

UBS AG
(Incorporated with limited liability in Switzerland)
acting through its London Branch

6,000,000 European Style Cash Settled Short Certificates expiring on 30 May 2025 relating to the ordinary shares of Keppel Corporation Limited with a Daily Leverage of -5x (the “Certificates”)

- The terms set out in this Term Sheet are a summary of, and are subject to the terms and conditions (the “**Conditions**”) set out in UBS AG (the “**Issuer**”) acting through its London Branch’s base listing document dated 28 June 2023 (the “**Base Listing Document**”) and the supplemental listing document to be dated on or about 6 July 2023 (the “**Supplemental Listing Document**”, together with the Base Listing Document, the “**Listing Documents**”).
- The Supplemental Listing Document may specify terms which shall, to the extent so specified or to the extent inconsistent with the relevant terms of this Term Sheet, replace or modify the relevant terms for the purpose of this series of Certificates.
- **If you are in any doubt on whether Certificates are suitable for you, you should consult your financial advisers or such other professional advisers to the extent that you consider necessary.**
- Please read the Listing Documents and the risk factors stated in such Listing Documents and in this Term Sheet carefully. **You should not invest in Certificates if you do not understand the risks or are not willing to assume the risks. For the purpose of section 309B(1) of the Securities and Futures Act 2001 of Singapore (the "SFA"), the Issuer has determined, and hereby notifies all relevant persons (as defined in section 309A of the SFA) that the Certificates are classified as capital markets products other than prescribed capital markets products¹ and Specified Investment Products (SIPs)², and may only be sold to retail investors with enhanced safeguards, including an assessment of such investors’ investment knowledge or experience.**
- This Term Sheet does not constitute or form part of any offer, or invitation, to subscribe for or to sell, or solicitation of any offer to subscribe for or to purchase, Certificates or other securities of the Issuer, nor is it calculated to invite, nor does it permit the making of, offers by the public to subscribe for or purchase for cash or other consideration Certificates or other securities of the Issuer. This Term Sheet may not be distributed or circulated by you to any person other than in a manner which complies with the restrictions set out in the section entitled “Sales Restrictions” in the Base Listing Document.

A. TERMS OF THE ISSUE

SGX Counter Full Name (SGX Stock Code) and ISIN	SGX Counter Full Name: KepCorp 5xShortUB250530 SGX Stock Code: to be determined ISIN: CH1227876476	Issue Size	6.00 million Certificates
Type	European Style Cash Settled Short Certificates on Single Equities	Launch Date	28 June 2023
Underlying Stock/Underlying	Ordinary shares of Keppel Corporation Limited	Issue/Initial Settlement Date	6 July 2023
Company	Keppel Corporation Limited (RIC: KPLM.SI)	Expected Listing Date	7 July 2023
Underlying Price³ and Source	The closing price of the Underlying Stock on 6 July 2023 (Bloomberg)	Expiry Date	30 May 2025 (if the Expiry Date is not a Business Day, then the Expiry Date shall fall on the preceding Business Day and subject to adjustment of the Valuation Date upon the occurrence of Market Disruption Events as set out in the Conditions of the Certificates)
Calculation Agent	UBS AG acting through its London Branch		
Issue Price	SGD 0.35		
Strike Level	Zero	Valuation Date	29 May 2025 or if such day is not an Exchange Business Day, the immediately preceding Exchange Business Day.
Daily Leverage	-5x (within the Leverage Inverse Strategy as described in Appendix I)		
Notional Amount per Certificate	SGD 0.35		

¹ As defined in the Securities and Futures (Capital Markets Products) Regulations 2018.

² As defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products.

³ These figures are calculated as at, and based on information available to the Issuer on or about the Issue Date. The Issuer is not obliged, and undertakes no responsibility to any person, to update or inform any person of any changes to the figures after the Issue Date.

Management Fee (p.a.)⁴	0.40%	Last Trading Date	The date falling 5 Business Days immediately preceding the Expiry Date, currently being 23 May 2025
Gap Premium (p.a.)	6.50%, is a hedging cost against extreme market movements overnight.		
Stock Borrowing Cost⁵	The annualised costs for borrowing stocks in order to take an inverse exposure on the Underlying Stock.	Rebalancing Cost⁵	The transaction costs (if applicable), computed as a function of leverage and daily inverse performance of the Underlying Stock.
Board Lot	100 Certificates	Settlement Date	No later than five Settlement Business Days following the Expiry Date, currently being 9 June 2025
Relevant Stock Exchange for the Certificates	The Singapore Exchange Securities Trading Limited (“SGX-ST”)	Listing	Application will be made for the listing of, and permission to deal in, the Certificates on the SGX-ST and the issue of the Certificates is conditional upon listing being granted
Relevant Stock Exchange for the Underlying Stock	The SGX-ST		
Clearing System	The Central Depository (Pte) Limited (“CDP”)	Warrant Agent	CDP
Exercise	Automatic Exercise	Settlement Method	Cash Settlement
Settlement Currency	Singapore Dollar (“SGD”)	Underlying Stock Currency	SGD
Business Day, Settlement Business Day and Exchange Business Day	A “ Business Day ”, a “ Settlement Business Day ” or an “ Exchange Business Day ” is a day (excluding Saturdays, Sundays and public holidays) on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.	Governing Law	Singapore law
Cash Settlement Amount	In respect of each Certificate, shall be an amount (if positive) payable in the Settlement Currency equal to: Notional Amount per Certificate x Closing Level Please refer to the “Information relating to the European Style Cash Settled Short Certificates on Single Equities” section of the Supplemental Listing Document for examples and illustrations of the calculation of the Cash Settlement Amount.		
Closing Level	In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to: $\left(\frac{Final\ Reference\ Level \times Final\ Exchange\ Rate}{Initial\ Reference\ Level \times Initial\ Exchange\ Rate} - Strike\ Level \right) \times Hedging\ Fee\ Factor$		
Hedging Fee Factor	In respect of each Certificate, shall be an amount calculated as: Product (for t from Expected Listing Date to Valuation Date) of $(1 - Management\ Fee \times (ACT(t-1;t) \div 360)) \times (1 - Gap\ Premium(t-1) \times (ACT(t-1;t) \div 360))$, where: “t” refers to “ Observation Date ” which means each Exchange Business Day (subject to Market Disruption Event) from (and including) the Exchange Business Day immediately preceding the Expected Listing Date to the Valuation Date; and ACT(t-1;t) means the number of calendar days between the Exchange Business Day immediately preceding the Observation Date (which is “t-1”) (included) and the Observation Date (which is “t”) (excluded). Please refer to the “Information relating to the European Style Cash Settled Short Certificates on Single Equities” section of the Supplemental Listing Document for examples and illustrations of the calculation of the Hedging Fee Factor.		
Initial Reference Level	1,000		
Final Reference Level	The closing level of the Leverage Inverse Strategy on the Valuation Date. Please refer to Appendix I “Specific Definitions relating to the Leverage Inverse Strategy” for an illustration of the calculation of the closing level of the Leverage Inverse Strategy.		
Initial Exchange Rate	1		
Final Exchange Rate	1		

⁴ Please note that the Management Fee may be increased up to a maximum of 3% p.a. on giving one month’s notice to investors. Any increase in the Management Fee will be announced on the SGXNET. Please refer to the section of the Supplemental Listing Document entitled “Fees and Charges” for further details of the fees and charges payable and the maximum of such fees as well as other ongoing expenses that may be borne by the Certificates.

⁵ These costs are embedded within the Leverage Inverse Strategy. Please note that the Stock Borrowing Cost may be changed on giving 5 Business Days’ notice to investors. Any change in the Stock Borrowing Cost will be announced on the SGXNET.

Air Bag Mechanism	<p>The “Air Bag Mechanism” refers to the mechanism built in the Leverage Inverse Strategy and which is designed to reduce the Leverage Inverse Strategy exposure to the Underlying Stock during extreme market conditions. If the Underlying Stock rises by 15% or more during the trading day (which represents an approximately 75% loss after a 5 times inverse leverage), the Air Bag Mechanism is triggered and the Leverage Inverse Strategy is adjusted intra-day. The Air Bag Mechanism reduces the impact on the Leverage Inverse Strategy if the Underlying Stock rises further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to fall after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses. Trading of Certificates is suspended for at least 30 minutes of continuous trading after the Air Bag is triggered. The resumption of trading is subject further to SGX-ST’s requirements, including at least 30 minutes from the time of publication of an announcement on the exchange in respect of the Air Bag Mechanism being triggered, and at least 15 minutes after the SGX-ST grants an approval to resume trading, whichever is later, rounded to the next quarter of an hour.</p> <p>Please refer to “Product Specific Risks” relating to the Air Bag Mechanism, the “Air Bag Mechanism” section of Appendix I below, and the “Description of Air Bag Mechanism” section of the Supplemental Listing Document for further information of the Air Bag Mechanism.</p>						
Form	The Certificates will be represented by a global warrant, which will be deposited with the CDP. No definitive Warrants will be issued.						
Adjustments and Extraordinary Events	<p>The Issuer has the right to make adjustments to the terms of the Certificates if certain events, including any capitalisation issue, rights issue, extraordinary distributions, merger, delisting, insolvency (as more specifically set out in the terms and conditions of the Certificates in the Listing Documents) occur in respect of the Underlying Stock. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.</p> <p>Please refer to the “Information relating to the European Style Cash Settled Short Certificates on Single Equities” section of the Supplemental Listing Document for examples and illustrations of adjustments that may be made to the terms of the Certificates due to certain corporate actions on the Underlying Stock.</p>						
Further Issuance Documents	<p>The Issuer may issue further certificates which will form a single series with the existing issue of Certificates.</p> <p>The Listing Documents are and will be available for inspection during usual business hours on any weekday (public holidays excepted) at the following address:</p> <p>Allen & Gledhill LLP at One Marina Boulevard #28-00, Singapore 018989</p>						
Selling Restrictions	No action has been or will be taken by the Issuer that would permit a public offering of the Certificates or possession or distribution of any offering material in relation to the Certificates in any jurisdiction where action for that purpose is required. No offers, sales or deliveries of any Certificate or distribution of any offering material relating to the Certificates may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws or regulations.						
B. INFORMATION ON THE ISSUER							
Name of Issuer	UBS AG, acting through its London Branch						
Issuer’s Credit Rating	<p>As of the Launch Date:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 80%;">Moody’s Investors Service Ltd.:</td> <td style="text-align: right;">Aa3</td> </tr> <tr> <td>S&P Global Ratings Europe Limited:</td> <td style="text-align: right;">A+</td> </tr> <tr> <td>Fitch Ratings Ireland Limited:</td> <td style="text-align: right;">A+</td> </tr> </table>	Moody’s Investors Service Ltd.:	Aa3	S&P Global Ratings Europe Limited:	A+	Fitch Ratings Ireland Limited:	A+
Moody’s Investors Service Ltd.:	Aa3						
S&P Global Ratings Europe Limited:	A+						
Fitch Ratings Ireland Limited:	A+						
Issuer Regulated By	The Swiss Federal Banking Commission, and the Financial Conduct Authority and the Prudential Regulatory Authority of the United Kingdom						
Issuer’s Website and Contact Information	<p>For more information, including financial information, on the Issuer, please see: http://www.ubs.com/</p> <p>E-mail: OL-HKWarrants@ubs.com</p> <p>Contact No: +852 2971 6668</p>						
C. INFORMATION ON MARKET MAKING							
Name of Designated Market Maker (“DMM”)	UBS AG, acting through its London Branch						
Maximum Bid and Offer Spread	(i) when the best bid price of the Certificate is S\$10 and below: 10 ticks or S\$0.20 whichever is greater; and (ii) when the best bid price of the Certificate is above S\$10: 5% of the best bid price of the Certificate.						
Minimum Quantity subject to Bid and Offer Spread	10,000 Certificates						
Last Trading Day for Market Making	The date falling 5 Business Days immediately preceding the Expiry Date.						
Circumstances where a Quote will/may not be provided	<p>The DMM may not provide quotations in the following circumstances:</p> <ul style="list-style-type: none"> (i) during the pre-market opening and five minutes following the opening of the SGX-ST on any trading day; (ii) if the Certificates are valueless (where the Issuer’s bid price is below the minimum bid size for such securities as prescribed by the SGX-ST); (iii) where the Certificates are suspended from trading for any reason; 						

- (iv) market disruption events, including, without limitation, any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the SGX-ST or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) in the Underlying Stock;
- (v) where the Issuer or the DMM faces technical problems affecting the ability of the DMM to provide bids and offer quotations;
- (vi) where the ability of the Issuer to source a hedge or unwind an existing hedge, as determined by the Issuer in good faith, is materially affected by the prevailing market conditions, and the Issuer informs the SGX-ST of its inability to do so as soon as practicable;
- (vii) in cases where the Issuer has no Certificates to sell, then the DMM will only provide the bid price;
- (viii) if the stock market experiences exceptional price movement and volatility;
- (ix) when it is a public holiday in Singapore and/or the SGX-ST is not open for dealings; and
- (x) during the suspension of trading of Certificates after an Air Bag Mechanism has been triggered.

D. PRODUCT SUITABILITY

WHO IS THIS PRODUCT SUITABLE FOR?

- This product is only suitable for investors who believe that the price of the Underlying Stock will fall and are seeking short-term leveraged inverse exposure to the Underlying Stock. The Certificates are classified as Specified Investment Products (SIPs), and may only be sold to retail investors with enhanced safeguards, including an assessment of such investors' investment knowledge or experience.
- This product should be only considered for intraday trading and short term investment periods due to its leveraged inverse exposure and the daily compounding, which may lead to a performance different from 5 times the inverse performance of the Underlying Stock over a period longer than one day.

You should consider carefully whether the Certificates are suitable for you in light of your experience, objectives, financial position and other relevant circumstances. The Certificates are not suitable for inexperienced investors.

Key Product Features

WHAT ARE YOU INVESTING IN?

- You are investing in the daily leveraged certificates, which are in the form of a zero-strike warrant, that provides you with a fixed leveraged return on the daily inverse performance of the Underlying Stock, plus any costs or fees that may apply.
- The Certificates track the performance of the Leverage Inverse Strategy. This Leverage Inverse Strategy provides a return based on an inverse fixed daily leveraged return of the Underlying Stock.
- As an example, the Certificates' daily performance will correspond to 5 times the inverse daily performance of the Underlying Stock (excluding costs). If the Underlying Stock price falls by 1% compared to the previous closing price, the Certificate will rise by 5% (excluding costs). If the Underlying Stock price rises by 1% compared to the previous closing price, the Certificate will fall by 5% (excluding costs).

Floor level of the Leverage Inverse Strategy

- The Leverage Inverse Strategy is floored at 0 and the Certificates cannot be valued below zero.

Inverse Leverage Mechanism

- The inverse leverage mechanism is designed to provide 5 times the inverse daily performance of the Underlying Stock (excluding costs). The inverse exposure is obtained by a process equivalent to selling 5 times the Underlying Stock and lending 6 times the cash (comprising the initial investment and 5 times the inverse exposure) at a rate determined according to the formula of the Leverage Inverse Strategy.

Further Information

Please refer to the "Information relating to the Company" section in the Supplemental Listing Document and the Issuer's website at <http://dlc.ubs.com>.

Calculation of the Cash Settlement Amount

In respect of each Certificate, shall be an amount (if positive) payable in the Settlement Currency equal to: the Notional Amount per Certificate times the Closing Level.

WHAT WOULD YOU GAIN OR LOSE IN DIFFERENT SITUATIONS?

• Best case scenario:

The price of the Underlying Stock falls substantially resulting in a significant increase in the price of the Certificates. You would then sell the Certificates and realise a profit. The DMM is required to provide liquidity in the Certificates to ensure that there will generally be a market price available for the purchase and sale of the Certificates.

• Worst case scenario:

If you buy the Certificates and the price of the Underlying Stock increases sharply, the value of the Certificates will decrease by a multiple of the aforementioned increase in the price of the Underlying Stock, and you may lose your entire investment.

Please refer to Appendix II below for an illustration on how returns and losses can occur under different scenarios.

E. KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

- Investment in the Certificates involves substantial risks including market risk, liquidity risk and the risk that the Issuer will be unable to satisfy its obligations under the Certificates. Investors should ensure that they understand the nature of all these risks before making a decision to invest in the Certificates.

PLEASE REFER TO THE LISTING DOCUMENTS FOR A COMPLETE LIST OF RISKS

- The Risk Factors below are a summary of the Risk Factors set out in the Base Listing Document and the Supplemental Listing Document.

Further Information

Please refer to the “Risk Factors” section set out in the Base Listing Document and in the Supplemental Listing Document for a complete list of risks and details of the risks.

Market Risks

- Market price of the Certificates may be affected by many factors**
Due to their nature, Certificates can be volatile instruments and may be subject to considerable fluctuations in value due to, including but not limited to, variations in the frequency and magnitude of the changes in the price of the Underlying Stock, the time remaining to expiry, the currency exchange rates and the creditworthiness of the Issuer.
- You may lose your entire investment**
Certain events relating to the Underlying Stock or the Company may cause adverse movements in the value and the price of the Underlying Stock, as a result of which, you may, in extreme circumstances, sustain a significant loss of your investment if the price of the Underlying Stock has risen sharply.

Liquidity Risks

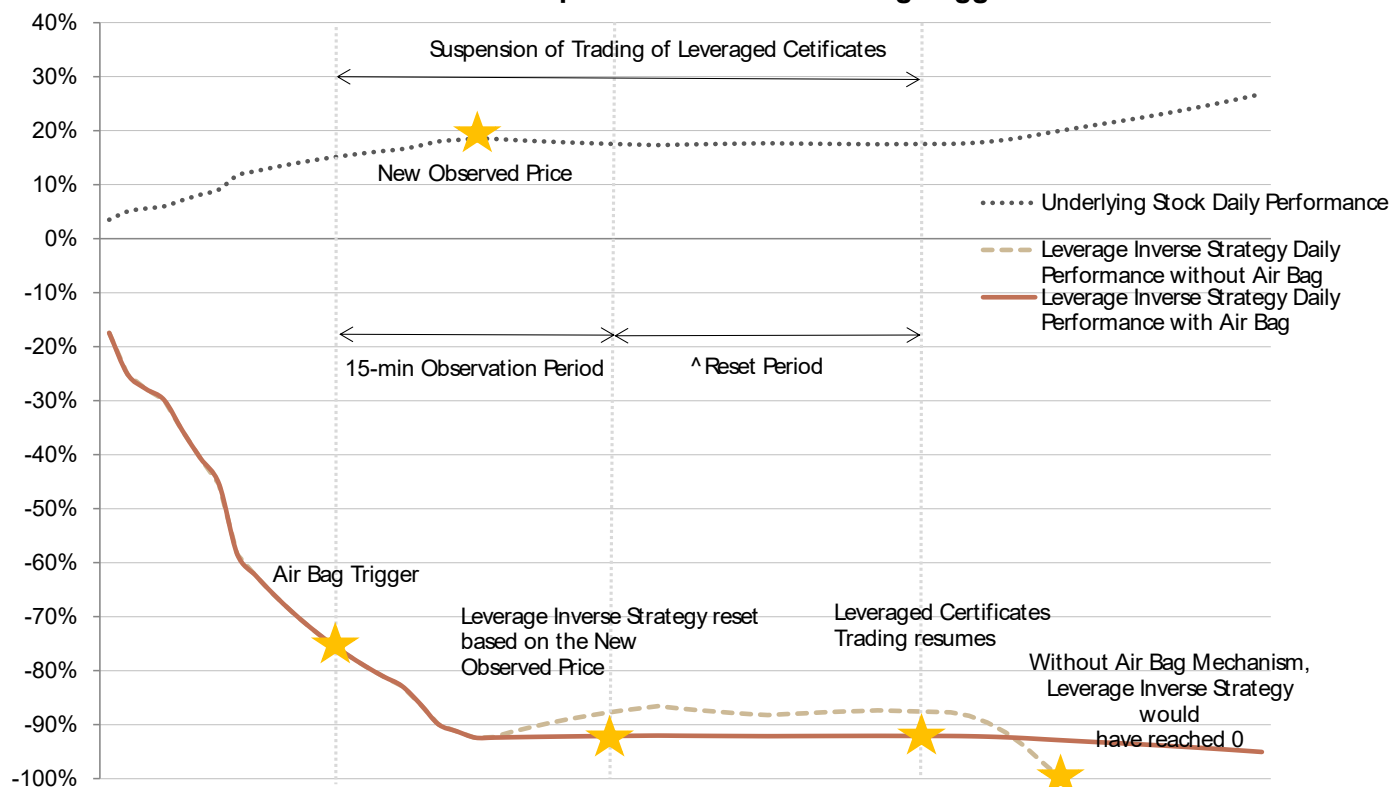
- The secondary market may be illiquid**
The Issuer acting through its DMM may be the only market participant buying and selling the Certificates. Therefore, the secondary market for the Certificates may be limited and you may not be able to realise the value of the Certificates. Do note that the bid-ask spread increases with illiquidity.

Product Specific Risks

- Certificates only exercisable on the Expiry Date**
The Certificates are only exercisable on the Expiry Date and you may not exercise the Certificates prior to such date. Accordingly, if on the Expiry Date the Cash Settlement Amount is zero or close to zero, you will lose your entire investment in the Certificates.
- The total return on an investment in any Certificate will be affected by the Hedging Fee Factor, Management Fee and Gap Premium.
- Trading in the Certificates may be suspended**
You should note that if trading in the Underlying Stock is suspended or halted on the relevant stock exchange, trading in the relevant Certificates may be suspended for a similar period.
- Issuer may make adjustments to the terms and conditions of the Certificates**
Certain events relating to the Underlying Stock require or, as the case may be, permit the Issuer to make certain adjustments or amendments to the Conditions.
- You will be exposed to leveraged risks**
If the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. Consequently, you could lose more than you would if you invested directly in the Underlying Stock.
- Product performance may differ from 5 times the inverse performance of the Underlying Stock over a period longer than one day**
When held for longer than a day, product performance could be more or less than the leverage factor that is embedded within the Certificates. The performance each day is locked in, and any subsequent returns are based on what was achieved the previous day. This process, referred to as compounding, may lead to a performance difference from 5 times the inverse performance of the Underlying Stock over a period longer than one day. This difference may be amplified in a volatile market with a sideways trend, where market movements are not clear in direction, whereby investors may sustain substantial losses.
- The Air Bag Mechanism is triggered only when the Underlying Stock is calculated or traded, which may not be during the trading hours of the Relevant Stock Exchange for the Certificates.**
- When triggered, the Air Bag Mechanism may reduce the ability for the product to recoup losses**
Investors should note that the Air Bag Mechanism reduces the impact on the Leverage Inverse Strategy if the Underlying Stock rises further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to fall after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses. Investors should note that the performance of the Leverage Inverse Strategy will be the inverse of the Underlying Stock. Illustrative examples of the Air Bag Mechanism are set out below.⁶

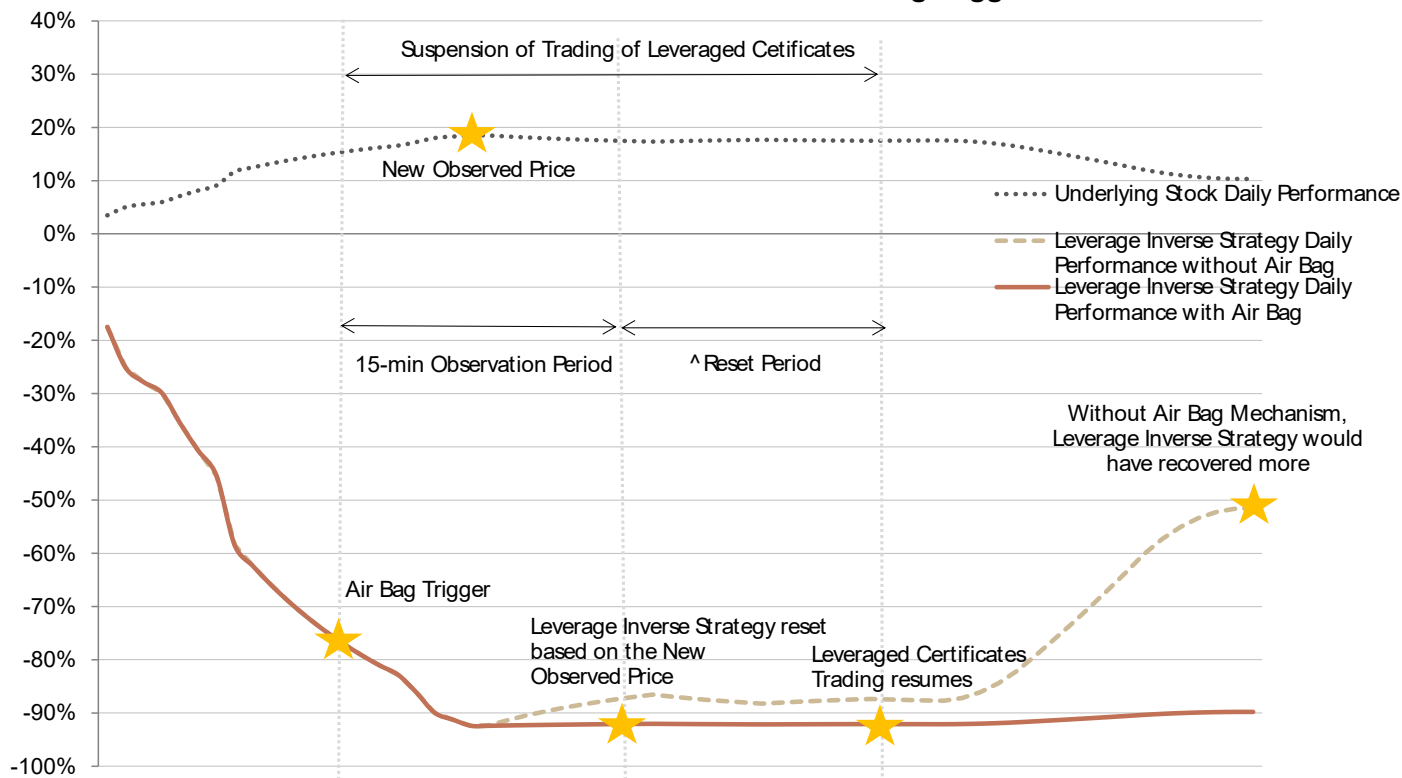
⁶ The illustrative examples are not exhaustive.

Scenario 1 - Upward Trend after Air Bag Trigger



^ The Reset Period (and consequently the resumption of trading) is subject further to SGX-ST's requirements, including at least 30 minutes from the time of publication of an announcement on the exchange in respect of the Air Bag Mechanism being triggered, and at least 15 minutes after the SGX-ST grants an approval to resume trading, whichever is later, rounded to the next quarter of an hour.

Scenario 2 - Downward Trend after Air Bag Trigger



^ The Reset Period (and consequently the resumption of trading) is subject further to SGX-ST's requirements, including at least 30 minutes from the time of publication of an announcement on the exchange in respect of the Air Bag Mechanism being triggered, and at least 15 minutes after the SGX-ST grants an approval to resume trading, whichever is later, rounded to the next quarter of an hour.

- **There is no assurance that the Air Bag Mechanism will prevent investors from losing the entire value of their investment**
There is no assurance that the Air Bag Mechanism will prevent investors from losing the entire value of their investment, in the event of (i) an overnight increase in the Underlying Stock, where there is a 20% or greater gap between the previous day closing price and the opening price of the Underlying Stock the following day, as the Air Bag Mechanism will only be triggered when the market (in respect of which the Underlying Stock is listed) opens the following day (including pre-opening trading session and extended auction hours, if applicable) or (ii) a sharp intraday increase in the Underlying Stock price of 20% or greater within the 15 minutes Observation Period compared to the reference price, being: (a) if air bag event has not been previously triggered on the same day, the previous closing price of the Underlying Stock, or (b) if one or more air bag events have been previously triggered on the same day, the latest New Observed Price.
- **The Certificates may be cancelled by the Issuer**
The Certificates may be cancelled at the discretion of the Issuer under certain circumstances, on giving notice to investors in accordance with the terms and conditions of the Certificates. Any money received by an investor on cancellation of the Certificates, which will be at the mark to market price, may be less than the capital initially invested by the investor, resulting in a loss to the investor.

Issuer Related Risks

- **You are exposed to the credit risk of the Issuer**
The Certificates constitute direct, general and unsecured contractual obligations of the Issuer and if you purchase the Certificates, you are relying upon the creditworthiness of the Issuer and have no rights under the Certificates against any other person. You should note that the Issuer issues a large number of financial instruments, including Certificates, on a global basis and at any given time, the financial instruments outstanding may be substantial. A reduction in the rating, if any, accorded to outstanding debt securities of the Issuer by any one of its rating agencies could result in a reduction in the trading value of the Certificates. The Issuer does not in any respect underwrite or guarantee the performance of any Certificate.
- **Conflicts of interest may arise from the overall activities of the Issuer, its subsidiaries or affiliates**
The Issuer and any of its subsidiaries and affiliates are diversified financial institutions that engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and investment and other activities for their own account or the account of others. In addition, the Issuer and any of its subsidiaries and affiliates, in connection with their other business activities, may possess or acquire material information about the Underlying Stock. Such activities and information may involve or otherwise affect issuers of the Underlying Stock in a manner that may cause consequences adverse to investors in the Certificates or otherwise create conflicts of interests in connection with the issue of Certificates by the Issuer.
- **Hedging or market-making activities by the Issuer, its subsidiaries or affiliates may affect the Certificates**
In connection with hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer and any of its respective subsidiaries and its affiliates, the Issuer and any of its respective subsidiaries and affiliates may enter into transactions in the Underlying Stock which may affect the market price, liquidity or value of the Certificates and which may affect the interests of investors in the Certificates.

F. FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

- Normal transaction and brokerage fees apply, similar to fees that you would pay for other transactions on SGX-ST.
- Investors holding their position overnight will also incur the annualised cost (which consists of the Management Fee and Gap Premium, which are calculated daily and applied to the value of the product, as well as certain costs embedded within the Leverage Inverse Strategy including the Stock Borrowing Cost and Rebalancing Cost). The Management Fee and Gap Premium will be published on the website at <http://dlc.ubs.com> and updated daily.

APPENDIX I

SPECIFIC DEFINITIONS RELATING TO THE LEVERAGE INVERSE STRATEGY

Description of the Leverage Inverse Strategy

The Leverage Inverse Strategy is designed to track a 5 times daily leveraged inverse exposure to the Underlying Stock.

At the end of each trading day of the Underlying Stock, the exposure of the Leverage Inverse Strategy to the Underlying Stock is reset within the Leverage Inverse Strategy in order to retain a daily leverage of 5 times the inverse performance of the Underlying Stock (excluding costs) regardless of the performance of the Underlying Stock on the preceding day. This mechanism is referred to as the Daily Reset.

The Leverage Inverse Strategy incorporates an air bag mechanism which is designed to reduce exposure to the Underlying Stock during extreme market conditions, as further described below.

Leverage Inverse Strategy Formula

LSL_t means the Leverage Inverse Strategy Level as of the Leverage Reset Time (t), calculated in accordance with the following formulae:

On Leverage Reset Time (1):

$$LSL_1 = 1000$$

On each subsequent Leverage Reset Time (t):

$$LSL_t = \text{Max} \left[LSL_{r(t)} \times \left(1 + LR_{r(t),t} - FC_{r(t),t} - SB_{r(t),t} - RC_{r(t),t} \right), 0 \right]$$

Leverage Reset Time (t)

means

1) the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on any Observation Date; and

2) end of any Intraday Restrike Event Observation Period.

Leverage Reset Time (1) is the scheduled close for the Relevant Stock Exchange for the Underlying Stock on Issue Date.

Leverage Reset Time r(t)

means the Leverage Reset Time immediately preceding the Leverage Reset Time (t).

LR_{r(t),t}

means the Leveraged Return of the Underlying Stock between Leverage Reset Time r(t) and Leverage Reset Time (t), calculated as follows:

$$LR_{r(t),t} = \text{Leverage} \times \left(\frac{S_t}{S_{r(t)} \times R_{factor_t}} - 1 \right)$$

FC_{r(t),t}

means, the Funding Cost between the Leverage Reset Time r(t) (included) and the Leverage Reset Time (t) (excluded) calculated as follows:

If the Leverage Reset Time r(t) is at the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on any Observation Date,

$$FC_{r(t),t} = (\text{Leverage} - 1) \times \frac{\text{Rate}_{r(t)} \times \text{ACT}(r(t), t)}{\text{DayCountBasisRate}}$$

Otherwise, $FC_{r(t),t} = 0$

SB_{r(t),t}

means the Stock Borrowing Cost between the Leverage Reset Time r(t) (included) and the Leverage Reset Time (t) (excluded) calculated as follows:

If the Leverage Reset Time r(t) is at the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on any Observation Date,

$$SB_{r(t),t} = -\text{Leverage} \times \frac{\text{CB} \times \text{ACT}(r(t), t)}{\text{DayCountBasisRate}}$$

Otherwise, $SB_{r(t),t} = 0$

CB	means the Cost of Borrowing applicable that is equal to: 2.00%
RC_{r(t),t}	<p>means the Rebalancing Cost of the Leverage Inverse Strategy as at Leverage Reset Time (t), calculated as follows:</p> $RC_{r(t),t} = \text{Leverage} \times (\text{Leverage} - 1) \times \left(\left \frac{S_t}{S_{r(t)} \times Rfactor_t} - 1 \right \right) \times TC$
TC	<p>means the Transaction Costs applicable as determined by the Calculation Agent (including Stamp Duty and any other applicable taxes, levies and costs which may be levied on the stock transactions on the Relevant Stock Exchange for the Underlying Stock by the applicable regulatory authorities from time to time) that are currently equal to :</p> <p>0.04%</p> <p>“Stamp Duty” refers to the applicable rate of stamp duty on the stock transactions in the jurisdiction of the Relevant Stock Exchange for the Underlying Stock, which may be changed by the applicable regulatory authorities from time to time.</p>
Leverage	-5
S_t	<p>means the Underlying Stock Price as of Leverage Reset Time (t) computed as follows, subject to the adjustments and provisions of the Conditions:</p> <p>If the Leverage Reset Time (t) is at the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on any Observation Date, S_t is the Closing Price of the Underlying Stock as of such Observation Date,</p> <p>Otherwise,</p> <p>S_t is the highest price of the Underlying Stock during the respective Intraday Restrike Observation Period.</p>
Rfactor_t	<p>means an amount determined by the Calculation Agent, according to the following formula, subject to the adjustments and provisions of the Conditions:</p> <p>If in respect of the Leverage Reset Time (t), the immediately preceding Leverage Reset Time r(t) is at the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on any Observation Date,</p> $Rfactor_t = 1 - \frac{Div_t}{S_{r(t)}}$ <p>Otherwise,</p> $Rfactor_t = 1$ <p>where</p> <p><i>Div_t</i> is the dividend to be paid out in respect of the Underlying Stock on the Observation Date of the Leverage Reset Time (t) if such Observation Date is an ex-dividend date, otherwise is zero. The dividend shall be considered gross of any applicable withholding taxes.</p>
Rate_t	means, in respect of each Observation Date of Leverage Reset Time (t), the daily Singapore Overnight Rate Average (SORA) provided by the Monetary Authority of Singapore as administrator of the benchmark (or a successor administrator), as published on Refinitiv Screen (SORA=MAST) or any successor page, being the rate as of day (t) at 09:00 Singapore time, provided that if such rate is not available, then such rate shall be determined by reference to the last available rate that was published on the relevant Refinitiv page.
Benchmark Event	<p>means:</p> <p>(a) the relevant reference rate has ceased to be published on the relevant screen page as a result of such benchmark ceasing to be calculated or administered; or</p> <p>(b) a public statement by the administrator of the relevant reference rate that (in circumstances where no successor administrator has been or will be appointed that</p>

will continue publication of such reference rate) it has ceased publishing such reference rate permanently or indefinitely or that it will cease to do so by a specified future date (the "**Specified Future Date**"); or

- (c) a public statement by the supervisor of the administrator of the relevant reference rate that such reference rate has been or will, by a specified future date (the "**Specified Future Date**"), be permanently or indefinitely discontinued; or
- (d) a public statement by the supervisor of the administrator of the relevant reference rate as a consequence of which Reference Rate will, by a specified future date (the "**Specified Future Date**"), be prohibited from being used, or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Certificates; or
- (e) a public statement by the supervisor of the administrator of the relevant reference rate that, in the view of such supervisor, such reference rate is or will, by a specified future date (the "**Specified Future Date**"), be no longer representative of an underlying market or the methodology to calculate such reference rate has materially changed; or
- (f) it has or will, by a specified date within the following six months, become unlawful for the Calculation Agent or the Issuer to calculate any payments due to be made to any holder of the Certificates using the relevant reference rate (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable).

Notwithstanding the subparagraphs above, where the relevant Benchmark Event is a public statement within subparagraphs (b), (c), (d) or (e) above and the Specified Future Date in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed occur until the date falling six months prior to such Specified Future Date.

ACT(r(t),t)

ACT (r(t),t) means the number of calendar days between the Observation Date of the Leverage Reset Time r(t) (included) and the Observation Date of the Leverage Reset Time (t) (excluded).

DayCountBasisRate

365

Air Bag Mechanism

Intraday Restrike Event

means in respect of an Observation Date, the increase at any Calculation Time of the Underlying Stock price by 15% or more compared with the amount of $S_{r(t)} \times Rfactor_t$ where r(t) means the immediately preceding Leverage Reset Time prior to such Calculation Time.

Calculation Time

means any time between the TimeReferenceOpening and the TimeReferenceClosing, provided that the relevant data is available to enable the Calculation Agent to determine the Leverage Inverse Strategy Level.

TimeReferenceOpening

means the scheduled opening time (including pre-opening session) for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).

TimeReferenceClosing

means the scheduled closing time (including closing auction session) for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).

**Intraday Restrike Event
Observation Period**

means in respect of an Intraday Restrike Event, the period starting on and excluding the Intraday Restrike Event Time and finishing on and including the sooner between (1) the time falling 15 minutes of continuous trading after the Intraday Restrike Event Time and (2) the TimeReferenceClosing.

Where, during such period, the Calculation Agent determines that (1) the trading in the Underlying Stock is disrupted or subject to suspension or limitation or (2) the Relevant

Stock Exchange for the Underlying Stock is not open for continuous trading, the Intraday Restrike Event Observation Period will be extended to the extent necessary until (1) the trading in the Underlying Stock is no longer disrupted, suspended or limited and (2) the Relevant Stock Exchange for the Underlying Stock is open for continuous trading.

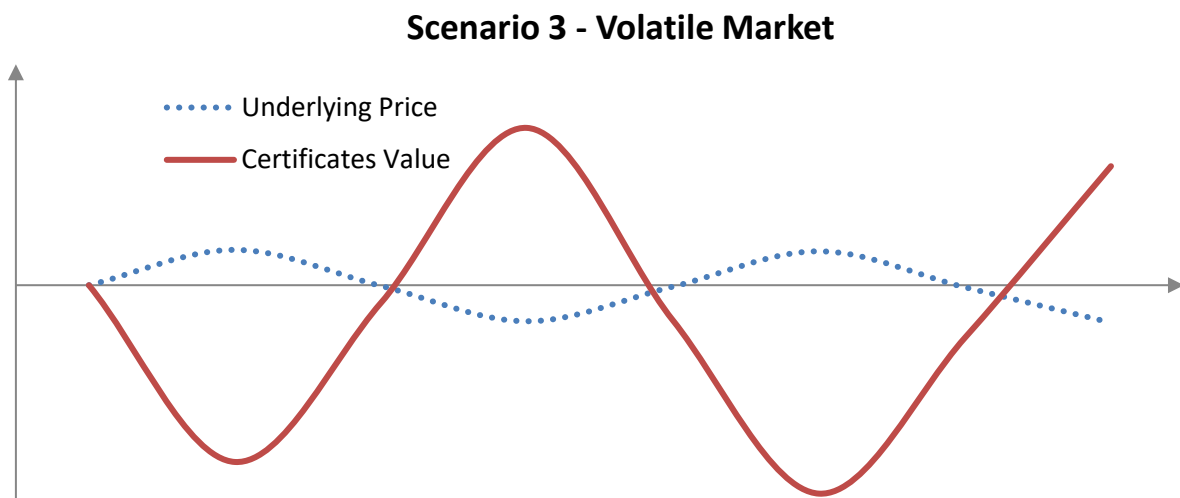
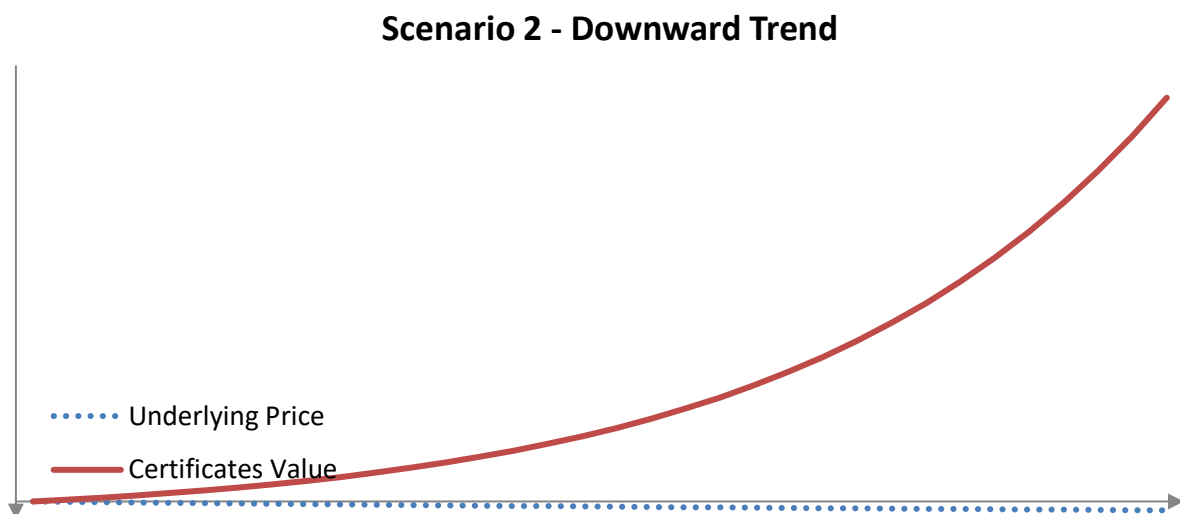
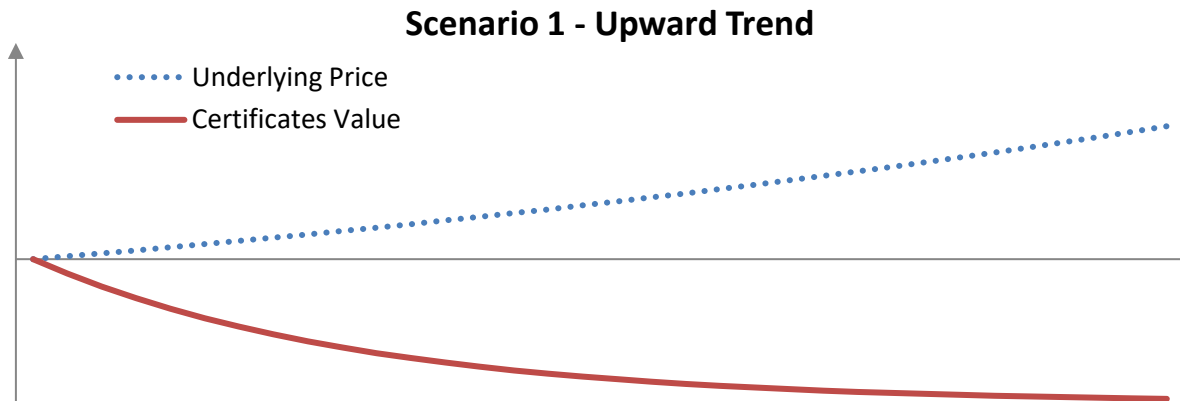
Intraday Restrike Event Time

means in respect of an Intraday Restrike Event, the Calculation Time on which such event occurs.

ILLUSTRATION ON HOW RETURNS AND LOSSES CAN OCCUR UNDER DIFFERENT SCENARIOS

The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of the Underlying Stock performance on the value of the Certificates and do not take into account the possible influence of fees or any other market parameters.

1. Illustrative examples



2. Numerical Examples

Scenario 1 – Upward Trend

Underlying						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily Return		2.00%	2.00%	2.00%	2.00%	2.00%
Value at end of day	10,000.00	10,200.00	10,404.00	10,612.08	10,824.32	11,040.81
Accumulated Return		2.00%	4.04%	6.12%	8.24%	10.41%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily Return		-10.00%	-10.00%	-10.00%	-10.00%	-10.00%
Price at end of day	0.35	0.32	0.28	0.26	0.23	0.21
Accumulated Return		-10.00%	-19.00%	-27.10%	-34.39%	-40.95%

Scenario 2 – Downward Trend

Underlying						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily Return		-2.00%	-2.00%	-2.00%	-2.00%	-2.00%
Value at end of day	10,000.00	9,800.00	9,604.00	9,411.92	9,223.68	9,039.21
Accumulated Return		-2.00%	-3.96%	-5.88%	-7.76%	-9.61%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily Return		10.00%	10.00%	10.00%	10.00%	10.00%
Price at end of day	0.35	0.39	0.42	0.47	0.51	0.56
Accumulated Return		10.00%	21.00%	33.10%	46.41%	61.05%

Scenario 3 – Volatile Market

Underlying						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily Return		2.00%	-2.00%	-2.00%	2.00%	2.00%
Value at end of day	10,000.00	10,200.00	9,996.00	9,796.08	9,992.00	10,191.84
Accumulated Return		2.00%	-0.04%	-2.04%	-0.08%	1.92%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily Return		-10.00%	10.00%	10.00%	-10.00%	-10.00%
Price at end of day	0.35	0.32	0.35	0.38	0.34	0.31
Accumulated Return		-10.00%	-1.00%	8.90%	-1.99%	-11.79%