Copa Holdings SA

STANDARD & POOR'S

S&P Recommendation HOLD ★★★★★

Price
$64.62 (as of Nov 11, 2011)

12-Mo. Target Price
$70.00

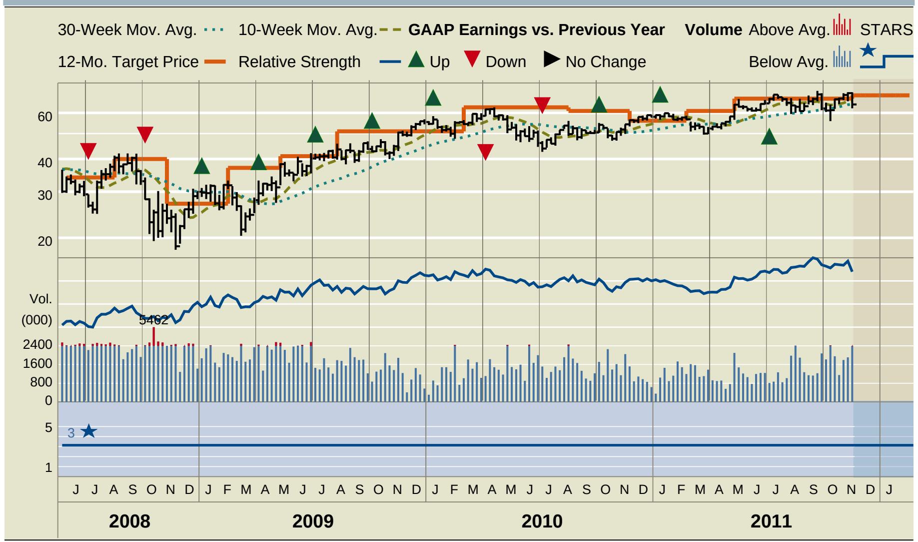
GICS Sector Industrials
Sub-Industry Airlines

Summary This company operates an airline in Panama providing international service throughout North, South, and Central America, as well as an airline in Colombia providing domestic scheduled air service.

Key Stock Statistics (Source S&P, Vickers, company reports)

52-Wk Range	$72.86– 49.54	S&P Oper. EPS 2011E	6.72	Market Capitalization(B)	$2.134	Beta	1.16
Trailing 12-Month EPS	$7.29	S&P Oper. EPS 2012E	7.46	Yield (%)	2.54	S&P 3-Yr. Proj. EPS CAGR(%)	9
Trailing 12-Month P/E	8.9	P/E on S&P Oper. EPS 2011E	9.6	Dividend Rate/Share	$1.64	S&P Credit Rating	NA
$10K Invested 5 Yrs Ago	$18,417	Common Shares Outstg. (M)	44.0	Institutional Ownership (%)	88		

Price Performance



Options: CBOE

Highlights

➤ The 12-month target price for CPA has recently been changed to $70.00 from $68.00. The Highlights section of this Stock Report will be updated accordingly.

Investment Rationale/Risk

➤ The Investment Rationale/Risk section of this Stock Report will be updated shortly. For the latest News story on CPA from MarketScope, see below.

➤ 11/09/11 11:41 am ET ... S&P REITERATES HOLD OPINION ON SHARES OF COPA HOLDINGS (CPA 66.22***): Q3 operating EPS is $2.03, vs. $1.46, ahead of the Capital IQ consensus of $1.73. CPA benefited from strong revenue, yield and passenger load improvement on strong capacity growth. Non fuel unit costs were well controlled. We view Copa as well positioned in markets that are seeing good economic growth in Latin America. The Capital IQ consensus estimates for '11 and '12 are now $6.72 and $7.46, up from the prior $6.44 and $7.32. We raise our 12-month target price by $2 to $70, 9.4X the '12 consensus estimate, in the middle of CPA's historical P/E range. /J. Corridore

Qualitative Risk Assessment

LOW | MEDIUM | **HIGH**

Our risk assessment reflects our view of relatively high and extremely volatile oil prices, periodic cyclical downturns in the airline industry, economic and geopolitical risks in the countries in which CPA operates, and the extremely competitive nature of the airline industry.

Quantitative Evaluations

S&P Quality Ranking NR

D | C | B- | B | B+ | A- | A | A+

Relative Strength Rank MODERATE

37

LOWEST = 1 HIGHEST = 99

Revenue/Earnings Data

Revenue (Million $)

	1Q	2Q	3Q	4Q	Year
2011	423.1	428.5	--	--	--
2010	335.2	303.4	362.0	410.6	1,411
2009	308.8	277.6	323.7	343.0	1,253
2008	295.9	297.9	348.9	346.1	1,289
2007	242.7	235.3	264.6	284.6	1,027
2006	191.7	191.5	230.6	237.4	851.2

Earnings Per Share ($)

	1Q	2Q	3Q	4Q	Year
2011	E1.86	0.93	E1.46	E1.99	E6.72
2010	0.84	0.42	1.45	2.11	4.82
2009	1.65	1.26	0.99	1.61	5.50
2008	0.91	0.70	0.70	1.20	3.50
2007	1.12	0.71	1.08	0.79	3.72
2006	0.75	0.53	0.87	0.97	3.10

Fiscal year ended Dec. 31. Next earnings report expected: NA. EPS Estimates based on S&P Operating Earnings; historical GAAP earnings are as reported.

Dividend Data (Dates: mm/dd Payment Date: mm/dd/yy)

Amount ($)	Date Decl.	Ex-Div. Date	Stk. of Record	Payment Date
1.640	05/04	05/26	05/31	06/15/11

Dividends have been paid since 2006. Source: Company reports.

Copa Holdings SA

Business Summary August 23, 2011

CORPORATE OVERVIEW. Copa Holdings, S.A. (CPA), through wholly owned Copa Airlines, operates scheduled passenger airline service primarily out of its hub in Panama City, Panama. Copa Airlines offers about 150 daily scheduled flights to 46 destinations in 25 countries in North, Central and South America and the Caribbean from its Panama City hub. Through code-sharing agreements with Continental Airlines and other airlines, Copa Airlines provides passengers with access to flights to more than 120 other international destinations. Through wholly owned Copa Columbia, CPA operates a point-to-point carrier in Colombia serving 12 cities in Colombia, and provides international connectivity with Copa Airlines' hub. Both airlines place their name and flight designation code on the other's flights. Corporacion de Inversiones Aereas, S.A., or CIASA, holds all of CPA's Class B shares.

MARKET PROFILE. According to data from the International Air Transport Association (IATA), Latin America comprised about 4.6% of worldwide passengers flown in April 2011, as measured by revenue passenger kilometers. A significant percentage of this number consisted of passengers flying from Latin America to the U.S. Panama serves as a hub for connecting passenger traffic between major North American, South American, the Caribbean and Central American markets. Panama has experienced a stable economy with moderate inflation and steady GDP growth since 1999. The majority of the population is centered around Panama City, where Copa Airlines has its hub at Tocumen International Airport. CPA believes the combination of a steady service-oriented economy and steady population growth is helping to drive increased domestic origin and destination passenger traffic. Colombia is the third largest country in Latin America in terms of population.

Major competitors in the Latin America market include TACA-Avianca, American Airlines, LAN Airlines and Avianca. Competition in CPA's markets is intense. In general, airline profit margins are low and earnings are volatile. Airlines compete on pricing, frequencies and flight times, on-time performance, frequent flyer programs, and other services.

CORPORATE STRATEGY. Copa does not provide any domestic service in the country of Panama, preferring instead to focus entirely on international traffic. In addition to increasing frequencies to destinations that it already serves, Copa is focused on adding new destinations across Latin America, the Caribbean and North America to increase the attractiveness of its Panama City hub for intra-American traffic. Plans to enter new destinations and increase frequencies depend on the allocation of route rights, which are designated through negotiations between the government of Panama and the governments of countries where Copa wants to increase flights.

The company believes its alliance with Continental Airlines has enhanced its brand in Latin America and that the relationship has provided CPA with cost-related benefits, including improved purchasing power in negotiations with aircraft vendors and insurers. Copa's alliance with Continental extends through 2015. The company believes its hub and spoke strategy is the most efficient way to operate its business, since most of the origination/destination pairs it serves do not generate sufficient traffic to justify point-to-point service. Over the next few years, Copa plans to increase asset utilization by spreading out its flights over the course of a day, as opposed to the morning and evening bank of flights it currently operates. This strategy is called "de-peaking."

UPCOMING CATALYSTS. CPA has announced that in 2011 it expects to start service to Toronto, Canada, Porto Alegre, Brazil, and Nassau, Bahamas, bringing to 55 the number of destinations the carrier serves. The company also expects to increase service to certain cities. By June 2011, CPA expects to offer about 180 daily scheduled flights to 55 destinations in 27 Countries.

On November 30, 2010, CPA announced an order for up to 32 Boeing Next Generation 737-800s, for delivery between 2015-2018. Copa ended 2010 with 63 aircraft including 20 Boeing 737-100s, 17 737-800s, and 26 Embraer E-190s.

On November 10, 2010, CPA announced that it had been accepted into the STAR alliance. Integration into the alliance is expected by mid-2012. Admittance to the alliance provides CPA with access to over 22,500 daily flights to 1,292 destinations in 188 countries.

FINANCIAL TRENDS. Over the 10 years through 2010, CPA experienced a compound annual growth rate (CAGR) in revenue of 17.1%, and a CAGR in net income of 30.3%. Long-term debt rose at a CAGR of 23% and amounted to 44% of total capitalization at the end of 2010. Capacity, as measured by available seat miles, increased 11% in 2010, while passenger traffic, as measured by revenue passenger miles, rose 14%. The passenger load factor in 2009 was 76.9%, an improvement of 2.3 percentage points from the prior year.

Corporate Information

Office
Boulevard Costa del Este, Panama City, Panama.

Telephone
507.304.2677.

Website
http://www.copaair.com

Officers

Chrmn
S. Motta

COO & SVP
D. Gunn

Vice Chrmn, Treas & Secy
J. Arias

CFO
V. Vial

CEO
P. Heilbron

Board Members
J. Arias
R. A. Arias
J. Fidanque, III
O. Heilbron
P. Heilbron
D. Leo
A. A. Loredo
R. A. Loria
S. Motta
C. A. Motta, Jr.
J. C. Velez

Domicile
Panama

Founded
1998

Employees
5,389

Stockholders
NA

Copa Holdings SA

STANDARD &POOR'S

Quantitative Evaluations

S&P Fair Value Rank NR

1	2	3	4	5

LOWEST HIGHEST

Based on S&P's proprietary quantitative model, stocks are ranked from most overvalued (1) to most undervalued (5).

Fair Value Calculation NA

Investability Quotient Percentile 88

LOWEST = 1 HIGHEST = 100

CPA scored higher than 88% of all companies for which an S&P Report is available.

Volatility LOW | **AVERAGE** | HIGH

Technical Evaluation BULLISH Since October, 2011, the technical indicators for CPA have been BULLISH.

Insider Activity NA UNFAVORABLE | NEUTRAL | FAVORABLE

Expanded Ratio Analysis

	2010	2009	2008	2007
Price/Sales	1.83	1.91	1.02	1.59
Price/EBITDA	8.35	8.25	4.93	7.26
Price/Pretax Income	10.80	9.20	7.69	9.13
P/E Ratio	12.21	9.95	8.65	10.09
Avg. Diluted Shares Outstg (M)	44.0	43.9	43.4	43.5

Figures based on calendar year-end price

Key Growth Rates and Averages

Past Growth Rate (%)	1 Year	3 Years	5 Years	9 Years
Sales	12.61	9.69	17.33	22.90
Net Income	-11.76	13.53	20.02	35.31
Ratio Analysis (Annual Avg.)				
Net Margin (%)	15.03	15.34	15.50	14.37
% LT Debt to Capitalization	43.84	46.48	51.11	59.36
Return on Equity (%)	22.29	26.86	31.95	37.34

Company Financials Fiscal Year Ended Dec. 31

Per Share Data ($)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Tangible Book Value	23.68	18.61	13.40	10.99	7.27	4.53	4.07	2.70	NA	NA
Cash Flow	6.91	6.55	4.49	4.53	3.63	2.40	2.05	1.46	0.80	0.66
Earnings	4.82	5.50	3.50	3.72	3.10	1.94	1.60	1.13	0.48	0.35
Dividends	NA	0.37	0.37	0.31	0.19	Nil	NA	NA	NA	NA
Payout Ratio	NA	7%	11%	8%	6%	Nil	NA	NA	NA	NA
Prices:High	63.08	56.78	43.64	73.33	49.05	27.40	NA	NA	NA	NA
Prices:Low	42.60	20.36	18.00	30.25	20.31	20.00	NA	NA	NA	NA
P/E Ratio:High	13	10	12	20	16	14	NA	NA	NA	NA
P/E Ratio:Low	9	4	5	8	7	10	NA	NA	NA	NA
Income Statement Analysis (Million $)										
Revenue	1,411	1,253	1,289	1,027	851	609	400	342	301	290
Operating Income	310	290	267	225	253	0.13	102	72.3	44.2	38.3
Depreciation	63.0	47.1	42.9	35.3	24.9	19.9	19.3	14.0	13.4	13.3
Interest Expense	NA	NA	40.2	41.8	27.4	20.5	15.5	9.60	6.52	9.40
Pretax Income	240	260	171	179	146	92.6	74.3	52.1	23.7	16.6
Effective Tax Rate	NA	7.54%	11.1%	9.60%	8.41%	10.4%	7.71%	7.00%	12.7%	10.9%
Net Income	212	240	152	162	134	83.0	68.6	48.5	20.7	14.8
Balance Sheet & Other Financial Data (Million $)										
Cash	403	352	393	286	170	94.1	115	66.0	39.1	23.4
Current Assets	NA	NA	522	436	291	185	156	108	73.6	69.0
Total Assets	2,476	2,093	1,954	1,707	1,255	917	702	592	421	300
Current Liabilities	NA	NA	502	425	340	254	143	157	NA	NA
Long Term Debt	889	751	800	732	530	403	381	312	212	111
Common Equity	1,038	866	631	532	372	246	174	116	67.7	46.4
Total Capital	2,027	1,711	1,547	1,271	906	653	557	430	279	157
Capital Expenditures	349	203	162	304	193	63.3	65.8	112	76.0	NA
Cash Flow	304	287	195	197	159	103	87.9	62.5	34.1	28.1
Current Ratio	1.2	1.1	1.0	1.0	0.9	0.7	1.1	0.7	NA	NA
% Long Term Debt of Capitalization	43.8	43.9	51.7	57.6	58.5	61.7	68.4	72.6	76.0	70.7
% Net Income of Revenue	15.0	19.2	11.8	15.8	15.7	13.6	17.2	14.2	6.9	5.1
% Return on Assets	9.3	11.9	8.3	10.9	12.3	10.3	10.6	9.6	5.7	5.2
% Return on Equity	22.3	32.1	26.2	35.8	43.3	39.5	47.3	53.0	36.5	44.8

Data as orig reptd.; bef. results of disc opers/spec. items. Per share data adj. for stk. divs.; EPS diluted. E-Estimated. NA-Not Available. NM-Not Meaningful. NR-Not Ranked. UR-Under Review.

STANDARD & POOR'S

Sub-Industry Outlook

We have a positive fundamental outlook for the airline sub-industry for the next 12 months. Traffic statistics showed improving demand and revenues in 2010 and through the first nine months of 2011. We believe the U.S. airline industry is still seeing strong demand, despite the weak U.S. economy. In addition, we think that since the industry has reduced capacity levels, it should be able to raise fares if passenger travel demand improves, and hold the line on fares if demand weakens. Oil and jet fuel prices have fallen after rising sharply earlier in the year, but we think oil represents a risk to the fragile industry recovery. At this time, we believe fare increases should offset higher jet fuel costs.

We think investor sentiment on airline stocks could improve on signs that the U.S. economy is recovering and if oil prices retreat. We view positively the news on October 1, 2010, that UAL Corp. (UAL 19, Buy) and Continental Airlines completed their merger. This created the largest airline in the world, eliminated one major competitor and, we think, could spur additional capacity cuts and eventually lead to higher airfares. We see similar, but smaller, benefits from the recently completed acquisition of AirTran Holdings by Southwest Airlines (LUV 8, Buy). Many of the shares warrant added risk premiums, in our view.

We estimate that the top 10 U.S. carriers earned $3.7 billion in 2010, after losing $5 billion in 2009 and $4 billion in 2008. Results in 2010 benefited from strong leisure demand, improved business travel and airfare increases. We think cuts to domestic and international supply over the past three years have improved airlines' pricing power. For 2011, we think the 10 largest carriers will likely earn a net profit of about $4 billion.

Total revenue passenger miles (RPMs) rose 3.2% in 2010, after a 5.8% decline in 2009. Yields rose 14.1%, after a 13.1% decline in 2009. Available seat miles rose 0.6%, after falling 6.1% in 2009. The passenger load factor improved by 1.4 percentage points in 2010, to 82.5%.

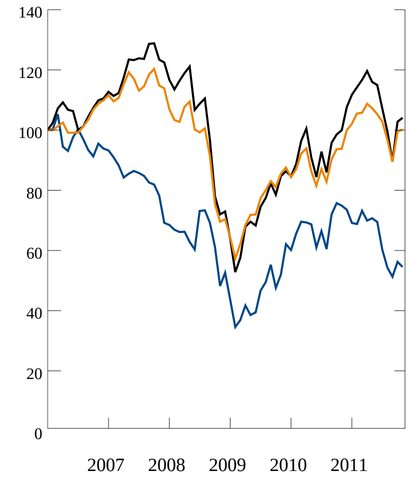
Year to date through October 31, the S&P Airlines index declined 23.6%, versus a 0.5% decrease for the S&P 1500. In 2010, the S&P Airlines index gained 18.5%, versus a 14.2% increase for the S&P 1500.

--Jim Corridore

Stock Performance

GICS Sector: Industrials
Sub-Industry: Airlines

Based on S&P 1500 Indexes
Month-end Price Performance as of 10/31/11



NOTE: All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS)

Sub-Industry : Airlines Peer Group*: Airlines - International

Peer Group	Stock Symbol	Stk.Mkt. Cap. (Mil. $)	Recent Stock Price($)	52 Week High/Low($)	Beta	Yield (%)	P/E Ratio	Fair Value Calc.($)	Quality Ranking	S&P IQ %ile	Return on Revenue (%)	LTD to Cap (%)
Copa Hldgs S.A.'A'	**CPA**	**2,134**	**64.62**	**72.86/49.54**	**1.16**	**2.5**	**9**	**NA**	**NR**	**88**	**15.0**	**43.8**
ACE Aviation Hldg'B'	ACEBF	271	10.65	12.79/10.04	NA	Nil	NM	NA	NR	18	NA	NA
China Southern Airlines'H'ADR	ZNH	5,187	26.50	36.25/19.80	1.79	Nil	5	16.40	NR	9	8.3	44.7
Gol Linhas Aereas Intel ADS	GOL	2,200	8.15	17.19/5.03	1.82	1.3	NM	6.50	NR	4	3.1	38.0
Lan Airlines ADR	LFL	8,392	24.73	32.68/18.65	0.87	1.5	23	20.30	NR	10	9.3	57.7
TAM S.A. ADS	TAM	3,115	19.95	25.92/13.85	1.73	3.7	5	NA	NR	85	5.9	29.4

NA-Not Available NM-Not Meaningful NR-Not Rated. *For Peer Groups with more than 15 companies or stocks, selection of issues is based on market capitalization.

Source: S&P.

Copa Holdings SA

S&P Analyst Research Notes and other Company News

November 9, 2011
11:41 am ET ... S&P REITERATES HOLD OPINION ON SHARES OF COPA HOLDINGS (CPA 66.22***): Q3 operating EPS is $2.03, vs. $1.46, ahead of the Capital IQ consensus of $1.73. CPA benefited from strong revenue, yield and passenger load improvement on strong capacity growth. Non fuel unit costs were well controlled. We view Copa as well positioned in markets that are seeing good economic growth in Latin America. The Capital IQ consensus estimates for '11 and '12 are now $6.72 and $7.46, up from the prior $6.44 and $7.32. We raise our 12-month target price by $2 to $70, 9.4X the '12 consensus estimate, in the middle of CPA's historical P/E range. /J. Corridore

August 23, 2011
04:03 pm ET ... S&P REITERATES HOLD OPINION ON SHARES OF COPA HOLDINGS (CPA 64.38***): Following Q2 results, Capital IQ consensus EPS estimates have risen to $6.44 for 2011 and $7.32 for 2012. CPA saw strong Q2 revenue growth on solid capacity, yield and unit revenue performance. CPA was able to more than offset a 65% rise in fuel costs with revenue growth and well-controlled nonfuel costs. Our 12-month target price of $68 values the shares at 9.3X the '12 Capital IQ consensus EPS estimate, in the middle of CPA's historical range. /J. Corridore

August 4, 2011
03:04 pm ET ... S&P REITERATES HOLD OPINION ON SHARES OF COPA HOLDINGS (CPA 62.90***): Q2 operating EPS of $1.28, vs. $0.84, exceeds our $1.17 estimate and Capital IQ consensus forecast of $0.94. Revenue growth exceeded our projections on strong capacity, yield and unit revenue performance. Fuel costs rose 65%, but CPA more than offset that with revenue growth and well controlled costs. CPA expects strong demand and unit revenue trends to continue. We keep our 12-month target price at $68, 9.5X the Capital IQ 2012 consensus EPS estimate of $7.14, in the middle of CPA's historical P/E range. CPA should continue to grow capacity and revenue faster than many peers. /J. Corridore

May 6, 2011
Copa Holdings SA announced at its AGM held on May 4, 2011, the shareholders approved the election, as per the recommendation of the nominating committee, of the five directors whose term expires the date of the annual meeting, including the independent directors named above (Messrs. Stanley Motta, Jaime Arias, Alberto C. Motta Jr., Joseph Fidanque and Jose Castaneda) or their replacement thereof, for a period of two years, and the ratification of the election of Mr. Douglas Leo as director of the company to fill in the vacancy left after the resignation of Mr. Mark Erwin for the remainder of his term whose term will expire on the annual meeting to be held in 2012.

May 5, 2011
UP 4.11 to 61.91... CPA posts $1.86 vs. $1.42 Q1 adjusted EPS on 25% revenue rise. The Street was looking for $1.40. Says its board approved an increase in CPA's dividend policy for an annual dividend payment of up to 30% of annual consolidated net income, from up to 20%. S&P raises estimates, target; reiterates hold. ...

May 5, 2011
03:08 pm ET ... S&P REITERATES HOLD OPINION ON SHARES OF COPA HOLDINGS (CPA 61.96***): Q1 operating EPS is $1.86, vs. $1.42, beating our $1.49 estimate and consensus of $1.43 from Capital IQ (an entity that operates independently of S&P Equity Research). Revenue growth was stronger than we expected on improved yields and faster capacity growth than we targeted. Jet fuel cost rose 49%, but was offset by a 7% decline in nonfuel unit costs. We raise our '11 and '12 EPS estimates to $6.91 and $8.03 from $5.54 and $5.70, respectively. We lift our 12-month target price to $68 from $61, 10X our '11 estimate, and in the middle of CPA's historical P/E range. /J.Corridore

February 11, 2011
11:11 am ET ... S&P REITERATES HOLD OPINION ON SHARES OF COPA HOLDINGS (CPA 57.85***): /J.Corridore

November 12, 2010
UP 2.55 to 53.70... CPA posts $1.25 vs. $1.20 Q3 adj. EPS on 12% revenue rise. Notes Q3 passenger revenue rose 13.8% y/y. Street was looking for $1.24. S&P reiterates hold....

November 12, 2010
08:46 am ET ... S&P REITERATES HOLD OPINION ON SHARES OF COPA HOLDINGS (CPA 51.15***): CPA reports Q3 EPS of $1.45, vs. $0.98, missing our $1.58 estimate on revenues that were $53 million below our forecast, but which still gained nearly 12%. We expect CPA to remain solidly profitable over the next two years. However, the company saw total yield-per-passenger mile decline 1.4%, a trend we expect to continue, and as a result of lower yield trends, we reduce our '10 EPS estimate to $4.54 from $4.66. We also lower our 12-month target price to $56 from $61, on the reduced earnings forecast. /J.Corridore, M.Christy, CFA

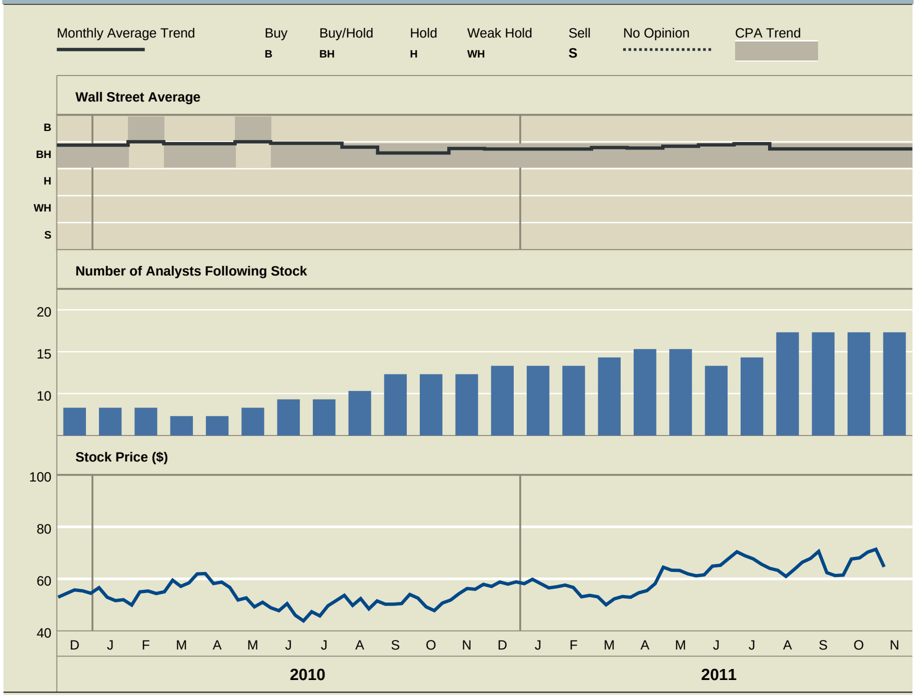
August 12, 2010
12:27 pm ET ... S&P REITERATES HOLD OPINION ON SHARES OF COPA HOLDINGS (CPA 52.84***): CPA Q2 operating EPS is $0.60, vs. $0.64, and misses our $1.18 estimate, on lower revenues than we forecasted. While we believe CPA will remain solidly profitable over the next two years, we are cutting our revenue growth projection to take into account increased competition in domestic markets, along with yield pressure. As a result, we cut our '10 and '11 EPS estimates to $4.66 and $5.96, from $5.01 and $6.61. Also, we lower our 12-month target price by $2 to $61, at 10.2X our new '11 EPS estimate, and in the middle of CPA's historical P/E range. /J.Corridore

June 3, 2010
Copa Holdings SA in its AGM held on May 5, 2010, approved the nomination of Mr. Roberto Artavia and Mr. Alfredo Arias as an independent director of the company, to hold office until the 2012 Annual Shareholders' Meeting. The company also elected Mr. Roberto Artavia and Mr. Alfredo Arias Loredo as directors.

Copa Holdings SA

STANDARD & POOR'S

Analysts' Recommendations



Of the total 16 companies following CPA, 17 analysts currently publish recommendations.

	No. of Ratings	% of Total	1 Mo. Prior	3 Mos. Prior
Buy	8	47	8	8
Buy/Hold	5	29	5	5
Hold	4	24	4	4
Weak Hold	0	0	0	0
Sell	0	0	0	0
No Opinion	0	0	0	0
Total	**17**	**100**	**17**	**17**

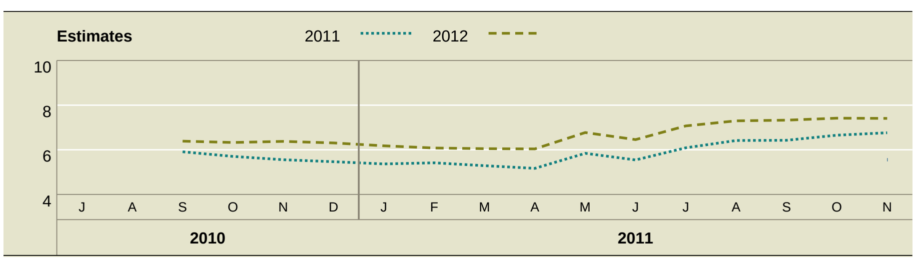
Wall Steet Consensus Opinion

BUY/HOLD

Companies Offering Coverage

Avondale Partners, LLC
BTG Pactual
Barclays Capital
BofA Merrill Lynch
Citigroup Inc
Credit Suisse
Dahlman Rose & Company, LLC
Hudson Securities Inc.
JP Morgan
Morgan Stanley
Morningstar Inc.
Raymond James & Associates
Rodman & Renshaw, LLC
Santander
Santander
UBS Investment Bank

Wall Street Consensus Estimates



Fiscal Years	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
2012	7.44	8.20	6.59	15	8.7
2011	6.79	7.53	5.79	15	9.5
2012 vs. 2011	▲ **10%**	▲ **9%**	▲ **14%**	**0%**	▼ **-8%**
Q3'12	2.01	2.20	1.80	5	32.1
Q3'11	1.71	2.08	1.46	9	37.8
Q3'12 vs. Q3'11	▲ **18%**	▲ **6%**	▲ **23%**	▼ **-44%**	▼ **-15%**

A company's earnings outlook plays a major part in any investment decision. Standard & Poor's organizes the earnings estimates of over 2,300 Wall Street analysts, and provides their consensus of earnings over the next two years. This graph shows the trend in analyst estimates over the past 15 months.

Wall Street Consensus vs. Performance

For fiscal year 2011, analysts estimate that CPA will earn $6.79. For the 2nd quarter of fiscal year 2011, CPA announced earnings per share of $0.93, representing 14% of the total annual estimate. For fiscal year 2012, analysts estimate that CPA's earnings per share will grow by 10% to $7.44.

Source: S&P, Capital IQ Estimates, Inc.

The McGraw-Hill Companies

Glossary

S&P STARS
Since January 1, 1987, Standard and Poor's Equity Research Services has ranked a universe of common stocks based on a given stock's potential for future performance. Under proprietary STARS (STock Appreciation Ranking System), S&P equity analysts rank stocks according to their individual forecast of a stock's future total return potential versus the expected total return of a relevant benchmark (e.g., a regional index (S&P Asia 50 Index, S&P Europe 350 Index or S&P 500 Index)), based on a 12-month time horizon. STARS was designed to meet the needs of investors looking to put their investment decisions in perspective. Data used to assist in determining the STARS ranking may be the result of the analyst's own models as well as internal proprietary models resulting from dynamic data inputs.

S&P 12-Month Target Price
The S&P equity analyst's projection of the market price a given security will command 12 months hence, based on a combination of intrinsic, relative, and private market valuation metrics, including S&P Fair Value.

Investment Style Classification
Characterizes the stock as Growth or Value, and indicates its capitalization level. Growth is evaluated along three dimensions (earnings, sales and internal growth), while Value is evaluated along four dimensions (book-to-price, cash flow-to-price, dividend yield and sale-to-price). Growth stocks score higher than the market average on growth dimensions and lower on value dimensions. The reverse is true for Value stocks. Certain stocks are classified as Blend, indicating a mixture of growth and value characteristics and cannot be classified as purely growth or value.

S&P EPS Estimates
Standard & Poor's earnings per share (EPS) estimates reflect analyst projections of future EPS from continuing operations, and generally exclude various items that are viewed as special, non-recurring, or extraordinary. Also, S&P EPS estimates reflect either forecasts of S&P equity analysts; or, the consensus (average) EPS estimate, which are independently compiled by Capital IQ, a data provider to Standard & Poor's Equity Research. Among the items typically excluded from EPS estimates are asset sale gains; impairment, restructuring or merger-related charges; legal and insurance settlements; in process research and development expenses; gains or losses on the extinguishment of debt; the cumulative effect of accounting changes; and earnings related to operations that have been classified by the company as discontinued. The inclusion of some items, such as stock option expense and recurring types of other charges, may vary, and depend on such factors as industry practice, analyst judgment, and the extent to which some types of data is disclosed by companies.

S&P Core Earnings
Standard & Poor's Core Earnings is a uniform methodology for adjusting operating earnings by focusing on a company's after-tax earnings generated from its principal businesses. Included in the Standard & Poor's definition are employee stock option grant expenses, pension costs, restructuring charges from ongoing operations, write-downs of depreciable or amortizable operating assets, purchased research and development, M&A related expenses and unrealized gains/losses from hedging activities. Excluded from the definition are pension gains, impairment of goodwill charges, gains or losses from asset sales, reversal of prior-year charges and provision from litigation or insurance settlements.

Qualitative Risk Assessment
The S&P equity analyst's view of a given company's operational risk, or the risk of a firm's ability to continue as an ongoing concern. The Qualitative Risk Assessment is a relative ranking to the S&P U.S. STARS universe, and should be reflective of risk factors related to a company's operations, as opposed to risk and volatility measures associated with share prices.

Quantitative Evaluations
In contrast to our qualitative STARS recommendations, which are assigned by S&P analysts, the quantitative evaluations described below are derived from proprietary arithmetic models. These computer-driven evaluations may at times contradict an analyst's qualitative assessment of a stock. One primary reason for this is that different measures are used to determine each. For instance, when designating STARS, S&P analysts assess many factors that cannot be reflected in a model, such as risks and opportunities, management changes, recent competitive shifts, patent expiration, litigation risk, etc.

S&P Quality Ranking
Growth and stability of earnings and dividends are deemed key elements in establishing S&P's Quality Rankings for common stocks, which are designed to capsulize the nature of this record in a single symbol. It should be noted, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+	Highest	B	Below Average
A	High	B-	Lower
A-	Above Average	C	Lowest
B+	Average	D	In Reorganization
NR	Not Ranked		

S&P Fair Value Rank
Using S&P's exclusive proprietary quantitative model, stocks are ranked in one of five groups, ranging from Group 5, listing the most undervalued stocks, to Group 1, the most overvalued issues. Group 5 stocks are expected to generally outperform all others. A positive (+) or negative (-) Timing Index is placed next to the Fair Value ranking to further aid the selection process. A stock with a (+) added to the Fair Value Rank simply means that this stock has a somewhat better chance to outperform other stocks with the same Fair Value Rank. A stock with a (-) has a somewhat lesser chance to outperform other stocks with the same Fair Value Rank. The Fair Value rankings imply the following: 5-Stock is significantly undervalued; 4-Stock is moderately undervalued; 3-Stock is fairly valued; 2-Stock is modestly overvalued; 1-Stock is significantly overvalued.

S&P Fair Value Calculation
The price at which a stock should trade at, according to S&P's proprietary quantitative model that incorporates both actual and estimated variables (as opposed to only actual variables in the case of S&P Quality Ranking). Relying heavily on a company's actual return on equity, the S&P Fair Value model places a value on a security based on placing a formula-derived price-to-book multiple on a company's consensus earnings per share estimate.

Insider Activity
Gives an insight as to insider sentiment by showing whether directors, officers and key employees who have proprietary information not available to the general public, are buying or selling the company's stock during the most recent six months.

Funds From Operations FFO
FFO is Funds from Operations and equal to a REIT's net income, excluding gains or losses from sales of property, plus real estate depreciation.

Investability Quotient (IQ)
The IQ is a measure of investment desirability. It serves as an indicator of potential medium-to-long term return and as a caution against downside risk. The measure takes into account variables such as technical indicators, earnings estimates, liquidity, financial ratios and selected S&P proprietary measures.

S&P's IQ Rationale:
Copa Hldgs S.A.'A'

	Raw Score	Max Value
Proprietary S&P Measures	0	115
Technical Indicators	26	40
Liquidity/Volatility Measures	16	20
Quantitative Measures	70	75
IQ Total	**112**	**250**

Volatility
Rates the volatility of the stock's price over the past year.

Technical Evaluation
In researching the past market history of prices and trading volume for each company, S&P's computer models apply special technical methods and formulas to identify and project price trends for the stock.

Relative Strength Rank
Shows, on a scale of 1 to 99, how the stock has performed versus all other companies in S&P's universe on a rolling 13-week basis.

Global Industry Classification Standard (GICS)
An industry classification standard, developed by Standard & Poor's in collaboration with Morgan Stanley Capital International (MSCI). GICS is currently comprised of 10 Sectors, 24 Industry Groups, 68 Industries, and 154 Sub-Industries.

S&P Issuer Credit Rating
A Standard & Poor's Issuer Credit Rating is a current opinion of an obligor's overall financial capacity (its creditworthiness) to pay its financial obligations. This opinion focuses on the obligor's capacity and willingness to meet its financial commitments as they come due. It does not apply to any specific financial obligation, as it does not take into account the nature of and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences, or the legality and enforceability of the obligation. In addition, it does not take into account the creditworthiness of the guarantors, insurers, or other forms of credit enhancement on the obligation. The Issuer Credit Rating is not a recommendation to purchase, sell, or hold a financial obligation issued by an obligor, as it does not comment on market price or suitability for a particular investor. Issuer Credit Ratings are based on current information furnished by obligors or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform an audit in connection with any Issuer Credit Rating and may, on occasion, rely on unaudited financial information. Issuer Credit Ratings may be changed, suspended, or withdrawn as a result of changes in, or unavailability of, such information, or based on other circumstances.

Exchange Type
ASE - American Stock Exchange; NNM - Nasdaq National Market; NSC - Nasdaq SmallCap; NYSE - New York Stock Exchange; BB - OTC Bulletin Board; OT - Over-the-Counter; TO - Toronto Stock Exchange.

S&P Equity Research Services
Standard & Poor's Equity Research Services U.S. includes Standard & Poor's Investment Advisory Services LLC; Standard & Poor's Equity Research Services Europe includes McGraw-Hill Financial Research Europe Limited trading as Standard & Poor's; Standard & Poor's Equity Research Services Asia includes Standard & Poor's LLC's offices in Singapore, Standard & Poor's Investment Advisory Services (HK) Limited in Hong Kong, Standard & Poor's Malaysia Sdn Bhd, and Standard & Poor's Information Services (Australia) Pty Ltd.

Abbreviations Used in S&P Equity Research Reports
CAGR- Compound Annual Growth Rate; **CAPEX**- Capital Expenditures; **CY**- Calendar Year; **DCF**- Discounted Cash Flow; **EBIT**- Earnings Before Interest and Taxes; **EBITDA**- Earnings Before Interest, Taxes, Depreciation and Amortization; **EPS**- Earnings Per Share; **EV**- Enterprise Value; **FCF**- Free Cash Flow; **FFO**- Funds From Operations; **FY**- Fiscal Year; **P/E**- Price/Earnings ; **PEG Ratio**- P/E-to-Growth Ratio; **PV**- Present Value; **R&D**- Research & Development; **ROE**- Return on Equity; **ROI**- Return on Investment; **ROIC**- Return on Invested Capital; **ROA**- Return on Assets; **SG&A**- Selling, General & Administrative Expenses; **WACC**- Weighted Average Cost of Capital

Dividends on American Depository Receipts (ADRs) and American Depository Shares (ADSs) are net of taxes (paid in the country of origin).

Required Disclosures

In contrast to the qualitative STARS recommendations covered in this report, which are determined and assigned by S&P equity analysts, S&P's quantitative evaluations are derived from S&P's proprietary Fair Value quantitative model. In particular, the Fair Value Ranking methodology is a relative ranking methodology, whereas the STARS methodology is not. Because the Fair Value model and the STARS methodology reflect different criteria, assumptions and analytical methods, quantitative evaluations may at times differ from (or even contradict) an equity analyst's STARS recommendations. As a quantitative model, Fair Value relies on history and consensus estimates and does not introduce an element of subjectivity as can be the case with equity analysts in assigning STARS recommendations.

S&P Global STARS Distribution

In North America: As of September 30, 2011, research analysts at Standard & Poor's Equity Research Services North America recommended 42.2% of issuers with buy recommendations, 54.2% with hold recommendations and 3.6% with sell recommendations.

In Europe: As of September 30, 2011, research analysts at Standard & Poor's Equity Research Services Europe recommended 34.4% of issuers with buy recommendations, 49.4% with hold recommendations and 16.2% with sell recommendations.

In Asia: As of September 30, 2011, research analysts at Standard & Poor's Equity Research Services Asia recommended 48.4% of issuers with buy recommendations, 45.7% with hold recommendations and 5.9% with sell recommendations.

Globally: As of September 30, 2011, research analysts at Standard & Poor's Equity Research Services globally recommended 41.5% of issuers with buy recommendations, 52.6% with hold recommendations and 5.9% with sell recommendations.

★★★★★ **5-STARS (Strong Buy)**: Total return is expected to outperform the total return of a relevant benchmark, by a wide margin over the coming 12 months, with shares rising in price on an absolute basis.

★★★★☆ **4-STARS (Buy)**: Total return is expected to outperform the total return of a relevant benchmark over the coming 12 months, with shares rising in price on an absolute basis.

★★★☆☆ **3-STARS (Hold)**: Total return is expected to closely approximate the total return of a relevant benchmark over the coming 12 months, with shares generally rising in price on an absolute basis.

★★☆☆☆ **2-STARS (Sell)**: Total return is expected to underperform the total return of a relevant benchmark over the coming 12 months, and the share price not anticipated to show a gain.

★☆☆☆☆ **1-STARS (Strong Sell)**: Total return is expected to underperform the total return of a relevant benchmark by a wide margin over the coming 12 months, with shares falling in price on an absolute basis.

Relevant benchmarks: In North America the relevant benchmark is the S&P 500 Index, in Europe and in Asia, the relevant benchmarks are generally the S&P Europe 350 Index and the S&P Asia 50 Index.

For All Regions: All of the views expressed in this research report accurately reflect the research analyst's personal views regarding any and all of the subject securities or issuers. No part of analyst compensation was, is, or will be directly or indirectly, related to the specific recommendations or views expressed in this research report.

S&P Global Quantitative Recommendations Distribution

In Europe: As of September 30, 2011, Standard & Poor's Quantitative Services Europe recommended 48.0% of issuers with buy recommendations, 18.0% with hold recommendations and 32.0% with sell recommendations.

In Asia: As of September 30, 2011, Standard & Poor's Quantitative Services Asia recommended 48.4% of issuers with buy recommendations, 22.0% with hold recommendations and 30.0% with sell recommendations.

Globally: As of September 30, 2011, Standard & Poor's Quantitative Services globally recommended 45.0% of issuers with buy recommendations, 20.0% with hold recommendations and 34.0% with sell recommendations.

Additional information is available upon request.

Other Disclosures

This report has been prepared and issued by Standard & Poor's and/or one of its affiliates. In the United States, research reports are prepared by Standard & Poor's Investment Advisory Services LLC ("SPIAS"). In the United States, research reports are issued by Standard & Poor's ("S&P"); in the United Kingdom by McGraw-Hill Financial Research Europe Limited, which is authorized and regulated by the Financial Services Authority and trades as Standard & Poor's; in Hong Kong by Standard & Poor's Investment Advisory Services (HK) Limited, which is regulated by the Hong Kong Securities Futures Commission; in Singapore by Standard & Poor's LLC, which is regulated by the Monetary Authority of Singapore; in Malaysia by Standard & Poor's Malaysia Sdn Bhd ("S&PM"), which is regulated by the Securities Commission; in Australia by Standard & Poor's Information Services (Australia) Pty Ltd ("SPIS"), which is regulated by the Australian Securities & Investments Commission; and in Korea by SPIAS, which is also registered in Korea as a cross-border investment advisory company.

The research and analytical services performed by SPIAS, McGraw-Hill Financial Research Europe Limited, S&PM, and SPIS are each conducted separately from any other analytical activity of Standard & Poor's.

Standard & Poor's or an affiliate may license certain intellectual property or provide pricing or other services to, or otherwise have a financial interest in, certain issuers of securities, including exchange-traded investments whose investment objective is to substantially replicate the returns of a proprietary Standard & Poor's index, such as the S&P 500. In cases where Standard & Poor's or an affiliate is paid fees that are tied to the amount of assets that are invested in the fund or the volume of trading activity in the fund, investment in the fund will generally result in Standard & Poor's or an affiliate earning compensation in addition to the subscription fees or other compensation for services rendered by Standard & Poor's. A reference to a particular investment or security by Standard & Poor's and one of its affiliates is not a recommendation to buy, sell, or hold such investment or security, nor is it considered to be investment advice.

Indexes are unmanaged, statistical composites and their returns do not include payment of any sales charges or fees an investor would pay to purchase the securities they represent. Such costs would lower performance. It is not possible to invest directly in an index.

Standard & Poor's and its affiliates provide a wide range of services to, or relating to, many organizations, including issuers of securities, investment advisers, broker-dealers, investment banks, other financial institutions and financial intermediaries, and accordingly may receive fees or other economic benefits from those organizations, including organizations whose securities or services they may recommend, rate, include in model portfolios, evaluate or otherwise address.

This company is not a customer of S&P or its affiliates.

Disclaimers

With respect to reports issued to clients in Japan and in the case of inconsistencies between the English and Japanese version of a report, the English version prevails. With respect to reports issued to clients in German and in the case of inconsistencies between the English and German version of a report, the English version prevails. Neither S&P nor its affiliates guarantee the accuracy of the translation. Assumptions, opinions and estimates constitute our judgment as of the date of this material and are subject to change without notice. Past performance is not necessarily indicative of future results.

Standard & Poor's, its affiliates, and any third-party providers, as well as their directors, officers, shareholders, employees, or agents (collectively S&P Parties) do not guarantee the accuracy, completeness or adequacy of this material, and S&P Parties shall have no liability for any errors, omissions, or interruptions therein, regardless of the cause, or for the results obtained from the use of the information provided by the S&P Parties. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of the information contained in this document even if advised of the possibility of such damages. Capital IQ is a business of Standard & Poor's.

Ratings from Standard & Poor's Ratings Services are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities or to make any investment decisions. Standard & Poor's assumes no obligation to update its opinions following publication in any form or format. Standard & Poor's ratings should not be relied on and are not substitutes for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. Standard & Poor's rating opinions do not address the suitability of any security. Standard & Poor's does not act as a fiduciary. While Standard & Poor's has obtained information from sources it believes to be reliable, Standard & Poor's does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

Copa Holdings SA

Standard & Poor's keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of Standard & Poor's may have information that is not available to other Standard & Poor's business units. Standard & Poor's has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

Standard & Poor's Ratings Services did not participate in the development of this report. Standard & Poor's may receive compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of securities or from obligors. Standard & Poor's reserves the right to disseminate its opinions and analyses. Standard & Poor's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com and www.globalcreditportal.com (subscription), and may be distributed through other means, including via Standard & Poor's publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.

This material is not intended as an offer or solicitation for the purchase or sale of any security or other financial instrument. Securities, financial instruments or strategies mentioned herein may not be suitable for all investors. Any opinions expressed herein are given in good faith, are subject to change without notice, and are only current as of the stated date of their issue. Prices, values, or income from any securities or investments mentioned in this report may fall against the interests of the investor and the investor may get back less than the amount invested. Where an investment is described as being likely to yield income, please note that the amount of income that the investor will receive from such an investment may fluctuate. Where an investment or security is denominated in a different currency to the investor's currency of reference, changes in rates of exchange may have an adverse effect on the value, price or income of or from that investment to the investor. The information contained in this report does not constitute advice on the tax consequences of making any particular investment decision. This material is not intended for any specific investor and does not take into account your particular investment objectives, financial situations or needs and is not intended as a recommendation of particular securities, financial instruments or strategies to you. Before acting on any recommendation in this material, you should consider whether it is suitable for your particular circumstances and, if necessary, seek professional advice.

This document does not constitute an offer of services in jurisdictions where Standard & Poor's or its affiliates do not have the necessary licenses.

For residents of the U.K. - This report is only directed at and should only be relied on by persons outside of the United Kingdom or persons who are inside the United Kingdom and who have professional experience in matters relating to investments or who are high net worth persons, as defined in Article 19(5) or Article 49(2) (a) to (d) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, respectively.

For residents of Singapore - Anything herein that may be construed as a recommendation is intended for general circulation and does not take into account the specific investment objectives, financial situation or particular needs of any particular person. Advice should be sought from a financial adviser regarding the suitability of an investment, taking into account the specific investment objectives, financial situation or particular needs of any person in receipt of the recommendation, before the person makes a commitment to purchase the investment product.

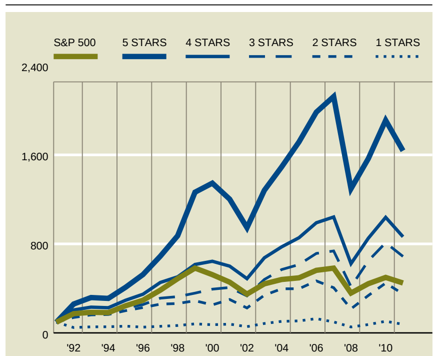
For residents of Malaysia - All queries in relation to this report should be referred to Ching Wah Tam.

For residents of Indonesia - This research report does not constitute an offering document and it should not be construed as an offer of securities in Indonesia, and that any such securities will only be offered or sold through a financial institution.

For residents of the Philippines - The securities being offered or sold have not been registered with the Securities and Exchange Commission under the Securities Regulation Code of the Philippines. Any future offer or sale thereof is subject to registration requirements under the Code unless such offer or sale qualifies as an exempt transaction.

U.S. STARS Cumulative Model Performance

Hypothetical Growth Due to Price Appreciation of $100
For the Period 12/31/1986 through 10/31/2011



The performance above represents only the results of Standard & Poor's model portfolios. Model performance has inherent limitations. Standard & Poor's maintains the models and calculates the model performance shown, but does not manage actual assets. The U.S. STARS model performance chart is only an illustration of Standard & Poor's (S&P) research; it shows how U.S. common stocks, ADRs (American Depositary Receipts) and ADSs (American Depositary Shares), collectively "equities", that received particular STARS rankings performed. STARS categories are models only; they are not collective investment funds. The STARS performance does not show how any actual portfolio has performed. STARS model performance does not represent the results of actual trading of investor assets. Thus, the model performance shown does not reflect the impact that material economic and market factors might have had on decision-making if actual investor money had been managed. Performance is calculated using a time-weighted rate of return. While model performance for some or all STARS categories performed better than the S&P 500 for the period shown, the performance during any shorter period may not have, and there is no assurance that they will perform better than the S&P 500 in the future. STARS does not take into account any particular investment objective, financial situation or need and is not intended as an investment recommendation or strategy. Investments based on the STARS methodology may lose money. High returns are not necessarily the norm and there is no assurance that they can be sustained. Past model performance of STARS is no guarantee of future performance.

For model performance calculation purposes, the equities within each STARS category at December 31, 1986 were equally weighted. Thereafter, additions to the composition of the equities in each STARS category are made at the average value of the STARS category at the preceding month end with no rebalancing. Deletions are made at the closing price of the day that the deletion is made. Performance was calculated from inception through March 31, 2003 on a monthly basis. Thereafter, performance is calculated daily. Equities in each STARS category will change over time, and some or all of the equities that received STARS rankings during the time period shown may not have maintained their STARS ranking during the entire period.

The model performance does not consider taxes and brokerage commissions, nor does it reflect the deduction of any advisory or other fees charged by advisors or other parties that investors will incur when their accounts are managed in accordance with the models. The imposition of these fees and charges would cause actual performance to be lower than the performance shown. For example, if a model returned 10 percent on a $100,000 investment for a 12-month period (or $10,000) and an annual asset-based fee of 1.5 percent were imposed at the end of the period (or $1,650), the net return would be 8.35 percent (or $8,350) for the year. Over 3 years, an annual 1.5% fee taken at year end with an assumed 10% return per year would result in a cumulative gross return of 33.1%, a total fee of $5,375 and a cumulative net return of 27.2% (or $27,200). Fees deducted on a frequency other than annual would result in a different cumulative net return in the preceding example.

The Standard & Poor's 500 index is the benchmark for U.S. STARS. The S&P 500 index is calculated in U.S. dollars and does not take into account the reinvestment of dividends. Indexes are unmanaged, statistical composites and their returns do not include payment of any sales charges or fees an investor would pay to purchase the securities they represent. Such costs would lower performance. It is not possible to invest directly in an index. The S&P 500 index includes a different number of constituents and has different risk characteristics than the STARS equities. Some of the STARS equities may have been included in the S&P 500 index for some (but not necessarily all) of the period covered in the chart, and some such equities may not have been included at all. The S&P 500 excludes ADRs and ADSs. The methodology for calculating the return of the S&P 500 index differs from the methodology of calculating the return for STARS. Past performance of the S&P 500 index is no guarantee of future performance.

An investment based upon the models should only be made after consulting with a financial advisor and with an understanding of the risks associated with any investment in securities, including, but not limited to, market risk, currency risk, political and credit risks, the risk of economic recession and the risk that issuers of securities or general stock market conditions may worsen, over time. Foreign investing involves certain risks, including currency fluctuations and controls, restrictions on foreign investments, less governmental supervision and regulation, less liquidity and the potential for market volatility and political instability. As with any investment, investment returns and principal value will fluctuate, so that when redeemed, an investor's shares may be worth more or less than their original cost.

For residents of Australia – This report is distributed by Standard & Poor's Information Services (Australia) Pty Ltd ("SPIS") in Australia. The entirety of this report is approved by Peter Willson, who has reviewed and authorised its content as at the date of publication.

Any express or implied opinion contained in this report is limited to "General Advice" and based solely on consideration of the investment merits of the financial product(s) alone. The information in this report has not been prepared for use by retail investors and has been prepared without taking account of any particular person's financial or investment objectives, financial situation or needs. Before acting on any advice, any person using the advice should consider its appropriateness having regard to their own or their clients' objectives, financial situation and needs. You should obtain a Product Disclosure Statement relating to the product and consider the statement before making any decision or recommendation about whether to acquire the product. Each opinion must be weighed solely as one factor in any investment decision made by or on behalf of any adviser and any such adviser must accordingly make their own assessment taking into account an individual's particular circumstances.

SPIS holds an Australian Financial Services Licence Number 258896. Please refer to the SPIS Financial Services Guide for more information at www.fundsinsights.com.au.