Oil (Brent spot/bbl)	68.42	-2.6%	2.3%	25.9%	80.7%
Natural Gas ($/mmBtu)	2.68	-2.0%	-9.3%	-18.0%	37.1%

Govt bonds (bps chg)	Yield	MTD	YTD	1 yr	2 yr
U.S. 10-Yr Tsy	2.832%	9.3	42.7	49.7	111.2
Canada 10-Yr	2.180%	8.9	13.5	61.9	101.3
U.K. 10-Yr	1.418%	6.8	22.8	32.6	4.3
Germany 10-Yr	0.524%	2.7	9.7	26.6	42.6

Fixed Income (returns)	Yield	MTD	YTD	1 yr	2 yr
U.S. Aggregate	3.15%	-0.2%	-1.7%	0.8%	1.2%
U.S. Invest Grade Corp	3.80%	-0.2%	-2.6%	2.1%	5.3%
U.S. High Yield Corp	6.17%	0.0%	-0.9%	3.5%	20.8%

Currencies	Rate	MTD	YTD	1 yr	2 yr
U.S. Dollar Index	90.4470	0.5%	-1.8%	-10.1%	-4.4%
CAD/USD	0.7842	1.1%	-1.4%	5.4%	3.0%
USD/CAD	1.2753	-1.1%	1.4%	-5.1%	-2.9%
EUR/USD	1.2238	-0.7%	1.9%	14.8%	7.5%
GBP/USD	1.4002	-0.1%	3.6%	12.2%	-1.1%
AUD/USD	0.7678	0.0%	-1.7%	1.4%	1.8%
USD/JPY	107.4000	1.1%	-4.7%	-3.0%	-2.7%
EUR/JPY	131.4400	0.4%	-2.8%	11.3%	4.6%
EUR/GBP	0.8741	-0.6%	-1.6%	2.3%	8.7%
EUR/CHF	1.1793	0.3%	0.8%	10.1%	8.3%
USD/SGD	1.3160	0.3%	-1.5%	-6.1%	-3.0%
USD/CNY	6.3033	0.4%	-3.1%	-8.6%	-2.7%
USD/MXN	18.2077	0.1%	-7.4%	-3.3%	2.9%
USD/BRL	3.3392	1.0%	0.8%	7.0%	-9.3%

Source - Bloomberg. Note: Equity returns do not include dividends, except for the German DAX and Brazilian Ibovespa. Bond yields in local currencies. Copper Index data and U.S. fixed income returns as of Wednesday's close. Dollar Index measures USD vs. six major currencies. Currency rates reflect market convention (CAD/USD is the exception). Currency returns quoted in terms of the first currency in each pairing. Data as of 8:39 pm GMT 4/5/18.

Examples of how to interpret currency data: CAD/USD 0.78 means 1 Canadian dollar will buy 0.78 U.S. dollar. CAD/USD -1.4% return means the Canadian dollar fell 1.4% vs. the U.S. dollar year to date. USD/JPY 107.40 means 1 U.S. dollar will buy 107.40 yen. USD/JPY -4.7% return means the U.S. dollar fell 4.7 vs. the yen year to date.

Authors

Tom Garretson, CFA – Minneapolis, United States
tom.garretson@rbc.com; RBC Capital Markets, LLC

Bill Kuehn, CFA – Minneapolis, United States
william.kuehn@rbc.com; RBC Capital Markets, LLC

Sam Renikoff – Minneapolis, United States
sam.renikoff@rbc.com; RBC Capital Markets, LLC

Diana Di Luca – Toronto, Canada
diana.diluca@rbc.com; RBC Dominion Securities Inc.

Frédérique Carrier – London, United Kingdom
frederique.carrier@rbc.com; Royal Bank of Canada Investment Management (U.K.) Ltd.

Disclosures and Disclaimer

Analyst Certification

All of the views expressed in this report accurately reflect the personal views of the responsible analyst(s) about any and all of the subject securities or issuers. No part of the compensation of the responsible analyst(s) named herein is, or will be, directly or indirectly, related to the specific recommendations or views expressed by the responsible analyst(s) in this report.

Important Disclosures

In the U.S., RBC Wealth Management operates as a division of RBC Capital Markets, LLC. In Canada, RBC Wealth Management includes, without limitation, RBC Dominion Securities Inc., which is a foreign affiliate of RBC Capital Markets, LLC. This report has been prepared by RBC Capital Markets, LLC. which is an indirect wholly-owned subsidiary of the Royal Bank of Canada and, as such, is a related issuer of Royal Bank of Canada.

Non-U.S. Analyst Disclosure: Diana Di Luca, an employee of RBC Wealth Management USA's foreign affiliate RBC Dominion Securities Inc.; and Frédérique Carrier, an employee of RBC Wealth Management USA's foreign affiliate Royal Bank of Canada Investment Management (U.K.) Limited; contributed to the preparation of this publication. These individuals are not registered with or qualified as research analysts with the U.S. Financial Industry Regulatory Authority ("FINRA") and, since they are not associated persons of RBC Wealth Management, they may not be subject to FINRA Rule 2241 governing communications with subject companies, the making of public appearances, and the trading of securities in accounts held by research analysts.

In the event that this is a compendium report (covers six or more companies), RBC Wealth Management may choose to provide important disclosure information by reference. To access current disclosures, clients should refer to https://www.rbccm.com/GLDisclosure/PublicWeb/DisclosureLookup.aspx?EntityID=2 to view disclosures regarding RBC Wealth Management and its affiliated firms. Such information is also available upon request to RBC Wealth Management Publishing, 60 South Sixth St, Minneapolis, MN 55402.

References to a Recommended List in the recommendation history chart may include one or more recommended lists or model portfolios maintained by RBC Wealth Management or one of its affiliates. RBC Wealth Management recommended lists include the Guided Portfolio: Prime Income (RL 6), the Guided Portfolio: Dividend Growth (RL 8), the Guided Portfolio: ADR (RL 10), and the Guided Portfolio: All Cap Growth (RL 12), and former lists called the Guided Portfolio: Large Cap (RL 7), the Guided Portfolio: Midcap 111 (RL 9), and the Guided Portfolio: Global Equity (U.S.) (RL 11). RBC Capital Markets recommended lists include the Strategy Focus List and the Fundamental Equity Weightings (FEW) portfolios. The abbreviation 'RL On' means the date a security was placed on a Recommended List. The abbreviation 'RL Off' means the date a security was removed from a Recommended List.

Distribution of Ratings

For the purpose of ratings distributions, regulatory rules require member firms to assign ratings to one of three rating categories - Buy, Hold/Neutral, or Sell - regardless of a firm's own rating categories. Although RBC Capital Markets, LLC ratings of Top Pick (TP)/Outperform (O), Sector Perform (SP) and Underperform (U) most closely correspond to Buy, Hold/Neutral and Sell, respectively, the meanings are not the same because our ratings are determined on a relative basis (as described below).

Distribution of Ratings - RBC Capital Markets, LLC Equity Research
As of March 31, 2018

Rating	Count	Percent	Investment Banking Services Provided During Past 12 Months: Count	Percent
Buy [Top Pick & Outperform]	865	53.49	275	31.79
Hold [Sector Perform]	667	41.25	147	22.04
Sell [Underperform]	85	5.26	7	8.24

Explanation of RBC Capital Markets, LLC Equity Rating System

An analyst's "sector" is the universe of companies for which the analyst provides research coverage. Accordingly, the rating assigned to a particular stock represents solely the analyst's view of how that stock will perform over the next 12 months relative to the analyst's sector average. Although RBC Capital Markets, LLC ratings of Top Pick (TP)/Outperform (O), Sector Perform (SP), and Underperform (U) most closely correspond to Buy, Hold/Neutral and Sell, respectively, the meanings are not the same because our ratings are determined on a relative basis (as described below).

Ratings:

Top Pick (TP): Represents analyst's best idea in the sector; expected to provide significant absolute total return over 12 months with a favorable risk-reward ratio. **Outperform (O):** Expected to materially outperform sector average over 12 months. **Sector Perform (SP):** Returns expected to be in line with sector average over 12 months. **Underperform (U):** Returns expected to be materially below sector average over 12 months. **Restricted (R):** RBC policy precludes certain types of communications, including an investment recommendation, when RBC is acting as an advisor in certain merger or other strategic transactions and in certain other circumstances. **Not Rated (NR):** The rating, price targets and estimates have been removed due to applicable legal, regulatory or policy constraints which may include when RBC Capital Markets is acting in an advisory capacity involving the company.

Risk Rating:

As of March 31, 2013, RBC Capital Markets, LLC suspends its Average and Above Average risk ratings. The Speculative risk rating reflects a security's lower level of financial or operating predictability, illiquid share trading volumes, high balance sheet leverage, or limited operating history that result in a higher expectation of financial and/or stock price volatility.

Valuation and Risks to Rating and Price Target

When RBC Wealth Management assigns a value to a company in a research report, FINRA Rules and NYSE Rules (as incorporated into the FINRA Rulebook) require that the basis for the valuation and the impediments to obtaining that valuation be described. Where applicable, this information is included in the text of our research in the sections entitled "Valuation" and "Risks to Rating and Price Target", respectively.

The analyst(s) responsible for preparing this research report received compensation that is based upon various factors, including total revenues of RBC Capital Markets, LLC, and its affiliates, a portion of which are or have been generated by investment banking activities of the member companies of RBC Capital Markets, LLC and its affiliates.

Other Disclosures

Prepared with the assistance of our national research sources. RBC Wealth Management prepared this report and takes sole responsibility for its content and distribution. The content may have been based, at least in part, on material provided by our third-party correspondent research services. Our third-party correspondent has given RBC Wealth Management general permission to use its research reports as source materials, but has not reviewed or approved this report, nor has it been informed of its publication. Our third-party correspondent may from time to time have long or short positions in, effect transactions in, and make markets in securities referred to herein. Our third-party correspondent may from time to time perform investment banking or other services for, or solicit investment banking or other business from, any company mentioned in this report.

RBC Wealth Management endeavors to make all reasonable efforts to provide research simultaneously to all eligible clients, having regard to local time zones in overseas jurisdictions. In certain investment advisory accounts, RBC Wealth Management will act as overlay manager for our clients and will initiate transactions in the securities referenced herein for those accounts upon receipt of this report. These transactions may occur before or after your receipt of this report and may have a short-term impact on the market price of the securities in which transactions occur. RBC Wealth Management research is posted to our proprietary Web sites to ensure eligible clients receive coverage initiations and changes in rating, targets, and opinions in a timely manner. Additional distribution may be done by sales personnel via e-mail, fax, or regular mail. Clients may also receive our research via third-party vendors. Please contact your RBC Wealth Management Financial Advisor for more information regarding RBC Wealth Management research.

Conflicts Disclosure: RBC Wealth Management is registered with the Securities and Exchange Commission as a broker/dealer and an investment adviser, offering both brokerage and investment advisory services. RBC Wealth Management's Policy for Managing Conflicts of Interest in Relation to Investment Research is available from us on our Web site at https://www.rbccm.com/GLDisclosure/PublicWeb/DisclosureLookup.aspx?EntityID=2. Conflicts of interests related to our investment advisory business can be found in Part II of the Firm's Form ADV or the Investment Advisor Group Disclosure Document. Copies of any of these documents are available upon request through your Financial Advisor. We reserve the right to amend or supplement this policy, Part II of the ADV, or Disclosure Document at any time.

The authors are employed by one of the following entities: RBC Wealth Management USA, a division of RBC Capital Markets, LLC, a securities broker-dealer with principal offices located in Minnesota and New York, USA; by RBC Dominion Securities Inc., a securities broker-dealer with principal offices located in Toronto, Canada; by RBC Investment Services (Asia) Limited, a subsidiary of RBC Dominion Securities Inc., a securities broker-dealer with principal offices located in Hong Kong, China; and by Royal Bank of Canada Investment Management (U.K.) Limited, an investment management company with principal offices located in London, United Kingdom.

Research Resources

This document is produced by the Global Portfolio Advisory Committee within RBC Wealth Management's Portfolio Advisory Group. The RBC WM Portfolio Advisory Group provides support related to asset allocation and portfolio construction for the firm's Investment Advisors / Financial Advisors who are engaged in assembling portfolios incorporating individual marketable securities. The Committee leverages the broad market outlook as developed by the RBC Investment Strategy Committee, providing additional tactical and thematic support utilizing research from the RBC Investment Strategy Committee, RBC Capital Markets, and third-party resources.

Third-party disclaimers

The Global Industry Classification Standard ("GICS") was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard & Poor's Financial Services LLC ("S&P") and is licensed for use by RBC. Neither MSCI, S&P, nor any other party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

References herein to "LIBOR", "LIBO Rate", "L" or other LIBOR abbreviations means the London interbank offered rate as administered by ICE Benchmark Administration (or any other person that takes over the administration of such rate).

Disclaimer