

Key fact sheet

Continuous KO ELN from Trade Date Cash / Physical settlement

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This is a structured product which involves derivatives. Do not invest in it unless you fully understand and are willing to assume the risks associated with it. If you are in any doubt about the risks involved in the product, you may clarify with the intermediary or seek independent professional advice.

Product description

This is a structured product that offers enhanced return when the underlying asset is trading within a stable range. The product has a continuous knock-out feature to offer potential early termination and full redemption with a higher annualised return if the trading price of the underlying asset rises at or above its knock-out price at any time on any knock-out event observation date.

Indicative product terms

Product type	Equity-linked Notes
Issuer	To be provided by your CA
Guarantor	
Tenor	
Underlying asset	
Specified currency	
Issue price	
Strike price	
Knock-out price	

Knock-out event	If, at any time on any knock-out event observation date (as specified in the term sheet which is available upon request), the trading price of the underlying asset is at or above its knock-out price, a knock-out event occurs and the product will be early terminated and redeemed at 100% of the nominal amount.
Knock-out frequency	To be provided by your CA
Monetary benefit	

Product-specific benefits and risks

Product-specific benefits

- The product offers enhanced return through discounted issue price.
- The knock-out feature potentially shortens the tenor of the product and allows you to lock in the enhanced return if the trading price of the underlying asset rises at or above its knock-out price at any time on any knock-out event observation date.
- Higher annualized return can be achieved if the product is early terminated upon the occurrence of a knock-out event. The earlier the product is early terminated upon the occurrence of a knock-out event, the higher is the annualised return of the product.
- Payoff at maturity will be 100% of the nominal amount if a knock-out event has not occurred and the underlying asset closes at or above its strike price at maturity.

Product-specific risks

- This product is a capital at risk investment, under which you may lose the entire capital invested. You are exposed to the full downside risk of the underlying asset.
- The maximum potential return is limited.
- If the underlying asset closes below its strike price at maturity, you will receive either a cash amount or physical delivery of the underlying asset at its strike price. You will suffer a loss if the cash amount received or the market value of the underlying asset is less than your capital invested. In case of physical settlement, if you choose not to sell your holding of such underlying asset, you will be exposed to the market risk of holding such underlying asset. In an extreme case, such underlying asset could be worthless.

- You will be subject to re-investment risk if the product is early terminated upon the occurrence of a knock-out event.

Please refer to the product documentation for more details on the features and risks of this product.

How does it work?

Payoff upon occurrence of a knock-out event

If, at any time on any knock-out event observation date (as specified in the term sheet which is available upon request), the trading price of the underlying asset rises at or above its knock-out price, a knock-out event occurs and the product will be early terminated and redeemed at 100% of the nominal amount.

Payoff at maturity

Provided that the product is not knocked-out/early terminated (please refer to "Early termination risk" below):

- 1 If the underlying asset closes at or above its strike price at maturity, you will receive a cash amount equal to 100% of the nominal amount at maturity.
- 2 If the underlying asset closes below its strike price at maturity, you will receive at maturity (based on the settlement method as specified in the term sheet which is available upon request):

- (i) (in case of cash settlement) a cash amount equal to:

Closing price of the underlying asset at maturity	
Strike price of the underlying asset	

OR

- (ii) (in case of physical settlement) the physical delivery of the underlying asset at its strike price as follows:

Nominal amount	
Strike price of the underlying asset	

(which may be converted into the specified currency at the exchange rate as specified in the term sheet which is available upon request, if the specified currency is not the same as the trading currency of such underlying asset)

Any fractional shares of the underlying asset will not be delivered to you and will be settled in cash instead.

In this case, you will suffer a capital loss if the cash amount received or the market value of the underlying asset is less than your capital invested.

Product suitability

You may consider investing in this product, if

- You expect the underlying asset to be trading within a stable range and will not fall below its strike price at maturity.
- You are comfortable with being exposed to the negative performance of the underlying asset, without participating in a positive performance of the underlying asset above its strike price.
- In case of physical settlement, you are comfortable with physical delivery of the underlying asset at maturity where the value may be considerably less than your capital invested.
- You are willing to take on risks for the opportunity to earn enhanced returns.
- You are familiar with both structured products and the market of the underlying asset.
- You are prepared to hold your investment in this product until its maturity.
- You understand that the product is a capital at risk investment and accept that you could lose all of your investment.
- You are a professional investor in Hong Kong and / or an accredited investor in Singapore.

Scenario analysis at maturity

Assumptions

Issue price	95% of nominal amount
Underlying asset	Stock A
Strike price	90% of the initial price of the underlying asset
Knock-out price	105% of the initial price of the underlying asset

Assuming that a knock-out event has occurred, the product will be early terminated and redeemed at 100% of the nominal amount. You will make a gain of 5% of the nominal amount.

Assuming that the product is not knocked-out / early terminated, based on the assumptions above, the table below illustrates the hypothetical return on the product for a range of movements in the value of the underlying asset at maturity.

Scenario	Closing price of the underlying asset at maturity (as % of its initial price)	Payoff at maturity (as % of nominal amount)	Gain / Loss (as % of nominal amount)
Scenario 1 (Gain scenario)	100%	100%	A gain of 5% (100%-95%)
Scenario 2 (Breakeven scenario)	85.5%	85.5%/90% = 95%	No gain or loss
Scenario 3 (Loss scenario)	80%	80%/90% = 88.9%	A loss of 6.1% (95% - 88.9%)
Scenario 4 (Worst case scenario)	0%	0%	A loss of 95% (0%-95%)

Worst case scenario

In the worst case scenario above, if a knock-out event has not occurred and the underlying asset closes at 0, you will receive at maturity either (i) (in case of cash settlement) a cash amount which equals to 0, or (ii) (in case of physical settlement) physical delivery of the underlying asset at its strike price which will be worthless. You will suffer a total loss of your capital invested.

The above example is for illustrative purposes only and does not reflect a complete analysis of all possible gain or loss scenarios. It does not take into account all the relevant factors, such as changes in the creditworthiness of the issuer. You must not rely on the above example as an indication of the actual performance of underlying asset or the potential return on the product.

Additional Risks

Structured product involving derivatives	This is a structured product which involves derivatives. For more information on "structured products", please refer to the brochure "Special Risks in Securities Trading".
Credit risk	When you invest in the product, you are relying on the creditworthiness of the issuer and/or guarantor (where applicable). Should the quality and/or the credit rating of the issuer and/or guarantor (where applicable) deteriorate over the tenor of the product, the value of the product may be affected. If the issuer and/or the guarantor (where applicable) become insolvent or default on its obligations, you will rank as general unsecured creditor of the issuer and/or the guarantor (where applicable) and certain other creditors may have

	priority over your claims under the product, unless specifically stated otherwise. In the worst case scenario, you could lose all your capital invested.
Not collateralised	Unless specifically stated otherwise, the product is not secured on any of the collateral or assets of the issuer and/or the guarantor (where applicable).
Limited recourse	Some products may include a limited recourse provision. In such case, the issuer's obligation to pay any amount due under the product shall be reduced and/or delayed accordingly if the issuer (or its affiliates) fails to receive any amount/securities in full or experiences a delay in the receipt of any amount/securities, in each case under the transactions entered into by the issuer (or its affiliates) for hedging the products.
Liquidity risk	There might be a lack of secondary market, a lack of liquidity or low trading volume in the market for the product. Neither the issuer nor UBS has an obligation to repurchase the product prior to maturity. This may mean that you may not be able to liquidate your investment prior to maturity. If you sell the product in the secondary market, you may receive less than your capital invested.
Potential conflict of interest	The issuer and its affiliates may from time to time have positions in, make a market, provide investment banking or other services, be involved in trading and/or hedging activities related to the securities, currencies, financial instruments or other assets underlying the product. There is a risk that certain conflicts of interest may arise both among the issuer and its affiliates and between the interest of the issuer or its affiliates and your interest as the product investor.
Potential impact of hedging arrangement	The issuer may hedge its exposure to the product through transactions in the underlying asset, index or instrument or in options, futures or other derivatives related to the underlying asset on publicly traded markets. The issuer may unwind or offset any hedge it has for such product in close proximity to the relevant valuation time or period. In some cases, this activity may affect the value of the product.
Not the same as investing in the underlying asset(s)	Investing in the product is not the same as taking a position in respect of the underlying asset(s). Changes in the price and/or level of the underlying asset(s) may not lead to a corresponding change in the market value of the product of the same magnitude or even any change at all.

Market risk	The value and the potential return of the product is subject to the market risk, including the performance of the underlying asset(s), interest rates, volatilities, national and international financial, political and military or economic events. Any such events may adversely affect the value of the product.		or settlement disruption events) which could have an adverse impact on the product through delay in payment, change in value or suspension of trading in the product.
Emerging market risk	If an underlying asset is traded on a platform or through a trading facility or investment channel that is in, or related to, an emerging market, any disruptions or impairments related to such platform, trading facility or investment channel may have an adverse impact on the value of the underlying asset and therefore the product. Emerging markets carry higher risks. You should therefore ensure that, before investing, you understand the risks involved and are satisfied that such investment is suitable.		Discretion of the issuer and/or calculation agent The issuer and/or calculation agent may exercise its discretionary rights to make certain determination or adjustments to the terms of the product which may have an unforeseen adverse impact on the return of the investment.
Early termination risk	The Issuer may be entitled to early redeem the products upon the occurrence of certain termination events, including the occurrence of (i) "illegality", whereby performance of the obligations relating to the products or hedging the products has or will become illegal, unlawful or otherwise prohibited, in whole or in part, in connection with any applicable laws or regulations, (ii) "taxation events", which (broadly speaking) may encompass circumstances where tax laws, regulations and/or practices are changed resulting in a change in the payments required in connection with the products or an inability to comply with applicable tax laws or regulations, or (iii) other extraordinary events or circumstances affecting normal activities. The above is not an exhaustive list of the termination events. Please refer to the product documentation for details, which is available upon request. You may receive an amount less than your capital invested upon the occurrence of the termination events.		Currency risk You are exposed to foreign exchange rate risk if any amount received under the product is converted to the specified currency from another currency, or if the product is redeemed by delivery of securities denominated in a currency other than the specified currency.
Adjustment risk	The product may contain terms and conditions that allow the issuer and/or calculation agent to effect adjustments due to certain events or measures that are taken (by parties other than the Issuer) in relation to the underlying asset(s) which can lead to changes to the underlying asset(s) or the terms of the product. Such adjustments might have a negative impact on the value or return of the product.		Interest rate risk You are exposed to the movement of interest rates which will have an impact on the value of the product. Moreover, generally, the longer the tenor, the more sensitive the product will be to interest rate changes.
Disruption risk	You are exposed to disruption events (such as price source disruption events		Settlement risk Certain settlement disruption events may occur which will restrict the issuer's ability to deliver cash and/or securities and the date of delivery of cash and/or the securities will be delayed accordingly. If the product is to be redeemed by physical delivery of securities, the issuer may exercise its sole discretion to cash settle in whole or in part such securities to be delivered. You will have to comply with any legal or regulatory requirements that apply to holders of the securities.
			Risks relating to Renminbi If the product is denominated in RMB and/or the product is linked to RMB-quoted underlying asset(s), you should note that the relevant offshore Renminbi ("CNH") exchange rates in Hong Kong will be applied for calculations in relation to the product. Although both onshore Renminbi ("CNY") and CNH are the same currency, there are traded in different and separated markets. As the two markets operated independently where the flow between them is highly restricted, CNY and CNH are currently traded at different exchange rates and their movements may not be in the same direction or scale. The exchange rate for CNH may be traded at a premium or discount to the exchange rate of CNY and there may be significant bid and offer spreads. The exchange rates of RMB against other foreign currencies will fluctuate and will be affected by, amongst other things, the control directives, policy and/or measures from the Government of the People's Republic

	of China (the "PRC Government") on RMB from time to time. For example, the PRC Government regulates conversion between CNY and foreign currencies. Renminbi is currently not freely convertible. There is no assurance that disruption in the transferability, convertibility or liquidity of Renminbi will not occur.
Benchmarks and interbank offered rates reform	If the product (or its potential payout) is linked to an interest rate, equity, commodity, foreign exchange and other types of rates and indices deemed to be "benchmarks", you should note that a number of major benchmarks are the subject of recent or forthcoming national and international regulatory reforms. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. For example, the interbank offered rate, LIBOR, will be permanently discontinued. Any such consequence could have a material adverse effect on the value of and return on the product linked to any such value or benchmark. In addition, a failure by benchmark administrators and users to comply with applicable legislation could result in a benchmark being discontinued or prohibited from use. In such event, the products could be adjusted or redeemed prior to maturity or otherwise impacted.
Risk relating to ETF as underlying asset	If the product is linked to the performance of exchange traded funds (ETFs), you should note that ETFs generally track the performance of various underlying assets. You should have read and understood all relevant product information (including offering documents) of the ETFs before making investment decision.
Risk relating to index as underlying asset	If the product is linked to the performance of an index, you should note that the issuer and the index sponsor make no representation or warranty, express or implied, regarding the appropriateness of investing in products referenced to the index, the assets underlying such index ("Underlyings") in general or of the ability of the index to track Underlyings' market performance. In determining the Underlyings of the index and any amendments thereto, you should note that the index sponsor has no obligation to consider the needs of any counterparties that have products referenced to the index. The issuer and the index sponsor make no representation or warranty, express or implied to the holders any products linked to the index or any member of the public regarding the

	advisability of investing in such products or Underlyings generally, or as to results to be obtained from the use of the Index or from such products. Past performance of the index is not necessarily indicative of future results. You should have read and understood all relevant product information (including offering documents) relating to the index before making investment decision.
Not covered by Investor Compensation Fund	This product is not covered by the Investor Compensation Fund in Hong Kong.
Fees and charges	The potential payout on the product does not take into consideration any fees in relation to the investment (including, but not limited to, any fees relating to the purchase or transfers of the product, custody services, payments of interest/coupon and redemption amount and delivery of securities).
Effects of structuring and product management	When the product is issued or sold, several types of incidental costs, fees, commissions and profits are included in the purchase price of the product. Such incidental costs and fees may include (i) issuance and securitisation costs; (ii) hedging costs and brokerage fees incurred by the issuer in connection with the issuance of the product; (iii) a profit priced into the issue price for the benefit of the issuer; (iv) commissions paid internally from one department to another department (e.g. sales department) of the issuer; (v) distribution fees to intermediaries, brokers or other distributors and financial advisors; (vi) other costs incurred by the issuer in connection with the issuance of the product (including, without limitation, costs for external legal and tax advice). Such costs reduce the value of the product in the sense that a potential bid price will exclude such costs and therefore is likely to be lower than the issue price or offer price of the product.
Compounding risks	More than one risk factors may have simultaneous and compounding effects with regard to the product such that the effect of a particular risk factor may not be predictable. No assurance can be given as to the effect that any combination of risk factors may have on the value of the product.

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