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Investment Alert

Investment Strategy & Research
Private Banking & Wealth Management

Russian Federation

Updating our outlook for Russia

■ Negative developments regarding Russia and the situation in Ukraine.

■ We present an update of our current views on the macroeconomic outlook, fixed income, equities and the ruble.

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Situation in Russia could become more acute

There have been a number of negative developments regarding Russia and the situation in Ukraine. First, there has been an intensification of the military conflict in Ukraine, and as a result of this, a new round of sanctions against Russia cannot be ruled out. Second, the ratings agency S&P has downgraded Russia's debt to junk status, with the risk of other agencies following suite. Third, though the price of oil shows signs of stabilizing around USD 45, its low level matters greatly for oil-producing economies like Russia.

In this respect, we fear that the geopolitical and financial market risks associated with Russia could become more acute, and with the market for Russian assets less liquid than this time last year, the risks of volatility spikes and contagion to the economy (notably through the banks) are high. Our previous main case scenario of a low-level continuation of the tension around Ukraine begins to give way to a situation that is more prone to the risks of geopolitical confrontation.

Update on investment strategy views for Russia

Consequently, in this note, we make a number of strategy view changes. First, we temper our positive view on Russian debt, taking a neutral stance as cyclical and financial sector risks rise. Should the S&P downgrade be followed by the likes of Fitch, this may drain more liquidity from Russia's debt markets, though we underline our colleague Wingson Cheng's view that, at this stage the bulk of Russian assets are trading at depressed levels and trading is mainly conducted by investors with higher risk appetite.

With respect to the ruble, there are signs that the price of oil is stabilizing and any rebound later this year should help the ruble to recover somewhat. However, given that the ruble is now again vulnerable to the geopolitical and financial system event risks, we take the step of broadening our ruble target to a band, in order to capture the potential to overshoot to the downside in the short term.

On equities, we maintain our neutral stance, given the extreme discount rate priced into the Russian market, and at the sector level, we prefer consumer discretionary stocks over financials.

Should there be an escalation in the sanctions between the West and Russia, or more gravely, a military escalation, this would also represent a negative for European equities, though we feel that compared to 2014, the magnitude of this is diminished as corporate earnings are showing signs of recovery, and the onset of QE from the ECB will also be supportive.

(27/01/2015)

Russia's economy heading for recession

- We lower our 2015 GDP growth forecast for Russia to –4% YoY as low oil prices, the ruble decline and a high policy rate take their toll.

- We leave our fixed income recommendations unchanged after S&P's downgrade as asset prices are already depressed.

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Drop in oil prices pushes Russian economy into recession

Apart from the impact of sanctions and heightened uncertainty, Russia's economic outlook has weakened additionally in recent months due to the decline in energy prices, given that the economy is heavily reliant on energy exports. Both the associated sharp depreciation of the ruble as well as the substantial increase in the central bank's policy rate will likely push Russia's economy into recession in 2015. On the back of declining real wages, a loss in consumers' purchasing power due to rising inflation, higher interest rates and a worsened economic outlook, we expect private consumption to contract in 2015. The same holds for investment spending that is additionally constrained by the soaring valuation of foreign debt and thus higher debt servicing costs.

Mitigating factors will be public spending and net trade. The government is willing to counter the economic downturn with a huge stimulus package worth RUB 1.375 trn, or approximately 3% of GDP. These funds apparently aim at supporting system relevant firms (not least banks) and small- and medium-sized enterprises (by lowering taxes). According to the Ministry of Finance, the package would not increase government spending. So, it appears likely that it will just redirect spending. Net trade will likely be an important mitigating factor, as the ruble depreciation will trigger a decline in imports, coupled with some positive effects on domestic production resulting from import substitution, in our view.

Overall, we expect the Russian economy to shrink by 4.0% in 2015. This forecast is based on the assumptions that oil prices will stabilize and slightly increase over the course of the year, and that there will be no further escalation of geopolitical tensions and no imposition of additional sanctions. Given rising geopolitical tensions over the past couple of days, and the increasing threat of additional sanctions, there are downside risks to this forecast.

S&P lowers Russia's sovereign rating to sub-investment grade

As expected, S&P has lowered the sovereign rating on Russia from BBB- to BB+, with a negative outlook. According to S&P, the action is driven by its view that Russia's monetary policy flexibility has become more limited and its economic growth prospects have weakened. S&P said that it sees a heightened risk that external and fiscal buffers will deteriorate due to rising external pressures and increasing government support to the economy. It opined that the Russian economy is facing challenges from the inflationary effects of exchange-rate depreciation and sanctions from the West, as well as counter-sanctions imposed by Russia itself. The rating agency projected that the Russian economy will expand by about 0.5% annually in 2015–2018, below the 2.4% of the previous four years. Following the news, Russian asset prices have fallen by about 0.5–2 dollar points. We expect quasi-sovereign credits previously rated at BBB- to be downgraded in the next few days, e.g., VEB, VTB, Gazprom, Rosneft and Russian Railways.

Moody's and Fitch are likely to follow

Investors are now watching closely whether other rating agencies, Moody's and/or Fitch, will follow with similar action. In the event that another major rating agency decides to take action, two rating agencies will have rated Russia below investment grade, and some investors mandated to hold investment-grade bonds will be forced to exit. As many US investors have already underweighted Russian assets, this would mitigate any subsequent forced selling and price pressure. We have decided to leave our recommendations intact following S&P's rating action.

Our decision is based on the following factors:

- 1) Russian asset prices have already priced in a downgrade;

- 2) most of the quasi-sovereigns have lost access to international capital markets, and downgrade or not, their doors to the Eurobond or loan markets are shut anyway. Therefore, a downgrade is not going to affect their ability to pay as these issuers are receiving funding from the state;

- 3) many quasi-sovereigns are trading at double-digit yields as if they were single-B credits;

- 4) in the event of forced selling by mandated investors, it is possible that cross-over investors might step in as Russian bond yields are attractive;

- 5) the issuers on our list have the willingness and ability to pay. We believe Russian asset prices will be influenced by two factors going forward: oil price and geopolitical tensions in eastern Ukraine.

Investors can expect a rebound in asset prices if the oil price recovers or if there are signs of a long-lasting truce in eastern Ukraine between the rebel forces and the Kiev government. In the meantime, fresh money investments in Russian assets are for investors with higher risk appetite, and until either oil price or geopolitical tensions improve, these investments are carry trades as prices will remain depressed. (27/01/2015)

More cautious on Russian sovereign bonds

■ Valuation case for investing in Russian sovereign bonds remains in place, but the trend in credit fundamentals remains weak and is unlikely to improve in the near term.

■ We are turning neutral on Russian hard currency sovereign bonds.

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Investment horizon: 3-6 months

Market risk re-pricing has further room to develop
While Russian sovereign bond valuations still appear attractively priced on our fundamental estimations, we believe the market risk re-pricing has further room to develop. As a result, we are turning more cautious on our fundamental credit risk assessment for sovereign bonds.

From a fundamental perspective, the depreciation of the exchange rate has shielded the external and fiscal balance, but it has also intensified capital flights, making the central bank to hike rates aggressively. Without access to international debt markets, sanctioned companies can only rely on the Russian financial authorities to rollover their debt. While the Central Bank of Russia (CBR) has provided liquidity using foreign exchange swaps, not all entities can access this mechanism.

Finally, on 26 January, the CBR published the foreign debt repayment schedule for 2015 with upward revisions to its previous estimations (made three months ago). According to the financial authority, the principal amount of non-public debt increased to USD 108 bn (from USD 98.8 bn). The concentration of gross maturing debt will be the highest in Q1 2015 (February USD 15.2 USD and March USD 16.5 bn).

All in all, we believe the valuation case for investing in Russian sovereign bonds still remains in place, but the trend in credit fundamentals remains weak and is unlikely to improve in the near term. Given the significant headwinds faced by the Russian economy in 2015, we expect to see better entry points at a later stage and would therefore remain on the sidelines for the time being.

The combination of high inflation, heightened FX vulnerability and policy constraints does not bode well for local currency bonds. While the carry at the short end of the RUB curve is certainly attractive on an absolute basis, it is less appealing on a risk-reward comparison. As a result, we maintain our preference for hard over local currency bonds.

(27/01/2015)

Remain neutral on USD/RUB

■ Risks for short-term RUB weakness have increased with rating downgrade and geopolitical tensions.

■ But the RUB is undervalued, and the oil price stabilization later this year should help the RUB find a floor.

■ We thus maintain our overall neutral outlook for USD/RUB over 3–6 months.

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Investment horizon: 3-6 months

RUB: Short-term risks after rating downgrade, but carry and undervaluation should support over the long term
Risks for short-term RUB weakness have increased after the S&P debt rating downgrade below investment grade for Russia and the renewed tensions in Ukraine. Low oil prices also continue to pose a risk for the Russian budget in the near term. However, the carry for the RUB remains high due to the tight monetary policy of the Russian central bank. The shortage of USD also seems less of an issue than in 2014 as the central bank is providing USD liquidity. However, the RUB has already weakened significantly in 2014 and now appears undervalued on a Real Effective Exchange Rate basis. Furthermore, Russia's external position remains in surplus, the level of currency reserves remains still relatively high, and government debt in relation to GDP remains among the lowest within emerging markets. Also, if the oil price stabilizes as our commodity strategists expect later this year, then the RUB should find support. However, and as mentioned above, we see higher risks of a USD/RUB temporary overshoot. This could lead to the pair trading in a higher range of around 65–70 in the coming weeks, as the debt rating downgrade, together with the rising geopolitical tensions in Ukraine, increases risks of portfolio outflows. An overshoot of these levels is also possible (i.e., RUB weakening further), but given the steep FX forward curve (USD/RUB is currently priced at 71.15 in 3M and 79.11 in 12M in the forward market), we would refrain from taking an active short RUB position. We thus maintain our overall neutral outlook for USD/RUB over 3–6 months. Our forecasts remain at USD/RUB 65 in 3 and 12 months for the time being.

(27/01/2015)

Stay neutral on Russian equities

- Our outlook for Russian equities is neutral. Valuation remains attractive, though.
- Downside risks to our view include a re-escalation of the conflict in Ukraine, a continuation of the decline in oil prices, as well as further macro headwinds.

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Investment horizon: 3-6 months

Remain neutral on Russian equities

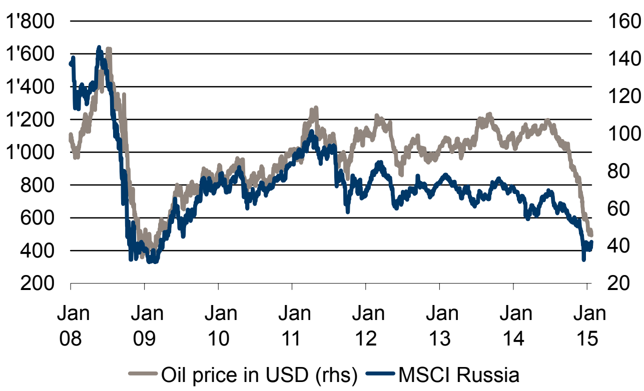
Our view on the MSCI Russia (in local currency) remains neutral. The technical outlook for the MSCI Russia is negative and the macroeconomic outlook has worsened. However, much of this is already priced in the equity market. Therefore, the valuation of the Russian stock market is attractive, trading at a 12-month forward P/E of 3.5, which is at a 50% discount to its 10-year average and a 67% discount to the MSCI Emerging Markets (see chart below). The market offers a dividend yield of 5%.

12-month forward P/E – MSCI Russia relative to MSCI Emerging Markets

Source: Datastream, Credit Suisse / IDC

More than 55% of the market capitalization of the Russian equity market (MSCI Russia) is allocated to the energy sector, followed by financials (12%) and materials (13%). The accompanying chart shows the development of the oil price and the MSCI Russia Index (in USD).

Oil price vs. MSCI Russia



Source: Bloomberg, Credit Suisse / IDC

In the accompanying table, we show a list of stocks on which our analysts have a positive view (BUY and/or Outperform recommendation). (27/01/2015)

Preferred Russian Stocks

ISIN	Name	Currency	Sector	Market Cap (USD)	CS Rating	Dividend Yield
US6778621044	LUKOIL OAO SPN.ADR 1:1	USD	Oil & Gas	36	OUTPERFORM*	7.4%
US55953Q2021	PJSC MAGNIT GDR (REG S)	USD	Consumer Services	30	OUTPERFORM*	2.0%
US5603172082	MAILRU GROUP GDR (REG S)	USD	Technology	3	OUTPERFORM*	0.0%
RU0007288411	MMC NORILSK NICKEL	RUB	Basic Materials	26	OUTPERFORM*	9.4%
RU000A0JRKT8	PHOSAGRO	RUB	Basic Materials	4	OUTPERFORM*	2.6%
US6698881090	NOVATEK GDR 'REG S'	USD	Oil & Gas	24	BUY	3.0%

*Note: For information, including disclosure with respect to Private Banking recommendations, please refer to the Credit Suisse Global Reseach Disclosure at http://www.credit-suisse.com/research/disclaimer. Please find disclosure information on Credit Suisse Investment Banking rated companies mentioned in this Alert under https://rave.credit-suisse.com/disclosures.

Source: Bloomberg, Datastream, Credit Suisse

Glossary

Risk warnings

Market risk	Financial markets rise and fall based on economic conditions, inflationary pressures, world news and business-specific reports. While trends may be detected over time, it can be difficult to predict the direction of the market and individual stocks. This variability puts stock investments at risk of losing value.
Bond risks	Investors are exposed to interest rates, currency, liquidity, credit market and issuer fluctuations, which may affect the price of bonds.
Emerging markets	Emerging markets are located in countries that possess one or more of the following characteristics: a certain degree of political instability, relatively unpredictable financial markets and economic growth patterns, a financial market that is still at the development stage or a weak economy. Emerging market investments usually result in higher risks as a result of political, economic, credit, exchange rate, market liquidity, legal, settlement, market, shareholder and creditor risks.
Hedge funds	Regardless of structure, hedge funds are not limited to any particular investment discipline or trading strategy, and seek to profit in all kinds of markets by using leverage, derivative instruments and speculative investment strategies that may increase the risk of investment loss.
Commodity investments	Commodity transactions carry a high degree of risk and may not be suitable for many private investors. The extent of loss due to market movements can be substantial or even result in a total loss.
Real estate	Investors in real estate are exposed to liquidity, foreign currency and other risks, including cyclical risk, rental and local market risk as well as environmental risk, and changes to the legal situation.
Currency risks	Investments in foreign currencies involve the additional risk that the foreign currency might lose value against the investor's reference currency.

Source: Credit Suisse

Explanation of indices frequently used in reports

Index	Comment
MSCI World	MSCI World is an index of global equity markets developed and calculated by Morgan Stanley Capital International. Calculations are based on closing prices with dividends reinvested.
US S&P 500	Standard and Poor's 500 is a capitalization-weighted stock index representing all major industries in the USA, which measures the performance of the domestic economy through changes in the aggregate market value.
Eurostoxx 50	Eurostoxx 50 is a market-capitalization-weighted stock index of 50 leading blue-chip companies in the Eurozone.
UK FTSE 100	FTSE 100 is a market-capitalization-weighted stock index that represents 100 of the most highly capitalized companies traded on the London Stock exchange. The equities have an investibility weighting in the index calculation.
Japan Topix	TOPIX, also known as the Tokyo Stock Price Index, tracks all large Japanese companies listed in the stock exchange's "first section." The index calculation excludes temporary issues and preferred stocks.
Australia S&P/ASX 200	S&P/ASX 200 is an Australian market-capitalization-weighted and float-adjusted stock index calculated by Standard and Poor's.
Canada S&P/TSX comp	The S&P/TSX composite index is the Canadian equivalent of the S&P 500 Index in the USA. The index contains the largest stocks traded on the Toronto Stock Exchange.
Switzerland SMI	The Swiss Market Index is made up of 20 of the largest companies listed of the Swiss Performance Index universe. It represents 85% of the free-float capitalization of the Swiss equity market. As a price index, the SMI is not adjusted for dividends.
MSCI Emerging Markets	MSCI Emerging Markets is a free-float-weighted Index designed to measure equity market performance in global emerging markets. The index is developed and calculated by Morgan Stanley Capital International.
BC IG Corporate EUR	The Euro Corporate Index tracks the fixed-rate, investment-grade, euro-denominated corporate bond market. The index includes issues that meet specified maturity, liquidity and quality requirements. The index is calculated by Barclays.
BC IG Corporate USD	The US Corporate Index tracks the fixed-rate, investment-grade, dollar-denominated corporate bond market. The index includes both US and non-US issues that meet specified maturity, liquidity and quality requirements. The index is calculated by Barclays.
BC IG Financials USD	The IG Financials Index tracks the fixed-rate, investment-grade, dollar-denominated financials bond market. The index includes both US and non-US issues that meet specified maturity, liquidity and quality requirements. The index is calculated by Barclays.
CS LSI ex govt CHF	The Liquid Swiss Index ex govt CHF is a market-capitalized bond index representing the most liquid and tradable portion of the Swiss bond market excluding Swiss government bonds. The index is calculated by Credit Suisse.
BC High Yield Corp USD	The US Corporate High Yield Index measures USD-denominated, non-investment grade, fixed-rate and taxable corporate bonds. The index is calculated by Barclays.
BC High Yield Pan EUR	The Pan European High Yield Index measures the market of non-investment grade, fixed-rate corporate bonds denominated in euro, pound sterling, Norwegian krone, Swedish krone and Swiss francs. The index is calculated by Barclays.
JPM EM hard curr. USD	The Emerging Market Bond Index Plus tracks the total return of hard-currency sovereign bonds across the most liquid emerging markets. The index encompasses US-denominated Brady bonds (dollar-denominated bonds issued by Latin American countries), loans and Eurobonds.
JPM EM local curr hedg. USD	The JPMorgan Government Bond Index tracks local currency bonds issued by emerging market governments across the most accessible markets for international investors.
CS Hedge Fund Index	The Credit Suisse Hedge Fund Index is compiled by Credit Suisse Hedge Index LLC. It is an asset-weighted hedge fund index and includes only funds, as opposed to separate accounts. The index reflects performance net of all hedge fund component performance fees and expenses.
DXY	A measure of the value of the US dollar relative to the majority of its most important trading partners. The US Dollar Index is similar to other trade-weighted indices, which also use the exchange rates from the same major currencies.

Source: various index providers, Credit Suisse

Abbreviations frequently used in reports

Abb.	Description	Abb.	Description	Abb.	Description
bp	Basis points	EPS	Earnings per share	P/E	Price-earnings ratio

Abb.	Description	Abb.	Description	Abb.	Description
CAGR	Compound annual growth rate	EV	Enterprise value	PEG	P/E ratio divided by growth in EPS
CFO	Cash from operations	FCF	Free cash flow	r.h.s.	right-hand side (for charts)
CFROI	Cash flow return on investment	FFO	Funds from operations	ROE	Return on equity
DCF	Discounted cash flow	IBD	Interest-bearing debt	ROIC	Return on invested capital
EBITDA	Earnings before interest, taxes, depreciation and amortization	P/B	Price-to-book value	YoY	Year-on-year

Source: Credit Suisse

Currency codes frequently used in reports

Code	Currency	Code	Currency	Code	Currency
ARS	Argentine peso	HKD	Hong Kong dollar	PEN	Peruvian nuevo sol
AUD	Australian dollar	HUF	Hungarian forint	PHP	Philippine peso
BRL	Brazilian real	IDR	Indonesian rupiah	PLN	Polish złoty
CAD	Canadian dollar	ILS	Israeli new shekel	RUB	Russian ruble
CHF	Swiss franc	INR	Indian rupee	SEK	Swedish krona/kronor
CLP	Chilean peso	JPY	Japanese yen	SGD	Singapore dollar
CNY	Chinese yuan	KRW	South Korean won	THB	Thai baht
COP	Colombian peso	MXN	Mexican peso	TRY	Turkish lira
CZK	Czech koruna	MYR	Malaysian ringgit	TWD	New Taiwan dollar
EUR	Euro	NOK	Norwegian krone	USD	United States dollar
GBP	Pound sterling	NZD	New Zealand dollar	ZAR	South African rand

Source: Credit Suisse

Important information on derivatives

Pricing	Option premiums and prices mentioned are indicative only. Option premiums and prices can be subject to very rapid changes: The prices and premiums mentioned are as of the time indicated in the text and might have changed substantially in the meantime.
Risks	Derivatives are complex instruments and are intended for sale only to investors who are capable of understanding and assuming all the risks involved. Investors must be aware that adding option positions to an existing portfolio may change the characteristics and behavior of that portfolio substantially. A portfolio's sensitivity to certain market moves can be heavily impacted by the leverage effect of options.
Buying calls	Investors who buy call options risk the loss of the entire premium paid if the underlying security trades below the strike price at expiration.
Buying puts	Investors who buy put options risk loss of the entire premium paid if the underlying security finishes above the strike price at expiration.
Selling calls	Investors who sell calls commit themselves to sell the underlying for the strike price, even if the market price of the underlying is substantially higher. Investors who sell covered calls (own the underlying security and sell a call) risk limiting their upside to the strike price plus the upfront premium received and may have their security called away if the security price exceeds the strike price of the short call. Additionally, the investor has full downside participation that is only partially offset by the premium received upfront. If investors are forced to sell the underlying they might be subject to taxing. Investors shorting naked calls (i.e. selling calls but without holding the underlying security) risk unlimited losses of security price less strike price.
Selling puts	Put sellers commit to buying the underlying security at the strike price in the event the security falls below the strike price. The maximum loss is the full strike price less the premium received for selling the put.
Buying call spreads	Investors who buy call spreads (buy a call and sell a call with a higher strike) risk the loss of the entire premium paid if the underlying trades below the lower strike price at expiration. The maximum gain from buying call spreads is the difference between the strike prices, less the upfront premium paid.
Selling naked call spreads	Selling naked call spreads (sell a call and buy a farther out-of-the-money call with no underlying security position): Investors risk a maximum loss of the difference between the long call strike and the short call strike, less the upfront premium taken in, if the underlying security finishes above the long call strike at expiration. The maximum gain is the upfront premium taken in, if the security finishes below the short call strike at expiration.
Buying put spreads	Investors who buy put spreads (buy a put and sell a put with a lower strike price) also have a maximum loss of the upfront premium paid. The maximum gain from buying put spreads is the difference between the strike prices, less the upfront premium paid.
Buying strangles	Buying strangles (buy put and buy call): The maximum loss is the entire premium paid for both options, if the underlying trades between the put strike and the call strike at expiration.
Selling strangles or straddles	Investors who are long a security and short a strangle or straddle risk capping their upside in the security to the strike price of the call that is sold plus the upfront premium received. Additionally, if the security trades below the strike price of the short put, investors risk losing the difference between the strike price and the security price (less the value of the premium received) on the short put and will also experience losses in the security position if they owns shares. The maximum potential loss is the full value of the strike price (less the value of the premium received) plus losses on the long security position. Investors who are short naked strangles or straddles have unlimited potential loss since, if the security trades above the call strike price, investors risk losing the difference between the strike price and the security price (less the value of the premium received) on the short call. In addition, they are obligated to buy the security at the put strike price (less upfront premium received) if the security finishes below the put strike price at expiration.

Source: Credit Suisse

Risk warning

Every investment involves risk, especially with regard to fluctuations in value and return. If an investment is denominated in a currency other than your base currency, changes in the rate of exchange may have an adverse effect on value, price or income.

For a discussion of the risks of investing in the securities mentioned in this report, please refer to the following Internet link:
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This report may include information on investments that involve special risks. You should seek the advice of your independent financial advisor prior to taking any investment decisions based on this report or for any necessary explanation of its contents. Further information is also available in the information brochure "Special Risks in Securities Trading" available from the Swiss Bankers Association.
Past performance is not an indicator of future performance. Performance can be affected by commissions, fees or other charges as well as exchange rate fluctuations.

Financial market risks
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Investments may have no public market or only a restricted secondary market. Where a secondary market exists, it is not possible to predict the price at which investments will trade in the market or whether such market will be liquid or illiquid.

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Where this report relates to emerging markets, you should be aware that there are uncertainties and risks associated with investments and transactions in various types of investments of, or related or linked to, issuers and obligors incorporated, based or principally engaged in business in emerging markets countries. Investments related to emerging markets countries may be considered speculative, and their prices will be much more volatile than those in the more developed countries of the world. Investments in emerging markets investments should be made only by sophisticated investors or experienced professionals who have independent knowledge of the relevant markets, are able to consider and weigh the various risks presented by such investments, and have the financial resources necessary to bear the substantial risk of loss of investment in such investments. It is your responsibility to manage the risks which arise as a result of investing in emerging markets investments and the allocation of assets in your portfolio. You should seek advice from your own advisers with regard to the various risks and factors to be considered when investing in an emerging markets investment.

Alternative investments
Hedge funds are not subject to the numerous investor protection regulations that apply to regulated auhorised collective investments and hedge fund managers are largely unregulated. Hedge funds are not limited to any particular investment discipline or trading strategy, and seek to profit in all kinds of markets by using leverage, derivatives, and complex speculative investment strategies that may increase the risk of investment loss.
Commodity transactions carry a high degree of risk and may not be suitable for many private investors. The extent of loss due to market movements can be substantial or even result in a total loss.
Investors in real estate are exposed to liquidity, foreign currency and other risks, including cyclical risk, rental and local market risk as well as environmental risk, and changes to the legal situation.

Interest rate and credit risks
The retention of value of a bond is dependent on the creditworthiness of the Issuer and/or Guarantor (as applicable), which may change over the term of the bond. In the event of default by the Issuer and/or Guarantor of the bond, the bond or any income derived from it is not guaranteed and you may get back none of, or less than, what was originally invested.

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