UBS

Participation

Bund Underwriting Strategy Certificate (EUR)

Strategy Certificate linked to Bund 99.5-97 Put Spread Strategy
Issued by UBS AG, London Branch
Cash Settled
SVSP Product Type: Tracker Certificates (1300, Callable, Puttable)
Valor: 49262757
ISIN: CH0492627572
WKN: UY8VM4

Indicative Terms

This Product does not represent a participation in any of the collective investment schemes pursuant to Art. 7 ff of the Swiss Federal Act on Collective Investment Schemes (CISA) and does not require an authorisation of the Swiss Financial Market Supervisory Authority (FINMA). Therefore, investors in this Product are not eligible for the specific investor protection under the CISA. Moreover, Investors in this Product bear the issuer risk.

This document (Indicative Terms) constitutes the non-binding Indicative Simplified Prospectus for the Product described herein. It does not constitute a binding offer, contains indicative terms and conditions subject to change and can be obtained free of charge from UBS AG, P.O. Box, CH-8098 Zurich (Switzerland), via telephone (+41-(0)44-239 47 03), fax (+41-(0)44-239 69 14) or via e-mail (swiss-prospectus@ubs.com). The Final Simplified Prospectus will be made available at the Issue Date. The relevant version of this document is stated in English; any translations are for convenience only. For further information please refer to paragraph «Product Documentation» under section 4 of this document.

1. Description of the Product

Information on Underlying

Underlying	**Bund 99.5-97 Put Spread Strategy, as described in Annex 1**
Description of Underlying	The Bund 99.5-97 Put Spread Strategy (the "**Strategy**") replicates: i. daily selling of put options on 10 year Bund futures with a strike of 99.5% based on the level of the future from the previous day. The daily allocation will be 1/31 based on the Option Portfolio Level with a target expiry of 31 Scheduled Trading Days; ii. daily buying of put options on 10 year Bund futures with a strike of 97% based on the level of the future from the previous day. The daily allocation will be 1/31 based on the Option Portfolio Level with a target expiry of 31 Scheduled Trading Days; and iii. a synthetic bond which accrues interest at the prevailing reference rate (which can be negative from time to time).

Product Details

Security Numbers	Valor: 49262757 / ISIN: CH0492627572 / WKN: UY8VM4
Issue Size	Up to 500'000 Certificates (with reopening clause)
Denomination	EUR 1'000.00

Issue Price per Certificate	EUR 1'000.00
Settlement Currency	EUR

Dates

Launch Date	3 October 2019
Subscription Period	Until 31 March 2020, 15:00 CEST (Please note that Subscription Period might be closed earlier, if market conditions change or if maximum size is reached)
Pricing Date ("Pricing")	31 March 2020 (or when Subscription Period ends)
Payment Date (Issue Date)	7 April 2020
Last Trading Day / Time	30 March 2027
Expiration Date ("Expiry")	31 March 2027, or if such day is not a Scheduled Trading Day, the immediately following Scheduled Trading Day (in each case subject to, Early Termination Event and Market Disruption Event provisions)
Redemption Date / Maturity Date	The fifth Business Day following the Expiration Date or the Early Termination Date (in each case subject to Market Disruption Event provisions)

Redemption Amount

The Investor is entitled to receive from the Issuer on the Redemption Date an amount in the Settlement Currency, in accordance with the terms described below.

Redemption Amount

If no Early Termination Event has occurred prior to the Expiration Date, then the Investor receives an amount on the Redemption Date per Certificate according to the following formula:

Max [0, Denomination + Final Amount]

Final Amount

An amount calculated by the Calculation Agent in respect of the Expiration Date 'T' in accordance with the following formula:

$$\mathbf{OP_T - OP_0}$$

Where:
OP_T is the Option Portfolio Level on the Expiration Date 'T' (as described in Annex 1) adjusted for reasonably incurred costs of the Hedging Party in respect of any adjustment(s) made to its hedge positions to reflect the termination of this Product, as determined by the Calculation Agent in its reasonable discretion; and

OP_0 is the Option Portfolio Level with respect to the Pricing Date adjusted for reasonably incurred Option Spreads totalling EUR [TBD] (as specified for each Portfolio Constituent in Annex 1) of the Hedging Party in respect of any adjustment(s) made to its hedge positions to reflect the initiation of this Product, as determined by the Calculation Agent in its reasonable discretion.

Early Redemption Amount	If an Early Termination Event has occurred prior to the Expiration Date, then the Investor receives an amount on the relevant Redemption Date per Certificate determined by the Calculation Agent in good faith and in a commercially reasonable manner. The Early Redemption Amount corresponds to the prevailing market value of the Product, taking into account any costs incurred by the Issuer unwinding its hedging positions in respect of the Product.
Early Termination Event and Early Termination Date	The Issuer is entitled to terminate the Product early (an "**Early Termination Event**") in full on 7 April of each calendar year, provided such date is an Option Portfolio Business Day (as described in Annex 1) (the "**Early Termination Date**"), subject to at least 5 Option Portfolio Business Days prior notice being given to the Investors. If the 7 April is not an Option Portfolio Business Day then the Issuer is entitled to terminate on the immediately following day that is an Option Portfolio Business Day. The first possible Early Termination Date will be 07 April 2021.
Investor Put Right	In addition to the possibility to sell the Certificate at any time in the Secondary Market (subject to market conditions), each Investor is entitled to redeem the Certificate (an "**Early Termination Event**") in full, on 07 April of each calendar year, provided such date is an Option Portfolio Business Day (as described in Annex 1) (the "**Early Termination Date**"), subject to at least 5 Option Portfolio Business Days prior notice being given to the Issuer (such notice to be received not later than 10am CET on the relevant Option Portfolio Business Day. If the 07 April is not an Option Portfolio Business Day then each Investor is entitled to redeem on the immediately following day that is an Option Portfolio Business Day. The first possible Early Termination Date will be 07 April 2021.

Product Structure

The Product tracks the performance of the Bund 99.5-97 Put Spread Strategy. The Bund 99.5-97 Put Spread Strategy reflects the performance of the Option Portfolio, a portfolio of put options on 10 year Bund futures, plus a synthetic bond (as described in Annex 1).

Investors should be aware that the Product will be subject to an early redemption if an Early Termination Event is deemed to have occurred prior to the Expiration Date. In case of an early redemption, Investors will receive the Early Redemption Amount.

General Information

Issuer	UBS AG, Zurich and Basel, Switzerland, acting through its London Branch
Issuer's Rating	Aa3 Moody's / A+ S&P's / AA- Fitch
Issuer Supervisory Authority	Swiss Financial Market Supervisory Authority (FINMA). London Branch additionally Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA). Jersey Branch additionally Jersey Financial Services Commission (JFSC).
Lead Manager	UBS AG, Zurich (UBS Investment Bank)
Calculation Agent	UBS AG, London Branch
Paying Agent	UBS Switzerland AG, Zurich

Hedging Party	UBS AG, London Branch
Business Day	London, Zurich
Listing	None
Minimum Investment	1 Certificate (subject to Selling Restrictions)
Minimum Trading Lot	1 Certificate
Secondary Market	The Issuer or the Lead Manager, as applicable, intends, under normal market conditions, to provide bid and/or offer prices for the Products on a regular basis. However, the Issuer or the Lead Manager, as applicable, makes no firm commitment to provide liquidity by means of bid and/or offer prices for the Products and assumes no legal obligation to quote any such prices or with respect to the level or determination of such prices. Potential Investors therefore should not rely on the ability to sell this Product at a specific time or at a specific price. An Investor in the Product should note that the bid and/or offer prices of the Products, where provided by the Issuer or the Lead Manager, as applicable, are likely to be narrower when all locations listed under the Business Days definition are normally open for trading. Outside of such normal trading hours, the bid and/or offer prices of the Products are likely to be wider, if at all available.
Clearing	SIX SIS, Euroclear, Clearstream (registered as intermediated securities with SIX SIS AG, in Switzerland)
Status	Unsecured / Unsubordinated
Form of Deed	Uncertificated Securities
Governing Law / Jurisdiction	Swiss / Zurich
Product / Certificate	One Bund Underwriting Strategy Certificate (EUR) with the given Denomination is equivalent to one (1) "Product" / "Certificate". "Products"/ "Certificates" wherever used herein shall be construed to mean integral multiples of the same, subject to the Issue Size.
Adjustments	The terms of the Product may be subject to adjustments during its lifetime. For clients outside of the United Kingdom, any changes with regard to the terms of this Product shall be published on the internet at www.ubs.com/keyinvest. Detailed information on such adjustments is to be found in the Product Documentation.
Public Offering	Switzerland
Distribution Fee	0.3% p.a. The Distribution Fee is deducted daily and in arrears from the Option Portfolio Level, see Annex 1, Table 1.

Tax Treatment Switzerland

Swiss Transfer Stamp Duty	The Product qualifies as a taxable security (bond, TK 22/1). In principle secondary market transactions are subject to Stamp Duty.
Swiss Income Tax	For private investors resident in Switzerland who hold the Product until Redemption Date, the positive difference between the Redemption Amount* and the purchase price* is subject to income tax. For an investor who sells the Product the difference between the sales price* and the purchase price* is subject to income tax. *each to be converted into Swiss Francs at the prevailing exchange rate at redemption or sale and at purchase.
Swiss Withholding Tax	The Product is not subject to the Swiss Withholding Tax.

The tax information only provides a general overview over the Swiss tax consequences linked to this Product based on the tax laws and the practice of the tax administration at the time of issue. Tax laws and the practice of tax administrations may change, possibly with retroactive effect.

Classification

This Product does not represent a participation in any of the collective investment schemes pursuant to Art. 7 ff of the Swiss Federal Act on Collective Investment Schemes (CISA) and thus does not require an authorisation of the Swiss Financial Market Supervisory Authority (FINMA). Therefore, investors in this Product are not eligible for the specific investor protection under the CISA. Moreover, Investors in this Product bear the issuer risk.

Furthermore, this Product does not benefit from any depositor protection under Art. 37a under the Swiss Federal Law on Banks and Savings Banks (Banking Act) or other forms of deposit insurance under any other law as might be applicable to this Product.

2. Prospects of Profits and Losses

Market expectation	Investors in this Product expect a positive performance of the Underlying over the life of the Product.

Effect of the performance of the Underlying on the overall redemption amount or on delivery obligation:

- Positive performance	If the Underlying performs positively, Investors realise a positive return.
- Sideways to slightly negative performance	If the Underlying performs sideways to slightly negative, the value of the Product will remain constant or decrease.
- Pronounced negative performance	Investors may lose some or in the worst case all of the investment as they are fully exposed to the negative performance of the Underlying.
Maximum Return	The profit potential is unlimited.
Maximum Loss	Investors may lose some or all of the investment as they are fully exposed to the performance of the Underlying.

3. Significant Risks for Investors

General risk warning	Potential investors should understand the risks associated with an investment in the Product and shall only reach an investment decision after careful considerations with their legal, tax, financial and other advisors of (i) the suitability of an investment in the Product in the light of their own particular financial, fiscal and other circumstances; (ii) the information set out in this document and (iii) the Underlying. The following is a summary of the most significant risks. Further risks are set out in the Product Documentation.
Risk tolerance	Investors in this Product should be experienced Investors and familiar with both derivative products and the underlying asset class(es) of this Product.

Product Specific Risks

Loss potential	The investors may lose some or all of the investment as they are fully exposed to the performance of the Underlying.
Capital Protection (at Expiry)	No. Investors should be aware that the performance of the Product may be negative, and therefore the Redemption Amount or Early Redemption Amount, as the case may be, can

	be less than the Issue Price.
Risk potential in comparison to a direct investment in the Underlying	The risk potential is similar to a direct investment in the Underlying.
Issuer call right	Yes. Please refer to the respective definition on the Early Termination Event.
Stop Loss Event	None
Underlying performance risk	The Underlying replicates daily selling of put option spreads on 10 year Bund futures and the notional return of a synthetic floating-rate bond, minus a fee. The 10 year Bund future is future contract on a notional bond issued by the Federal Republic of Germany with a remaining term of between 8.5 and 10.5 years. Further details of the 10 year Bund future can be found at www.eurexchange.com. The synthetic floating-rate bond will return the prevailing reference rate (which can be negative from time to time). Through the put option spreads, the Underlying has an exposure to the price of 10 year Bund futures, the price of which will be negatively impacted by a rise in the yields of medium-term Bunds. This may be driven by factors including but not limited to a rise in the general level of interest rates, by a fall in the perceived credit quality of the German federal government, sentiments regarding global economies and credit markets, by expectations regarding the level of price inflation or by performance of capital markets. If the price of 10 year Bund futures falls materially, the Underlying is unlikely to be able to generate sufficient premiums through the Underlying to compensate for the losses incurred due to a fall in the price of 10 year Bund futures and/or any negative return from the synthetic bond and fees. Since the put spreads are diversified with regards to strikes, entry levels and expiries due to the daily systematic reinvestment, it is more likely that gradual increases in yields of medium-term Bunds will have a lower negative impact on the return of the Underlying return than faster increases in yields of medium-term Bunds. It should also be noted that the premiums earnt by selling put options are dependent on market levels of implied volatility so if the level of implied volatility decreases then the returns generated by the Underlying may be lower than those generated historically.
Factors affecting 10 year Bund futures	A number of factors can affect 10 year Bund futures, including but not limited to: (i) changes in, or perceptions, about the future performance of 10 year Bund futures; (ii) general economic conditions: the economic, financial, political, regulatory and judicial events that affect financial markets generally will affect 10 year Bund futures; (iii) prevailing interest rates: 10 year Bund futures are subject to daily fluctuations depending on prevailing interest rates in the market generally; and (iv) policies of the governing bodies regarding interest rates.
Price Source Disruption Event	It may become impossible to obtain the relevant price during the lifetime of the Product and/or on the Expiration Date or Early Termination Date due to one or more of the price sources normally used in the relevant market for the Underlying being unavailable because an unscheduled bank closure is declared on short notice in the relevant country or due to the occurrence of any other disruption (each a ''Price Source Disruption Event''). The Calculation Agent will determine in good faith in a commercially reasonable manner whether a Price Source Disruption Event has occurred. A Price Source Disruption Event may lead to (i) a postponement of the Expiration Date or Early Termination Date, as the case may be, and therefore the redemption payment, (ii) to the use of an alternative source for the relevant price and or (iii) to the unilateral determination of the applicable price by the Calculation Agent.

	Such postponement, use of alternative price source and/or determination of the applicable price by the Calculation Agent may affect, materially or otherwise, the Redemption Amount or Early Redemption Amount which the Investor will receive.
Early Redemption due to Early Termination Event	Investors should be aware that the Product will be subject to an early redemption if an Early Termination Event is deemed to have occurred prior to the Expiration Date. In such case, the Issuer will redeem the Product on the Redemption Date at the Early Redemption Amount. The Early Redemption Amount is determined by the Calculation Agent at its reasonable discretion acting in good faith in a commercially reasonable manner, considering the Issuer’s hedging activities on the Early Termination Date.
Extraordinary termination risk	The Product contains terms and conditions that allow the Issuer to terminate and redeem the Product prior to the Redemption Date. In case of such extraordinary termination, the Issuer shall pay to the Investors an extraordinary termination amount as determined by the Calculation Agent which is usually equivalent to the market value of the Product. Potential Investors should note that the extraordinary termination amount may deviate from and may be considerably below the amount which would be payable pursuant to the final redemption provisions on the Redemption Date. Investors are not entitled to request any further payments on the Product after the termination date.
Adjustment risk	Investors should be aware that it cannot be excluded that certain events occur or certain measures are taken (by parties other than the Issuer) in relation to the Underlying which can lead to changes to the Underlying or its concept (e.g. corporate events of a company whose shares constitute an Underlying, Market Disruption Events or other circumstances affecting normal activities). In the case of the occurrence of such events or measures, the Issuer and/or the Calculation Agent are entitled to effect adjustments according to the Product Documentation. Such adjustments might have a negative impact on the value of the Product.
Illiquidity risk in secondary market	The Issuer or the Lead Manager, as applicable, intends, under normal market conditions, to provide bid and/or offer prices for this Product on a regular basis. However, the Issuer or the Lead Manager, as applicable, makes no firm commitment to provide liquidity by means of bid and/or offer prices for this Product, and assumes no legal obligation to quote any such prices or with respect to the level or determination of such prices. Potential investors therefore should not rely on the ability to sell this Product at a specific time or at a specific price. Potential investors should note that prices quoted typically include a spread and therefore may deviate from the market value of the Product. In special market situations, where the Issuer is completely unable to enter into hedging transactions, or where such transactions are very difficult to enter into, the spread between the bid and offer prices in the secondary market may be temporarily expanded, in order to limit the economic risks of the Issuer. Hence, Investors might sell at a price considerably lower than the actual price of the Product at the time of its sale. By selling the Product in the secondary market Investors may receive less than the capital invested. In case of a secondary market transaction, there is a possibility that costs, including taxes, related to or in connection with the Product may arise for Investors that are not paid by the Issuer or imposed by the Issuer.
Calculation Agent's discretion	The Calculation Agent has a broad discretionary authority to make various determinations and adjustments under the Products, any of which may have an adverse effect on the value and/or the amounts payable under the Products. Prospective investors should be aware that any determinations made by the Calculation Agent may have an impact on the value and financial return of the Products. Where the Calculation Agent is required to make a determination it may do so without taking into account the interests of the holders of the Product.
Market Disruption risk	Investors are exposed to market disruption events (such as Trading Disruption, Exchange Disruption and Early Closure of the relevant exchange), which could have an impact on the redemption amount through delay in payment, change in value or suspension of trading in the Product in the secondary market. For a detailed description of such events

	and their effects please refer to the Product Documentation.
Similar risks to a direct investment in futures contracts	The Products aim inter alia to replicate the performance of short positions in futures. Consequently, an investment in the Products, to a certain extent, is subject to market risks similar to direct investment in such a futures contract. Futures prices can differ substantially from the spot price of the underlying financial instrument (e.g. shares, indices, interest rates, currencies) or underlying commodity and precious metal (e.g. oil, wheat, sugar, gold, silver). Investors must be aware of the fact that the futures price and, accordingly, the value of the Products does not always move in the same direction or at the same rate as the spot price of such underlying. Therefore, the value of the Products can fall substantially even if the spot price of the relevant underlying of the futures contract remains stable or rises.
Withholding tax	Investors in this Product should note that any payment under this Product may be subject to withholding tax (such as, inter alia, Swiss Withholding Tax, and/or withholding related to FATCA or 871(m) of the US Tax Code). **Any payments due under this Product are net of such tax.** Please refer to the General Terms and Conditions for detailed information. If the Issuer is required to withhold any amount pursuant to Section 871(m) or FATCA of the U.S. Tax Code, the Issuer will not be required to pay additional amounts with respect to the amount so withheld.

Risk Factors relating to the Issuer

In addition to the market risk with regard to the development of the Underlying, each Investor bears the general risk that the financial situation of the Issuer could deteriorate. The Products constitute immediate, unsecured and unsubordinated obligations of the Issuer, which, particularly in case of insolvency of the Issuer, rank *pari passu* with each and all other current and future unsecured and unsubordinated obligations of the Issuer, with the exception of those that have priority due to mandatory statutory provisions. The general assessment of the Issuer's creditworthiness may affect the value of the Products. This assessment generally depends on the ratings assigned to the Issuer or its affiliated companies by rating agencies such as Moody's, Fitch and Standard & Poor's.

The Issuer Ratings indicated in this document reflect the situation at the time of issuance and may be subject to changes. The actual Issuer Ratings at any given time can be seen on the Issuer's website (www.ubs.com) under "Analysts & Investors".

4. Additional Information

Product Documentation

This document ("**Indicative Terms**") constitutes the non-binding Indicative Simplified Prospectus for the Product and contains the information required by Article 5 CISA (status as of 1 March 2013) and the corresponding Guidelines of the Swiss Bankers Association. The prospectus requirements of Article 652a/Article 1156 of the Swiss Code of Obligations are not applicable. The Indicative Simplified Prospectus contains indicative terms and conditions subject to change. The Final Simplified Prospectus in accordance with Article 5 CISA (status as of 1 March 2013) will be made available on the Issue Date.

These Indicative Terms (Indicative Simplified Prospectus) together with the 'General Terms and Conditions for Structured Products on Equity, Commodity and Index Underlyings', stipulated in English and as amended from time to time, ("**General Terms and Conditions**") shall form the non-binding and indicative documentation for this Product ("**Indicative Product Documentation**"), and accordingly the Indicative Terms should always be read together with the General Terms and Conditions. The Indicative Simplified Prospectus may be provided in various languages, however, only the English version will be relevant and any translations are for convenience only. Definitions used in the Indicative Terms, but not defined therein shall have the meaning given to them in the General Terms and Conditions. In the event that the Product will be listed (see above item 'Listing' under «General Information»), the Product Documentation will be amended in accordance with the listing requirements of the relevant exchange.

The Indicative Product Documentation can be obtained free of charge from UBS AG, P.O. Box, CH-8098 Zurich (Switzerland), via telephone (+41-(0)44-239 47 03), fax (+41-(0)44-239 69 14) or via e-mail (swiss-prospectus@ubs.com). In addition, for clients outside of the United Kingdom, the Indicative Product Documentation is available on the internet at www.ubs.com/keyinvest. Notices in connection with this Product shall be validly given by publication as described in the General Terms and Conditions. Furthermore, for clients outside of the United Kingdom, any changes with regard to the terms of this Product shall be published on the internet at www.ubs.com/keyinvest.

Important Information

This information herein is communicated by UBS AG and/or its affiliates ("**UBS**"). UBS may from time to time, as principal or agent, have positions in, or may buy or sell, or make a market in any securities, currencies, financial instruments or other assets underlying the Product to which this document relates. UBS may provide investment banking and/or other services to and/or have officers who serve as directors of the companies referred to in this document. UBS' trading and/or hedging activities related to this Product may have an impact on the price of the underlying asset(s) and may affect the likelihood that any relevant barrier(s) is/are crossed. UBS has policies and procedures designed to minimise the risk that officers and employees are influenced by any conflicting interest or duty and that confidential information is improperly disclosed or made available.

In certain circumstances UBS sells this Product to dealers and other financial institutions at a discount to the issue price or rebates to them for their account some proportion of the issue price ("**Distribution Fees**"). Distribution Fees, if any, are disclosed in section 1 of this document and reflect the maximum amount a dealer or financial institution may receive from UBS; the actual amount may be lower.

Structured transactions are complex and may involve a high risk of loss. Prior to entering into a transaction you should consult with your own legal, regulatory, tax, financial and accounting advisors to the extent you consider it necessary, and make your own investment, hedging and trading decisions (including decisions regarding the suitability of this transaction) based upon your own judgement and advice from those advisers you consider necessary. Save as otherwise expressly agreed in writing, UBS is not acting as your financial adviser or fiduciary in any transaction.

This document should not be construed as an offer, personal recommendation or solicitation to conclude a transaction and should not be treated as giving investment advice. The terms of any investment in the Product to which this document relates will be exclusively subject to the detailed provisions, including risk considerations, contained in the Product Documentation.

UBS makes no representation or warranty relating to any information herein which is derived from independent sources. This document shall not be copied or reproduced without UBS' prior written permission.

No action has been or will be taken in any jurisdiction that would permit a public offering of the Products described herein, save where explicitly stated in the Product Documentation. The Products must be sold in accordance with all applicable selling restrictions in the jurisdictions in which they are sold.

There is a possibility that costs, including taxes, related to transactions in connection with this Product may arise for the Investor that are not paid by UBS or imposed by it. Please refer to the Product Documentation for further information.

Selling Restrictions

Any Products purchased by any person for resale may not be offered in any jurisdiction in circumstances which would result in the Issuer being obliged to register any further documentation relating to this Product in such jurisdiction.
The restrictions listed below must not be taken as definitive guidance as to whether this Product can be sold in a jurisdiction. Additional restrictions on offering, selling or holding of this Product may apply in other jurisdictions. Investors in this Product should seek specific advice before on-selling this Product.

European Economic Area - In relation to each Member State of the European Economic Area (each, a "**Member State**"), an offer of the Products to the public in a Member State may only be made in accordance with the following exemptions as set out in the Regulation (EU) 2017/1129 (as may be amended or replaced from time to time) (the "**Prospectus Regulation**"):

(a) Qualified investors: at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(b) Fewer than 150 offerees: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation);

(c) An offer of Products addressed to investors who acquire Products for a total consideration of at least EUR 100,000 per investor, for each separate offer; and/or

(d) Other exempt offers: at any time in any other circumstances falling within Article 1 (4) of the Prospectus Regulation,

provided that no such offer of Products referred to in (a) to (d) above shall require the publication of a prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression "offer of Securities to the public" in relation to any Products in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Products to be offered so as to enable an investor to decide to purchase or subscribe the Products.

The aforementioned restrictions shall not apply for jurisdictions specified in the section “Public Offering” under "General Information" above.

Hong Kong - Each purchaser has represented and agreed that it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Products, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Products which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

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.

Singapore – This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Products may not be circulated or distributed, nor may the Products be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A) under Section 274 of the Securities and Futures Act Chapter 289 of Singapore, as modified and/or amended from time to time (the "SFA")), (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Products are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Products pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Pursuant to section 309B(1)(c) of the SFA, the Issuer hereby notifies the relevant persons (as defined in the SFA) that the Products are classified as "capital markets products other than prescribed capital markets products" (as defined in the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018) and "Specified Investment Products" (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).

UK – For the purpose of non-discretionary accounts, this Product should not be sold with a consideration of less than 100,000 EUR or equivalent.

USA – This Product may not be sold or offered within the United States or to U.S. persons.

ANNEX 1

Bund Underwriting Put Spread Strategy

The Bund 99.5-97 Put Spread Strategy reflects the performance of the Option Portfolio described in this Annex.

This Annex sets out the methodology used to calculate the level of the Option Portfolio (the "Option Portfolio Level" also interchangeably referred to as the "Underlying Level" in this document) in EUR (the "Option Portfolio Currency").

Section 1. Summary of Details

Table 1: Option Portfolio Details

Terms	*Definition*
Option Portfolio Currency	EUR
Fee	0.5%, being 0.2% p.a plus the Distribution Fee
Option Portfolio Commencement Date	[TBD]
Initial Value of Synthetic Bond Position	[TBD] EUR
Calendar Day Count Convention	365
Scheduled Trading Day Count Convention	252
Risk Free Rate	ICE EUR Overnight LIBOR* (BBG: EE00O/N Index)
Option Discounting Rate	0%
Reference Future Intraday Range	From and including 17:15:00 CET to and including 18:00:00CET

* If (i) the rate is no longer displayed or is discontinued permanently without an official legal successor rate or (ii) the administrator of the relevant rate fails to obtain or maintain any necessary approvals or registrations, the Issuer is entitled to replace the rate by another rate, representing, at the reasonable discretion of the Calculation Agent, an economically comparable concept, (the "**Successor Rate**"). The Successor Rate and the date it is applied for the first time shall be published without undue delay by way of notification pursuant to the General Terms and Conditions.

Table 2: Option Contract Information

Option Contract	1	Option Contract	2
Option Type	Put	Option Type	Put
Currency	EUR	Currency	EUR
Exchange	EUREX	Exchange	EUREX
Related Exchange	As defined in the Definitions section	Related Exchange	As defined in the Definitions section
Style	American	Style	American
Underlying Future	Euro-Bund Futures (Exchange Product ID: FGBL)	Underlying Future	Euro-Bund Futures (Exchange Product ID: FGBL)
Target Expiration	31 Rebalance Days	Target Expiration	31 Rebalance Days
Strike Type	Percentage of Future	Strike Type	Percentage of Future
Target Strike	99.5%	Target Strike	97%
Listed Strike Interval	EUR 0.5	Listed Strike Interval	EUR 0.5
Allocation Type	Percentage of Notional	Allocation Type	Percentage of Notional
Allocation	-1/31	Allocation	1/31
Floor	EUR 0.02	Floor	EUR 0.02
Vega Ratio Min	0.0	Vega Ratio Min	0.0
Vega Ratio Scale	0.1	Vega Ratio Scale	0.1
IV Barrier	4.5%	IV Barrier	4.5%
Expiration Cost	EUR 0.012	Expiration Cost	EUR 0.012
Option Settlement Price	The settlement price of the relevant option as published by the corresponding	Option Settlement Price	The settlement price of the relevant option as published by the corresponding

	Exchange		Exchange

Section 2. Definitions

"CDCC" means Calendar Day Count Convention as provided in Table 1;

"Currency of Portfolio Constituent "i" means the currency in which the Portfolio Constituent "i" is denominated, as provided in Table 2 in respect of each Option Contract;

"Current Options" means:

a) in respect of the Option Portfolio Commencement Date, the list of options detailed in Annex 2;

b) in respect of any other Option Portfolio Business Day, all Portfolio Constituents that are Live Options but exclude Expiring Options with respect to such Option Portfolio Business Day. For the avoidance of doubt, Current Options shall include all New Options;

"Disrupted Day" means any Scheduled Trading Day in respect of which:

(i) a Market Disruption Event has occurred in relation to any Portfolio Constituent; and/or

(ii) a Market Disruption Event has occurred in relation to an Reference Future; and/or

(iii) any Exchange or any Related Exchange(s) fails to open for trading during its regular trading session;

"Early Closure" means the closure on any Scheduled Trading Day of the relevant Exchange or Related Exchange in respect of any Portfolio Constituent or, as the case may be, Reference Future, prior to its scheduled closing time unless such earlier closing is announced by such Exchange or Related Exchange(s) at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange or Related Exchange(s) on such Scheduled Trading Day; and (ii) the submission deadline for orders to be entered into the relevant Exchange or Related Exchange(s) system for execution as at the close of trading on the relevant Exchange or Related Exchange(s) on such Scheduled Trading Day;

"Exchange" means, in respect of a Portfolio Constituent, the exchange or quotation system on which that Portfolio Constituent is principally traded, as provided in Table 2 in respect of each Option Contract;

"Exchange Disruption" means any event (other than an Early Closure) that disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for (1) any Portfolio Constituent on the relevant Exchange or (2) any futures or options contracts relating to such Portfolio Constituent on any relevant Related Exchange(s), in each case, as determined by the Calculation Agent;

"Expiring Options" means in respect of any Option Portfolio Business Day, all Portfolio Constituents that are expiring on such Option Portfolio Business Day;

"Exchange Settlement Price" means the settlement price of underlying future as published by the corresponding Exchange;

"Market Disruption Event" means in respect of any Portfolio Constituent and/or any Reference Future , the occurrence or existence of:

(i) a Trading Disruption;

(ii) an Exchange Disruption; or

(iii) an Early Closure;

in each case, which the Calculation Agent determines is material;

"New Options" means in respect of any Option Portfolio Business Day, all the options are initiated according to Section 4 on such Option Portfolio Business Day;

"**Listed Expiration Dates**" means all expiration dates of the corresponding Listed Options available on the Option Chain of the respective Option Contract as of the Scheduled trading Day immediately preceding the relevant Rebalance Day;

"**Listed Options**" means all the options corresponding to the Underlying Future that are listed on the Exchange;

"**Listed Strike Interval**" for each option corresponding to the relevant Option Contract shall have the meaning given to such term in Table 2;

"Live Options" means in respect of any Option Portfolio Business Day, all Portfolio Constituents which are due to expire on or after such Option Portfolio Business Day;

"**Option Chain**" means the option chain for Listed Options as specified by the Exchange on the relevant Scheduled Trading Day;

"**Option Contract**" means the option contract parameters as detailed in Table 2;

"Option Discounting Rate" means for each Option Contract, the Option Discounting Rate specified in Table 1. On any Option Portfolio Business Day "t", the Option Discounting Rate is the value published on the relevant Bloomberg ticker specified in Table 1. If no value is published on the relevant Bloomberg ticker on Option Portfolio Business Day "t", then the last available value shall be used;

"Option Portfolio Business Day" means each Scheduled Trading Day;

"Option Portfolio Commencement Date" means the date as stated in Table 1;

"Option Type" means for each Option Contract, the Option Type specified in Table 2;

"Option Settlement Price" means as defined in Table 2;

"Option Spread" means, the spread charged for trading the relevant option as detailed in Section 4.5;

"Option Strike" means, the strike level of the relevant option as detailed in Section 4.2;

"Option Units" means the number of units traded of the relevant option as detailed in Section 4.4;

"Option Weight" means the weight in the relevant option as detailed in Section 4.3;

"Portfolio Constituents" means in respect of any Option Portfolio Business Day, as of close of such Option Portfolio Business Day all option contracts that have non-zero exposure in the portfolio including the option contracts that are due to expire on such Option Portfolio Business Day;

"Rebalance Day" means each Option Portfolio Business Day which is also a London Business Day;

"Reference Future" means any Underlying Future referenced by, and serving as the underlying of a Portfolio Constituent;

"**Reference Future Intraday Range**" means as provided in Table 1;

"Related Exchange(s)" means in respect of each Reference Future, the exchange or quotation system on which that Reference Future is principally traded, as determined by the Calculation Agent;

"Risk Free Rate" means the Risk Free Rate as provided in Table 1. On any day "t", if Table 1 specifies a Bloomberg Ticker rather than a fixed percentage rate then the Risk Free Rate is the value published on the relevant Bloomberg ticker specified in Table 1. If no value is published on the relevant Bloomberg ticker on day "t", then the last available value shall be used;

"Scheduled Trading Day" means any day on which each Exchange (corresponding to each Live Option) is scheduled to be open for trading for their respective regular trading sessions;

"**Selected Options**" means the relevant Option Contract selected in accordance with Section 4 (*Strategy Composition and Strategy Model*);

"$STDCC$" means Scheduled Trading Day Count Convention as provided in Table 1.

"Trading Disruption" means any suspension or permanent discontinuation of, or limitation imposed on trading in (1) any Portfolio Constituent on the relevant Exchange or (2) any futures or options contracts relating to such Portfolio Constituent on any relevant Related Exchange(s);

"**Underlying Future**" means as provided in Table 2;

Section 3. Option Portfolio Level Calculation

3.1 Option Portfolio Level

At the close of each Option Portfolio Business Day "t", the Option Portfolio Level reflects:

I. the mark-to-market value of all the Current Options in the portfolio;

II. the value of the Synthetic Bond Position as determined in accordance with Section 3.2

On each Option Portfolio Business Day, the Option Portfolio Level (OP_t) will be determined in accordance with the following formula:

$$OP_t = Bond_t + \sum_{i \in L'_t} OptionUnit_i \times \left(OptionVal_{i,t}\right)$$

Where:

"$\boldsymbol{Bond_t}$" means the value of the Synthetic Bond Position on Option Portfolio Business Day t, as determined in accordance with Section 3.2;

"$\boldsymbol{OP_t}$" means the Option Portfolio Level on Option Portfolio Business Day t;

"$\boldsymbol{L'_t}$" represents the set of all Live Options that are not Expiring Options on Option Portfolio Business Day t;

"$\boldsymbol{OptionUnit_i}$" means the number of Option Units with respect to option i, as determined in accordance with Section 4.4; and

"$\boldsymbol{OptionVal_{i,t}}$" means the Valuation of option i on Option Portfolio Business Day t, as determined in accordance with Section 4.8;

3.2 Synthetic Bond Position

On each Option Portfolio Business Day, $Bond$ shall be calculated as follows:

$$Bond_t = Bond_{t-1} \times \left[1 + (RFR_{t-1} - 0.25\%) \times \frac{CD(t,t-1)}{CDCC}\right] + Cash_t^{ExpiringOptions} + Cash_t^{NewOptions} - OP_{t-1} \times Fee \times \frac{CD(t,t-1)}{CDCC}$$

$$Cash_t^{ExpiringOptions} = \sum_{i \in E_t} [OptionUnit_i \times OptionExpirationValue_i] - \sum_{i \in E_t} abs\left[OptionUnit_i \times OptionExpirationCost_{i,t}\right]$$

$$Cash_t^{NewOptions} = -\sum_{i \in N_t} \left[OptionUnit_i \times OptionVal_{i,t}\right] - \sum_{i \in N_t} abs\left[OptionUnit_i \times OptionSpread_{i,t}\right]$$

Where:

"$\boldsymbol{Bond_t}$" means the value of the Synthetic Bond Position on Option Portfolio Business Day t;

"$\boldsymbol{Bond_{t-1}}$" means the value of the Synthetic Bond Position on the Option Portfolio Business Day immediately preceding Option Portfolio Business Day t; In respect of the Option Portfolio Business Day that is the Option Portfolio Commencement Date, this is equal to the Initial Value of the Synthetic Bond Position stated in Table 1;

"$\boldsymbol{Cash_t^{ExpiringOptions}}$" means the cash amount paid/received from options that are expiring on Option Portfolio Business Day t;

"$\boldsymbol{CD(a,b)}$" means the number of Calendar Days from (but excluding) the date 'b' to (and including) the date "a". This function can return negative value if day 'b' occurs after date 'a'.

"$\boldsymbol{CDCC}$" means the Calendar Day Count Convention;

"$\boldsymbol{E_t}$" represents the set of all Expiring Options as of Option Portfolio Business Day t;

"$\boldsymbol{Fee}$" means as provided in Table 1;

"$\boldsymbol{OptionExpirationCost_{i,t}}$" means the Option Expiration Cost of option i as determined in accordance with Section 4.7;

"$\boldsymbol{N_t}$" represents the set of all New Options as of Option Portfolio Business Day t;

"$\boldsymbol{OptionExpirationValue_i}$" means the Option Expiration Value of option i, as determined in accordance with Section 4.6;

"$\boldsymbol{OptionSpread_{i,t}}$" means the Option Spread for trading option i on Option Portfolio Business Day t, as determined in accordance with Section 4.5;

"$\boldsymbol{OptionUnit_i}$" means the number of Option Units with regard to option i, as determined in accordance with Section 4.4;

"$\boldsymbol{OptionVal_{i,t}}$" means the Valuation of option i on Option Portfolio Business Day t, as determined in accordance with Section 4.8;

"$\boldsymbol{RFR_{t-1}}$" means the Risk Free Rate in respect of the Option Portfolio Business Day immediately preceding Option Portfolio Business Day "t".If in respect of Option Portfolio Business Day "t", the Risk Free Rate is not available, then the last available Risk Free Rate shall be used;

Section 4. Strategy Composition and Strategy Model

On each Rebalance Day, new exchange-listed option(s) are initiated corresponding to each Option Contract as outlined Table 2.

The method to select the options (each a "**Selected Option**" and together the "**Selected Options**") along with their respective Option Weights, Option Units and Option Spreads is detailed in this Section 4 (*Strategy Composition and Strategy Model*).

4.1 Option Expiration

On each Rebalance Day and for each Option Contract, the Option Portfolio Business Day that lies on or immediately preceding the calendar day that is after Rebalance Day t by exactly the Target Expiration is defined as the "**Target Expiration Date**".

If such Target Expiration Date coincides with a Listed Expiration Date then only one option is selected for each Option Contract, with such option having an expiration date equal to the Target Expiration Date.

Otherwise, two options are selected for each Option Contract with expiration dates corresponding to the two closest Listed Expiration Dates to the Target Expiration Date enclosing the Target Expiration Date. The nearer option expiration date being the "**Near Expiration Date**" and the farther being the "**Far Expiration Date**".

4.2 Option Strike Level

On each Rebalance Day and for each Option Contract with an expiration date determined in accordance with Section 4.1, the "**Option Strike**" is calculated as follows:

$$Option\ Strike_i = Nearest\left(Target\ Strike_i \times F_{i,t-1}, Listed\ Strike\ Interval_i \right)$$

Where:

"$\boldsymbol{Listed\ Strike\ Interval_i}$" means the "Listed Strike Interval" as detailed for each option i corresponding to an Option Contract in Table 2;

"$\boldsymbol{Nearest(a, b)}$" means the nearest available strike to 'a' that is a multiple of 'b' in the Option Chain of the respective Option Contract as of the Option Portfolio Business Day immediately preceding the current Rebalance Day t. In the event where there are two available strikes (which are multiples of 'b') that are equidistant to 'a', the lower strike is selected; and

"$\boldsymbol{Option\ Strike_i}$" means the strike level with regard to option i;

"$\boldsymbol{Target\ Strike_i}$" means the "Target Strike" as detailed for each option i corresponding to an Option Contract in Table 2; and

"$\boldsymbol{F_{i,t-1}}$" means the value of the Exchange Settlement Price of the Reference Future on the Option Portfolio Business Day immediately preceding Option Portfolio Business Day t;

4.3 Option Weights

On each Rebalance Day and for each Option Contract, the Option Weight for each of the relevant Portfolio Constituent(s) "i" is equal to:

a) If only one option is chosen with an expiration date being the same as the Target Expiration Date then the Option Weight for the relevant option is equal to:

    a. 0% if on Option Portfolio Business Day "t" the relevant Option Valuation adjusted by the Option Spread is less than or equal to 0;

b. 0% if such Rebalancing Day is a Disrupted Day as determined by the Calculation Agent in a commercially reasonable manner;

c. If (a) and (b) are not applicable, then 100%;

b) Otherwise if two options are chosen for each Option Contract with expiration dates enclosing the desired Target Expiration date, then:

a. 0% if such Rebalancing Day is a Disrupted Day as determined by the Calculation Agent in a commercially reasonable manner;

b. If (a) is not applicable, then;

If the Near Expiration Date is less than 7 calendar days after Option Portfolio Business Day t then:

$$Option\ Weight_i^{Near\ Expiration} = 0\%$$

$$Option\ Weight_i^{Far\ Expiration} = \frac{TDD(t, Target\ Expiration\ Date)}{TDD(t, Far\ Expiration\ Date)}$$

If the Near Expiration Date is more than or equal to 7 calendar days after the Option Portfolio Business Day t then:

$$Option\ Weight_i^{Near\ Expiration} = \frac{TDD(Target\ Expiration\ Date, Far\ Expiration\ Date)}{TDD(Near\ Expiration\ Date, Far\ Expiration\ Date)}$$

$$Option\ Weight_i^{Far\ Expiration} = \frac{TDD(Near\ Expiration\ Date, Target\ Expiration\ Date)}{TDD(Near\ Expiration\ Date, Far\ Expiration\ Date)}$$

c. On Option Portfolio Business Day "t" for any chosen option as per (b) above, if the relevant Option Valuation adjusted by the Option Spread is less than or equal to 0 then the Option Weight for that options is overwritten to 0%.

Where:

"$\boldsymbol{TDD(a, b)}$" means the number of Scheduled Trading Days from (and including) date 'a' to (and excluding) date 'b'.

4.4 Option Units

On each Rebalance Day, for each New Option, the *"**Option Units**"* are calculated as follows:

$$OptionUnits_i = Allocation_i \times \frac{OP_{t-1} \times OptionWeight_i}{F_{i,t-1}}$$

Where:

"$\boldsymbol{Allocation_i}$" means the Allocation as detailed for each option i corresponding to an Option Contract in Table 2;

"$\boldsymbol{F_{i,t-1}}$" means the value of the Exchange Settlement Price of the Reference Future on the Option Portfolio Business Day immediately preceding Option Portfolio Business Day t;

"$\boldsymbol{OP_{t-1}}$" means the Option Portfolio Level on the Option Portfolio Business Day immediately preceding Option Portfolio Business Day t;

"$\boldsymbol{OptionUnits_i}$" means the number of units with regard to option i;

"$\boldsymbol{OptionWeight_i}$" means the weight with regard to option i, as determined in accordance with Section 4.3; and

4.5 Option Spread

On each Rebalance Day, for each New Option, the *"**Option Spread**"* will be a charge associated with trading such option. This charge is expressed as a percentage of the option Vega:

$$OptionSpread_{i,t} = F_{i,t} \times \left(\max\left[\frac{Floor_i}{F_{i,t}}, \max\left(Vega\ Ratio\ Min_i\ , Vega\ Ratio\ Scale_i \times \frac{\sigma_{i,t}}{IV\ Barrier_i}\right) \times \frac{Vega_{i,t}}{100 \times F_{i,t}}\right]\right)$$

Where:

"$\boldsymbol{F_{i,t}}$" means the Exchange Settlement Price of the Reference Future on Option Portfolio Business Day t of corresponding option i;

"$\boldsymbol{Floor_i}$" means the Floor detailed for each option i corresponding to an Option Contract in Table 2;

"$\boldsymbol{IV\ Barrier_i}$" means the IV Barrier detailed for each option i corresponding to an Option Contract in Table 2;

"$\boldsymbol{OptionSpread_{i,t}}$" means the Option Spread for trading option i as of Option Portfolio Business Day t;

"$\boldsymbol{Vega_{i,t}}$" means the Vega for option i as of Option Portfolio Business Day t. The calculation of Vega is detailed in Section 4.9.

"$\boldsymbol{Vega\ Ratio\ Min_i}$" means the Vega Ratio Min detailed for each option i corresponding to an Option Contract in Table 2;

"$\boldsymbol{Vega\ Ratio\ Scale_i}$" means the Vega Ratio Scale detailed for each option i corresponding to an Option Contract in Table 2; and

"$\boldsymbol{\sigma_{i,t}}$" means the Implied Volatility for option i as of Option Portfolio Business Day t. The calculation of Implied Volatility is detailed in Section 4.10.

4.6 Option Expiration Value

For each Expiring Option, the *"**Option Expiration Value**"* on the expiration date is calculated as follows:

If $Allocation_i > 0$:

If the Option Type is Call option:

$$OptionExpirationValue_i = max\left(0, F_{i,t} - Option\ Strike_i\right)$$

If the Option Type is Put option:

$$OptionExpirationValue_i = max\left(0, Option\ Strike_i - F_{i,t}\right)$$

Otherwise:

If the Option Type is Call option:

$$OptionExpirationValue_i = max\left(0, \max(F_{i,t}, F_{i,t}^{Max}) - Option\ Strike_i\right)$$

If the Option Type is Put option:

$$OptionExpirationValue_i = max\left(0, Option\ Strike_i - \min(F_{i,t}, F_{i,t}^{Min})\right)$$

Where:

"$\boldsymbol{Allocation_i}$" means the Allocation as detailed for each option i corresponding to an Option Contract in Table 2;

"$\boldsymbol{Option\ Strike_i}$" means the strike level corresponding to the Expiring Option i; and

"$\boldsymbol{F_{i,t}}$" means the Exchange Settlement Price of the Reference Future on expiration date t of corresponding option i;

"$\boldsymbol{F_{i,t}^{min}}$" means the minimum value of the Reference Future over the Reference Future Intraday Range on Option Portfolio Business Day t of corresponding option i as determined in accordance with Section 4.11.

"$\boldsymbol{F_{i,t}^{max}}$" means the maximum value of the Reference Future over the Reference Future Intraday Range on Option Portfolio Business Day t of corresponding option i as determined in accordance with Section 4.11.

4.7 Option Expiration Cost

For each Expiring Option, the "**Option Expiration Cost**" on the expiration date is calculated as follows:

If $Allocation_i > 0$:

If the Option Type is Call option and $F_{i,t}$>$Option\ Strike_{i,t}$:

$$OptionExpirationCost_{i,t} = ExpirationCost_i$$

If the Option Type is Put option and $F_{i,t}$<$Option\ Strike_{i,t}$:

$$OptionExpirationCost_{i,t} = ExpirationCost_i$$

Else if $Allocation_i \leq 0$:

If the Option Type is Call option and $\max(F_{i,t}, F_{i,t}^{Max})$>$Option\ Strike_{i,t}$:

$$OptionExpirationCost_{i,t} = ExpirationCost_i$$

If the Option Type is Put option and $\min(F_{i,t}, F_{i,t}^{Min}) < Option\ Strike_{i,t}$:

$$OptionExpirationCost_{i,t} = ExpirationCost_i$$

Otherwise:

$$OptionExpirationCost_{i,t} = 0$$

"$\boldsymbol{Expiration\ Cost_i}$" means the Expiration Cost detailed for each option i corresponding to an Option Contract as provided in Table 2;

4.8 Option Valuation

On each Option Portfolio Business Day, the "**Valuation**" of each Selected Option is calculated as:

$$OptionVal_{i,t} = OptRefPrice_{i,t} \times DF_{i,t}$$

$$DF_{i,t} = exp\left(ODR_t \times \frac{CD_{i,t}}{CDCC}\right)$$

Where:

"$\boldsymbol{CD_{i,t}}$" means number of calendar days from (and including) Option Portfolio Business Day t up to (and excluding) the expiration date corresponding to option i;

"$\boldsymbol{CDCC}$" means the Calendar Day Count Convention;

"$\boldsymbol{DF_{i,t}}$" means the discount factor corresponding to option i as of Option Portfolio Business Day t;

"$\boldsymbol{OptionVal_{i,t}}$" means the valuation of option i as of Option Portfolio Business Day t;

"$\boldsymbol{OptRefPrice_{i,t}}$" means the Option Reference Price of option i as of Option Portfolio Business Day t as determined in accordance with Section4.11; and

"$\boldsymbol{ODR_t}$" means the value of the Option Discounting Rate as of Option Portfolio Business Day t.

4.9 Option Vega

On each Option Portfolio Business Day, the "**Vega**" of each Selected Option is calculated as:

$$Vega_{i,t} = F_{i,t} \times N'(d1_{i,t}) \times \sqrt{\tau_{i,t}}$$

$$d1_{i,t} = \frac{1}{\sigma_{i,t} \times \sqrt{\tau_{i,t}}}\left[ln\left(\frac{F_{i,t}}{K_i}\right) + \frac{1}{2} \times {\sigma_{i,t}}^2 \times \tau_{i,t}\right]$$

$$\tau_{i,t} = \frac{STD_{i,t}}{STDCC}$$

Where:

"$\boldsymbol{STD_{i,t}}$" means number of Scheduled Trading Days from (and including) Option Portfolio Business Day t up to (and excluding) the expiration date corresponding to option i;

"$\boldsymbol{STDCC}$" means the Scheduled Trading Day Count Convention;

"$\boldsymbol{F_{i,t}}$" means the Exchange Settlement Price of the Reference Future on expiration date t of corresponding option i;

"$\boldsymbol{K_i}$" means the Option Strike corresponding to option i, as determined in accordance with Section 4.2

"$\boldsymbol{N'(x)}$" means the normal probability distribution function of x;

"$\boldsymbol{\tau_{i,t}}$" means the time to expiration of option i as of the Option Portfolio Business Day t;

"$\boldsymbol{Vega_{i,t}}$" means the Black-Scholes vega of option i as of Option Portfolio Business Day t; and

"$\boldsymbol{\sigma_{i,t}}$" means the Implied Volatility corresponding to option i as of Option Portfolio Business Day t, as determined in accordance with Section4.10.

4.10 Implied Volatility

On each Option Portfolio Business Day and for each Selected Option the "**Implied Volatility, $\boldsymbol{\sigma_{i,t}}$**" is calculated by using an optimization function which minimizes the difference between the Option Reference Price of an out-of-the-money option (the "**Reference Option**") to the price derived using the Black-Scholes option pricing formula, calculated as follows:

If $F_{i,t} \leq OptionStrike_i$, the Reference Option used for optimization is a Call option with the same strike and expiration as option i.

If $F_{i,t} > OptionStrike_i$, the Reference Option used for optimization is a Put option with the same strike and expiration as option i.

The Implied Volatility for the option i is then determined by solving the below optimization problem using the Optimization Algorithm as described below, with the result rounded to the fourth decimal, and then rounded to the third decimal:

Minimize the below objective function:

$$\left|BS_{RefOpt,t} - OptRefPrice_{RefOpt,t}\right|$$

Subject to following constraints:

1. Relative/Absolute accuracy: 1e-11
2. $0.1\% \leq \sigma \leq 200\%$
3. Maximum number of iterations: 100

Where:

If the Reference Option is a Call option:

$$BS_{RefOpt,t} = F_{i,t} \times N(d1_{i,t}) - K_i \times N(d2_{i,t})$$

If the Reference Option is a Put option:

$$BS_{RefOpt,t} = K_i \times N(-d2_{i,t}) - F_{i,t} \times N(-d1_{i,t})$$

$$d1_{i,t} = \frac{1}{\sigma \times \sqrt{\tau_{i,t}}}\left[ln\left(\frac{F_{i,t}}{K_i}\right) + \frac{1}{2} \times \sigma^2 \times \tau_{i,t}\right]$$

$$d2_{i,t} = d1_{i,t} - \sigma \times \sqrt{\tau_{i,t}}$$

$$\tau_{i,t} = \frac{STD_{i,t}}{\text{STDCC}}$$

"$\boldsymbol{STD_{i,t}}$" means number of Scheduled Trading Days from (and including) Option Portfolio Business Day t up to (and excluding) the expiration date corresponding to option i;

"$\boldsymbol{STDCC}$" means the Scheduled Trading Day Count Convention;

"$\boldsymbol{F_{i,t}}$" means the Exchange Settlement Price of the Reference Future on Option Portfolio Business date t of corresponding option i;

"$\boldsymbol{K_i}$" means the Option Strike corresponding to option i, as determined in accordance with Section4.2;

"$\boldsymbol{N(x)}$" means the normal cumulative distribution function of x;

"$\boldsymbol{Optimization\ Algorithm}$" means, the NAG nag_opt_one_var_deriv (E04BBC) optimization function;

"$\boldsymbol{OptRefPrice_{RefOpt,t}}$" means the Option Reference Price of the Reference Option as of Option Portfolio Business Day t;

"$\boldsymbol{\tau_{i,t}}$" means the time to expiration of option i as of Option Portfolio Business Day t; and

"$\boldsymbol{\sigma}$" means the current input implied volatility during the optimization process.

4.11 Option Reference Price and, Intraday min and max

4.11.1 Option Reference Price

On each Option Portfolio Business Day, the "**Option Reference Prices**" for both Call and Put options are defined as the relevant Option Settlement Price as published by the Exchange in Table 2. If such a price is not available then it will be determined by the Calculation Agent in good faith and in a commercially reasonable manner.

4.11.2 Intraday min and max

On each Option Portfolio Business Day, the minimum and maximum values of the Reference Future over the Reference Future Intraday Range, as specified in Table 1, will be computed as follows:

$$\boldsymbol{F_{i,t}^{Min} = min_{j=1}^{j=46}[F_{i,j}(t)]}$$

$$\boldsymbol{F_{i,t}^{Max} = max_{j=1}^{j=46}[F_{i,j}(t)]}$$

Where:

"$\boldsymbol{F_{i,j}(t)}$" means, for Option Portfolio Business Day t of corresponding option i, the intraday last traded price at every exact minute of the Reference Future Intraday Range as defined in Table 1.

The last traded price data is sourced from the relevant Exchange as output of the *FIX Tag 270 (MDEntryPx)* field from *EUREX Extended Market Data Interface (EDMI) (FAST encoded FIX messages for EUREX market data).*

This function takes into account all trades that are executed between the starting timestamp (including) and the ending timestamp (excluding) of the relevant sub-period. If there are no trades in this window then the function returns 'NULL' value. In case if a 'NULL' value, the strategy will replace this value by the last traded price outside (and before) the specified sub-period.

" $\boldsymbol{F_{i,1}(t)}$" being the price at the end of the first minute; and

“ $\boldsymbol{F_{i,46}(t)}$” being the price at the end of the fourty sixth minute.

If the min and max cannot be determined using this method the Calculation Agent will determine a value for $\boldsymbol{F_{i,t}^{min}}$ and $\boldsymbol{F_{i,t}^{max}}$ in a commercially reasonable manner.

ANNEX 2

Initiation Date	Strike	Expiry	Put/Call	Option Unit