



Investment Product Guide-

Stock Forward Accumulator/Decumulator

FX Forward Accumulator/Decumulator

**I have read the Investment Product Guide of the above product,
and I acknowledge that I understand its features and risks.**

Signature: _____

Print Name: _____

Date: _____



Warning:

This document covers certain structured products involving derivatives. The investment decision is yours but you should not invest in the structured product unless (i) the intermediary who solicits or recommends the structured product to you/your professional advisor has explained to you and advised you that the structured product is suitable for you having regard to your financial situation, investment experience and investment objectives; and (ii) you fully understand and are willing to assume the risks associated with it.

The contents of this document have not been reviewed by any regulatory authority in Hong Kong and/or Singapore. You are advised to exercise caution when you review the contents of this document. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

This document is being provided for discussion purposes only and it is NOT intended to set forth the definitive terms of any transaction. The terms of any proposed transaction described herein are consequently subject to change without notice.

The products described herein are not registered with the Monetary Authority of Singapore or authorized by the Hong Kong Securities and Futures Commission. Respective selling restrictions apply.

The Bank will provide Product Issuing Programme / Offering Memorandum / Pricing Supplement / Offering Circular / Base Prospectus.

What is a Structured Product?

- ❖ Hybrid tailor-made product that is created to meet investors' specific needs that cannot be met from the standardized financial instruments, by combining several elements to create a single product.
- ❖ Incorporates non-standard strategies such as a combination of basic investments, leverage and/or derivatives, such as options.

Why Structured Product?

- ❖ Structured investments provide investors with exposure to a variety of asset classes while combining a defined level of principal protection, enhanced participation and/or both.
 - ❖ Can be used as an alternative to a direct investment, as part of the asset allocation process to reduce risk exposure of a portfolio, or to utilize the current market trend to enhance return.
-

Derivatives, such as options, are commonly used in Structured Products.

What is an Option?

- ❖ A contract that provides the buyer the right, but not the obligation, to buy or sell a pre-defined amount and at a pre-determined price of a specific security within a predetermined time period.
- ❖ Conversely, the seller is obliged to buy or sell a pre-defined amount and at a pre-determined price of a specific security within a predetermined time period.

Types of Options Commonly Used in Structured Products

- ❖ Asian – With averaging. Options whose payoffs depend on the average value over a period of time.
 - ❖ Quanto – Option currency different to underlying currency. Payout is in different currency to the underlying option.
 - ❖ Cliquet – Payoff depends on periodic reset feature.
 - ❖ Knock-in, Knock-out – Option's existence depends on certain level being reached.
 - ❖ Callable – Investment can be called by Issuer.
 - ❖ Auto-Callable – Investment must be called by Issuer if certain condition being met.
 - ❖ Spread – Payoff linked to relative performance of one underlying versus another.
-

Stock Forward Accumulator / Decumulator (SFA / SFD)

Product Features:

- Investors have the obligation to progressively buy (SFA) or sell (SFD) the underlying stock at a pre-determined level until maturity, if there is NO Knock-Out event.
- Pre-determined strike price is set at a discount (SFA) / premium (SFD) to today's spot reference price.
- Investors will continue to accumulate / decumulate, on a daily basis, the underlying stock at a pre-determined price until the share price reaches the Knock-Out level or maturity.
- Accumulated (SFA) / Decumulated (SFD) shares will be delivered / settled on a monthly basis, normally.
- 2 versions of SFA / SFD – Leveraged (2x) or Non-leveraged (1x).
- Knock-out feature is applied whereby the Accumulator/Decumulator contract will terminate (i.e. the investor will cease accumulate or decumulate any further underlying asset from the knock-out date) when the market price of the underlying asset is at or above the knock-out price (Accumulator), or underlying asset is at or below the knock-out price (Decumulator). The customer's potential profit therefore is capped at the knock-out price.

Suitability:

- Suitable for investors who have a slightly bullish (SFA) / Bearish (SFD) view on the underlying shares and believe that buying (SFA) / selling (SFD) the underlying stock at the pre-determined strike price provides a good investment opportunity over the life of the SFA / SFD.

Worst-case scenario:

- When the share trades below (SFA) / above (SFD) the strike price, investors are obliged to buy (SFA) / sell (SFD) the underlying share at the strike price per specific schedule till maturity at a price higher (SFA) / lower (SFD) than the prevailing market price or even 2 times if it is a Leveraged version and will incur a loss which may be substantial.
- For SFA, investors could lose 100%, or 200% in case of Leverage version, of the notional should the underlying stock goes bankrupt.

Stock Forward Accumulator / Decumulator (SFA / SFD)

Risk Factors:

- Product is NOT principal protected.
- Investors may suffer substantial loss as they are bound by the accumulator contract to take up periodically (e.g. daily) the agreed amount of the underlying asset (at the strike price) when the market price falls below the strike price.
- Investors are unable to sell the unsettled but accumulated shares before the monthly settlement date.
- Investors are subject to the credit risk of the Bank.
- Liquidity risk as the Bank is not obliged to make secondary market
- Longer contract tenor will be associated with higher risks and usually higher costs of early termination
- If unwind before maturity, the unwind price is subject to a number of parameters including but not limited to the movement of stock volatility and level of the underlying stock. The exit costs and losses are usually substantial.
- The product can be called early and investors are exposed to 'reinvestment' risk to the extent that investors cannot reinvest in a similarly attractive new investment.
- The share price of a company could move substantially in particular on corporate specific news/developments and this could pose significant risk to the customers. Stock accumulators involving exposure to a foreign currency, the exchange rate of the relevant foreign currency may go up or down.
- Decumulators is not a hedging tool for Accumulators and vice versa

Additional Risk Factors associated with Margin Trading or use of Credit Facility :

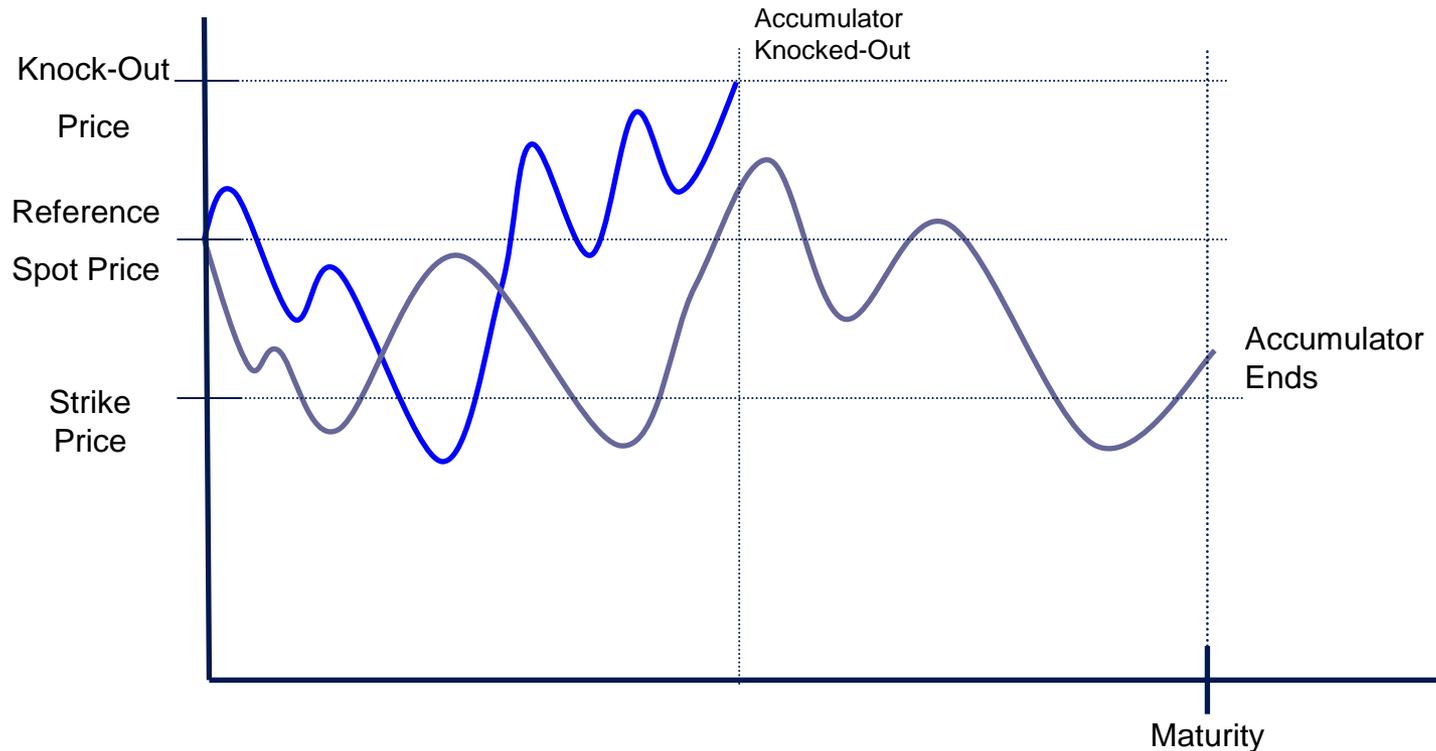
- Investors will need to maintain a relevant margin (The Bank reserves absolute discretion to raise the margin level, and will inform the investors accordingly and promptly) with the Bank during the life of the SFA/SFD. Investors may need to put up additional margin for the SFA if the price of the underlying stock drops below the Strike Price, or for the SFD if the price of the underlying stock rises above the Strike Price.
- Investors will need to pay interest cost for the margin/credit facility and to meet margin calls which require them to make top-up payment to cover the full marked-to-market losses of the remaining period of the contract. When investors fail to meet margin calls, the contracts may be closed out without investors' consent and the investors will have to bear the consequential losses and costs which could be substantial.

Risk Level → 5 (1 to 5, with 5 being the highest).

Stock Forward Accumulator / Decumulator (SFA / SFD)

Stock Forward Accumulator (SFA)

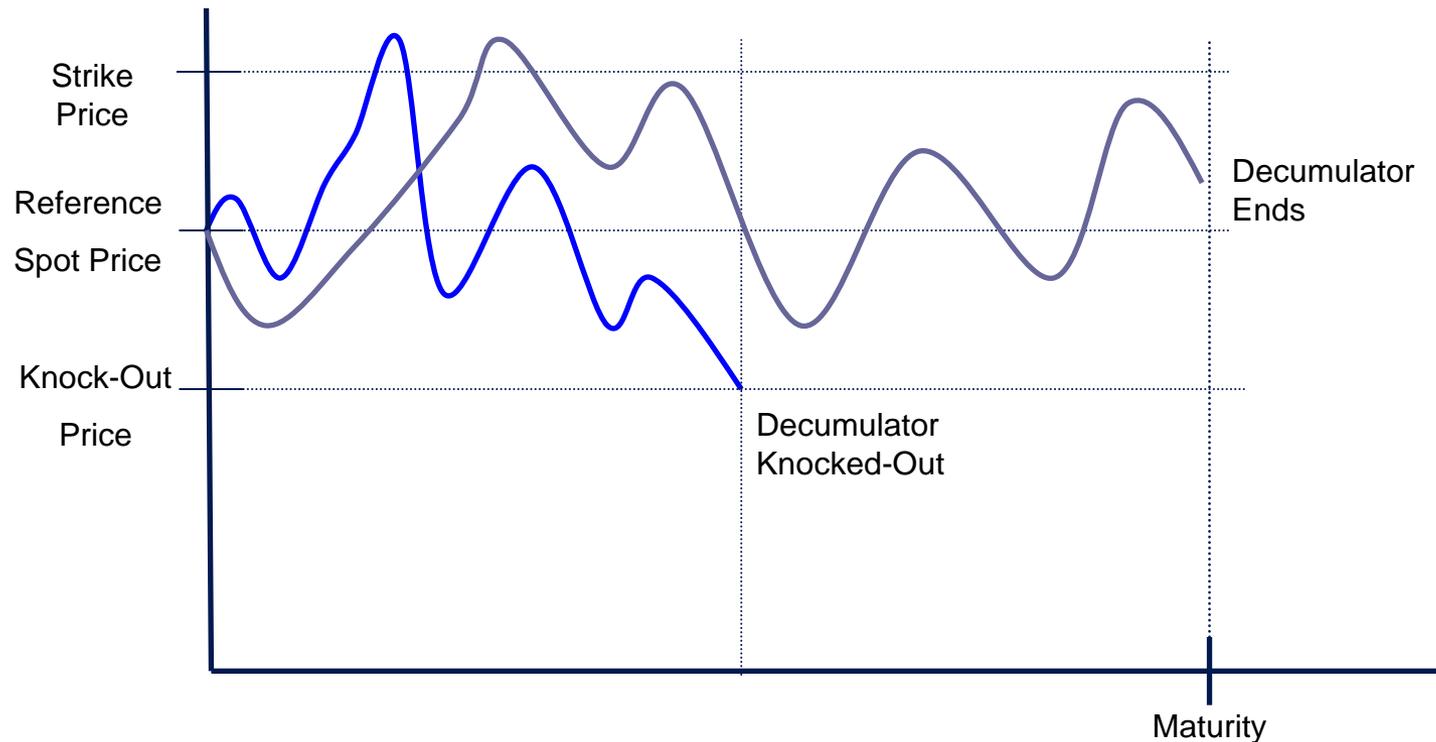
Underlying	Tenor	Indicative Spot Price	Strike Level	Indicative Strike Price	Knock-Out Level	Indicative Knock-Out Price	Leverage
Stock ABC	1Y	HKD 100	88%	HKD 88	105%	HKD 105	2x
Stock ABC	1Y	HKD 100	92%	HKD 92	105%	HKD 105	1x



Stock Forward Accumulator / Decumulator (SFA / SFD)

Stock Forward Decumulator (SFD)

Underlying	Tenor	Indicative Spot Price	Strike Level	Indicative Strike Price	Knock-Out Level	Indicative Knock-Out Price	Leverage
Stock ABC	1Y	HKD 100	112%	HKD 112	95%	HKD 95	2x
Stock ABC	1Y	HKD 100	108%	HKD 108	95%	HKD 95	1x



FX Accumulator / Decumulator Forward

Product Features:

- Allows the investor to progressively buy / sell a currency at a much better rate than the current.
- Allows the investor to enter into FX Accumulator / Decumulator contracts for hedging purpose through careful analysis in determining the Accumulator / Decumulator is indeed a suitable instrument to serve this purpose and if so, whether the maximum exposure of the investor is appropriate for such purpose.
- The settlement depends on 3 parameters defined by the trade:
 - ❖ A fixing reference
 - ❖ A Strike rate
 - ❖ A Barrier rate (KO)
- As soon as the Barrier Rate (KO) trades, accumulation / decumulation stops, investor's potential profit therefore is capped by the Barrier rate (KO).
- The settlement dates for the amount accrued will be pre-determined by a date schedule.
- 2 Types of accumulators:
 - ❖ Boosted (2 times) and Non Boosted.

Suitability:

- Suitable for investors who have a slightly bullish / bearish view on the underlying currency and believe that buying / selling the underlying currency at the pre-determined strike rate provides a good investment opportunity over the life of the FX Accumulator / Decumulator.

Worst-case scenario:

- When the underlying currency trades below / above the strike rate, investors are obliged to buy / sell the underlying currency at the strike rate per specific schedule till maturity at a price higher / lower than the prevailing market price or even 2 times the per fix amount if it is a boosted version and this will incur a loss which may be substantial.
-

FX Accumulator / Decumulator Forward

Risk Factors:

- Product is NOT principal protected.
- Investors may suffer substantial loss as they are bound by the Accumulator / Decumulator contract to buy / sell periodically (e.g. daily) the agreed amount of the underlying currency (at the strike rate) when the market price falls below / goes above the strike rate.
- Investors are subject to the credit risk of the Bank.
- Liquidity risk as the Bank is not obliged to make secondary market
- Longer contract tenor will be associated with higher risks and usually higher costs of early termination.
- If unwind before maturity, the unwind price is subject to a number of parameters including but not limited to the movement of FX volatility and level of the underlying currencies. The exit costs and losses are usually substantial.
- FX Accumulator / Decumulator Forward involves exposure to a foreign currency, the exchange rate of the relevant foreign currency may go up or down.
- Decumulators is not a hedging tool for Accumulators and vice versa

Additional Risk Factors associated with Margin Trading or use of Credit Facility :

- Investors will need to maintain a relevant margin (The Bank reserves absolute discretion to raise the margin level, and will inform the investors accordingly and promptly) with the Bank during the life of the FX Accumulator / Decumulator. Investors may need to put up additional margin for the FX Accumulator / Decumulator if the price of the underlying currency drops below the strike rate.
- Investors will need to pay interest cost for the margin/credit facility and to meet margin calls which require them to make top-up payment to cover the full marked-to-market losses of the remaining period of the contract. When investors fail to meet margin calls, the contracts may be closed out without investors' consent and the investors will have to bear the consequential losses and costs which could be substantial.

Risk Level → 5 (1 to 5, with 5 being the highest).

Margin → 10% of Notional for Non-boosted & 7.5% of maximum boosted Notional for Boosted (subject to changes).

FX Accumulator - 12 Months USDJPY Boosted KO Accumulator Forward - Scenario Analysis

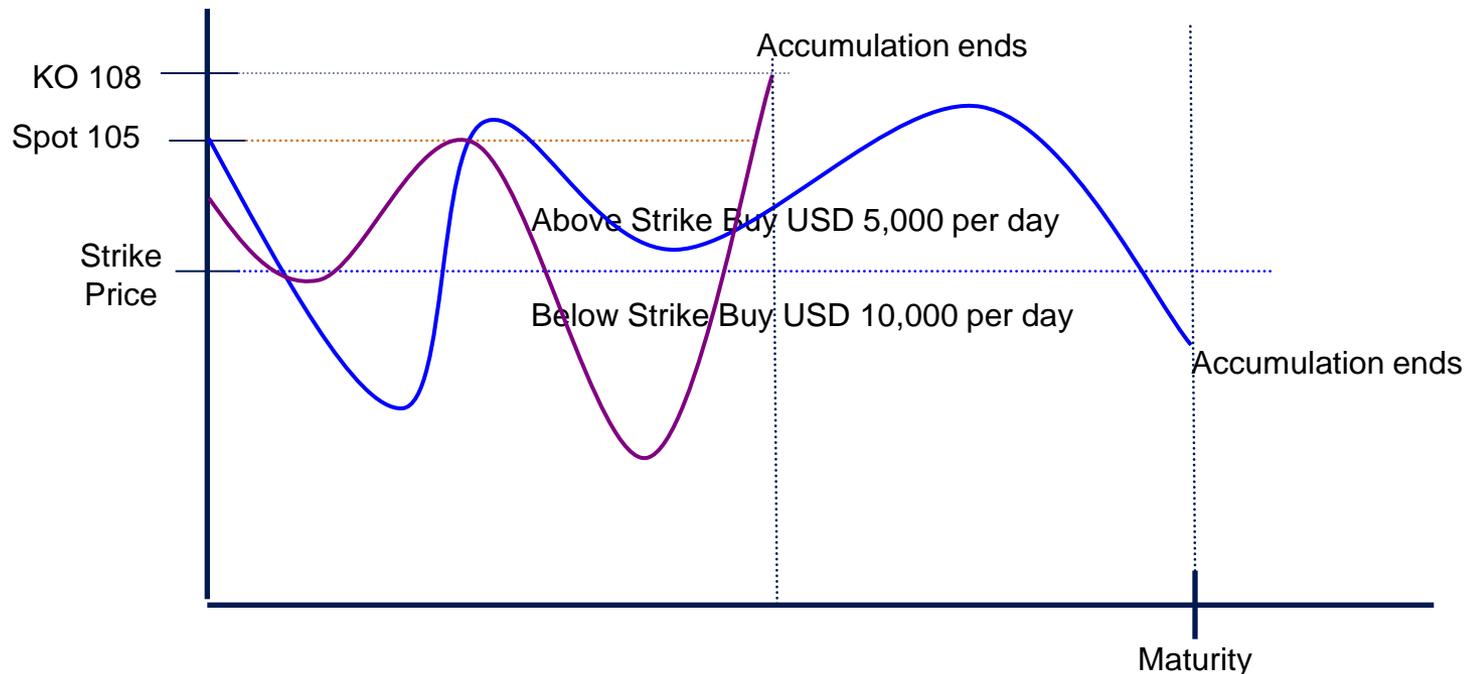
Accumulator type	Spot	Strike	KO	Tenor	Daily amount	Fixing Page	No. of fixing
Boosted Buy USDJPY	105	98	108	1 year	USD 5,000	ECB 37	250

Daily Accumulation:

If fixing ≥ 98 , daily accumulation of USD5,000
If fixing < 98 , daily accumulation of USD10,000

KO Event:

If KO rate is triggered, accumulation stops.



Target Redemption Accumulator/Decumulator (Boosted)



Product features

- Allows the investor to progressively buy / sell a currency at a pre-determined Strike rate.
- The settlement depends on 5 parameters defined by the trade:
 - ❖ A fixing reference
 - ❖ A Strike rate
 - ❖ A Target Redemption Level (Accumulated ITM Intrinsic value)
 - ❖ A Knock Out (KO) Event
 - ❖ Final Strike on KO Event
- The KO Event occurred once a certain amount of accumulated in-the-money intrinsic value is achieved.
- On the last fixing before KO Event, the Final Strike on KO Event will be adjusted such that the cumulative intrinsic value does not exceed the Target Redemption Level.
- The settlement dates for the amount accrued will be pre-determined by a date schedule.

Rationale

- Allows the investor who has a slightly bullish / bearish view to progressively buy / sell a currency at a much better rate than the current.
- Allows investor to accumulate / decumulate a certain amount instead of a premature KO without much accumulation / decumulation in the case of a regular accumulator / decumulator.
- Allows the investor to enter into Target Redemption Accumulator / Decumulator contracts for hedging purpose through careful analysis in determining the Target Redemption Accumulator / Decumulator is indeed a suitable instrument to serve this purpose and if so, whether the maximum exposure of the investor is appropriate for such purpose.

Suitability

- Suitable for investors who have a slightly bullish / bearish view on the underlying currency and believe that buying / selling the underlying currency at the pre-determined strike rate provides a good investment opportunity over the life of the Target Redemption Accumulator / Decumulator.
-

Target Redemption Accumulator/Decumulator (Boosted)



J. SAFRA SARASIN



Sustainable Swiss Private Banking since 1841

This product is a sophisticated financial instrument which may involve a significant degree of risk, including, but not necessarily limited to, Fixing Risk, Volatility Risk, Liquidity Risk and Credit Risk, in particular:

- This product is NOT principal protected.
- Investors are exposed to the unlimited downside risk of the currency pair's fixing rate trading above the Sell Strike Rate (for decumulator) or below the Buy Strike Rate (for accumulator).
- Investors are subject to the credit risk of the Bank.
- Liquidity risk as the Bank is not obliged to make secondary market.
- Longer contract tenor will be associated with higher risks and usually higher costs of early termination.
- If unwind before maturity, the unwind price is subject to a number of parameters including but not limited to the movement of FX volatility and level of the underlying currencies. The exit costs and losses are usually substantial.
- Decumulator is not a hedging tool for Accumulator and vice versa.
- Additional risk factors associated with margin trading or use of credit facility:
 - ❖ Investors will need to maintain a relevant margin with the Bank during the tenure of this product. The amount of margin may be adjusted upwards to reflect any mark-to-market loss and the Bank's exposure in respect of any rise or fall in the currency pair's fixing rate against the Sell Strike Rate (for decumulator) or Buy Strike Rate (for accumulator). The Bank may ascribe a zero collateral value to any margin collateral maintained with the Bank.
 - ❖ Investors will need to pay interest cost for the margin/credit facility and to meet margin calls which require them to make top-up payment to cover the full marked-to-market losses of the remaining period of the contract. When investors fail to meet margin calls, the contracts may be closed out without investors' consent and the investors will have to bear the consequential losses and costs which could be substantial.

Worst-case scenario

- When the currency pair trades below Buy Strike Rate (for accumulator) or above Sell Strike rate (for decumulator), investors are obliged to buy or sell the underlying currency for 2 times the per period amount for boosted version at the strike rate for every fixing date till maturity and this will incur a loss which may be substantial.

Product Risk Classification

- Risk Level 5 (1 to 5, with 5 being the highest)
-

Target Redemption Accumulator (Boosted)



J. SAFRA SARASIN



Sustainable Swiss Private Banking since 1841

Indicative Terms

AUD Buyer	Client
Underlying	AUD-USD (Buy AUD Sell USD)
Tenor	52 weeks
Notional	AUD 520,000 or AUD 10,000 per fixing
Strike	0.7350
Target Redemption Value	0.5000 Big Figures (equivalent of 0.5000 or 5000 points)
Intrinsic Value	In-the-money Intrinsic Value = $\text{Max} [(\text{Per Period AUDUSD Fixing Rate} - \text{Strike Rate}), 0]$ Note: Intrinsic Value has to be positive, can never be less than zero.
Knock-Out (KO Event)	KO event is deemed to have occurred if the accumulated per period In-the-money Intrinsic Value (including the present period) is greater than or equal to 0.5000, such that, KO Event occurs when $\sum_{n1 \text{ to } n12} (\text{Per Period In-the-money Intrinsic Value}) \geq 0.5000$.
Final Strike on KO Event	Upon KO Event occurring, the Strike for the final fixing will be adjusted such that, Final Strike = Final Fixing $j - [50 \text{ big figures less Sum of In-the-money Intrinsic Value at } (j-1)]$.

Calculate KO Event



1) In-the-money Intrinsic Value = $\text{Max}[(\text{Per Period AUDUSD Fixing Rate} - \text{Strike Rate}), 0]$

Example: Strike 0.7350

Week	RBA26 Fixing Rate	Intrinsic Value	
1	0.7900	0.0550	or 5.5 big figures
2	0.7700	0.0350	or 3.5 big figures
3	0.7150	0.0000	
4	0.7000	0.0000	
5	0.8050	0.0700	or 7 big figure

Week 1: $\text{Max}[(0.7900 - 0.7350), 0] = 0.0550$

Week 3: $\text{Max}[(0.7150 - 0.7350), 0] = \text{Max}(-0.020, 0) = 0$

2) KO Event is deemed to have occurred if the Sum or per period In-the-money Intrinsic Value (including the present periods) is greater than or equal to 0.5000

KO Event occurs when $\sum_{n1 \text{ to } n30} (\text{Per Period In-the-money Intrinsic Value}) \geq 0.5000$

Week	RBA26 Fixing Rate	Weekly Intrinsic	Accum Intrinsic Value
1	0.7900	0.0550	0.0550
2	0.7700	0.0350	0.0900
3	0.7150	0.0000	0.0900
4	0.7000	0.0000	0.0900
5	0.8050	0.0700	0.1600
.	.	.	.
.	.	.	.
29	0.7900	0.0550	0.4600
30	0.7850	0.0500	0.5100
Sum of 30 Weeks		0.5100	or 51 big figures

In this case, on week 30, the sum of the in-the-money Intrinsic value is 51, which is more than the pre-agreed value of 50.

Hence, a KO event has occurred.

Calculate Final Strike



3) Upon KO Event occurring, the Strike for the final fixing will be adjusted such that,

$$\text{Final Strike} = \text{Final Fixing } j - [\text{50 big figures less Sum of In-the-money Intrinsic Value at Fixing } (j - i)]$$

Week	RBA26 Fixing Rate	Weekly Intrinsic	Accum Intrinsic Value
1	0.7900	0.0550	0.0550
2	0.7700	0.0350	0.0900
3	0.7150	0.0000	0.0900
4	0.7000	0.0000	0.0900
5	0.8050	0.0700	0.1600
.	.	.	.
.	.	.	.
29	0.7900	0.0550	0.4600
30	0.7850	0.0500	0.5100
Sum of 30 Weeks		0.5100	or 51 big figures

In this case, on week 30, the sum of the in-the-money Intrinsic value is 51, which is more than the pre-agreed value of 50.

Hence, a KO event has occurred.

KO event took place on week 30 (j),
The Sum of in-the-money Intrinsic Value on week 29 (j-1) = 46

The Sum of in-the-money Intrinsic Value on week 30 = 51 , hence, KO Event.

$$\begin{aligned} \text{Final Strike on KO Event (Week 30)} &= 0.7850 - (0.50 - 0.46) \\ &= 0.7450 \end{aligned}$$

What happens if KO Event happens at week 1, say AUDUSD fixing rate on week 1 is 1.2500?

$$\begin{aligned} \text{Final Strike} &= \text{AUDUSD Fixing Rate on Week 1} - 0.5000 \\ &= 1.2500 - 0.5000 \\ &= 0.7500 \end{aligned}$$

Client's maximum gain is equal to the number of big figures set.

Pivot Target Redemption Accumulator (Boosted)



J. SAFRA SARASIN



Sustainable Swiss Private Banking since 1841

Product features

- Allows the investor to progressively buy or sell a currency at a pre-determined Buy Strike rate or Sell Strike rate, depending on the Fixing and Pivot rate.
- The settlement depends on 7 parameters defined by the trade:
 - ❖ A fixing reference
 - ❖ A Lower Strike rate
 - ❖ A Upper Strike rate
 - ❖ A Pivot rate
 - ❖ Target Redemption Value (Accumulated ITM Intrinsic value)
 - ❖ A Knock Out (KO) Event
 - ❖ Final Strike on KO Event (Target Exact)
- The KO Event occurred once a certain amount of accumulated in-the-money intrinsic value is achieved.
- On the last fixing before KO Event, the Final Strike on KO Event will be adjusted such that the cumulative intrinsic value does not exceed the Accumulated ITM Intrinsic value.
- The settlement dates for the amount accrued will be pre-determined by a date schedule.

Rationale

- Allows the investor to buy the currency at a level lower than the current price or sell the currency at a level higher than the current price.

Suitability

- Suitable for investors who expect the currency to remain within range.
-

Pivot Target Redemption Accumulator (Boosted)



J. SAFRA SARASIN



Sustainable Swiss Private Banking since 1841

This product is a sophisticated financial instrument which may involve a significant degree of risk, including, but not necessarily limited to, Fixing Risk, Volatility Risk, Liquidity Risk and Credit Risk, in particular:

- This product is NOT principal protected.
- Investors are exposed to the unlimited downside risk of the currency pair's fixing rate trading above the Sell Strike Rate or below the Buy Strike Rate.
- Investors are subject to the credit risk of the Bank.
- Liquidity risk as the Bank is not obliged to make secondary market.
- Longer contract tenor will be associated with higher risks and usually higher costs of early termination.
- If unwind before maturity, the unwind price is subject to a number of parameters including but not limited to the movement of FX volatility and level of the underlying currencies. The exit costs and losses are usually substantial.
- Pivot Target Redemption is not a hedging tool for Accumulator/ Decumulator and vice versa.
- Additional risk factors associated with margin trading or use of credit facility:
 - ❖ Investors will need to maintain a relevant margin with the Bank during the tenure of this product. The amount of margin may be adjusted upwards to reflect any mark-to-market loss and the Bank's exposure in respect of any rise or fall in the currency pair's fixing rate against the Sell Strike Rate or Buy Strike Rate (as the case may be). The Bank may ascribe a zero collateral value to any margin collateral maintained with the Bank.
 - ❖ Investors will need to pay interest cost for the margin/credit facility and to meet margin calls which require them to make top-up payment to cover the full marked-to-market losses of the remaining period of the contract. When investors fail to meet margin calls, the contracts may be closed out without investors' consent and the investors will have to bear the consequential losses and costs which could be substantial.

Worst-case scenario

- When the currency pair trades below Buy Strike Rate or above Sell Strike rate, investors are obliged to buy or sell the underlying currency for 2 times the per period amount for boosted version at the strike rate for every fixing date till maturity and this will incur a loss which may be substantial.

Product Risk Classification

- Risk Level 5 (1 to 5, with 5 being the highest)
-

Pivot Target Redemption Accumulator (Boosted)



J. SAFRA SARASIN



Sustainable Swiss Private Banking since 1841

Indicative Terms

Underlying	AUD-USD
Tenor	52 weeks
Notional	AUD 520,000 or AUD 10,000 per fixing
Upper Strike (Sell Strike)	0.7950
Pivot Rate	0.7600
Lower Strike (Buy Strike)	0.7000
Accumulated ITM Intrinsic Value (Target Redemption Value)	0.5000 Big Figures (equivalent of 0.5000 or 5000 points)
ITM Intrinsic Value	<ul style="list-style-type: none"> - If the AUDUSD Fixing is at or above Pivot Rate, => In-the-money Intrinsic Value = Max [(Sell Strike – Fixing Rate),0] - If the AUDUSD Fixing is below Pivot Rate, => In-the-money Intrinsic Value = Max [(Fixing Rate – Buy Strike),0] <p>Note: Intrinsic Value has to be positive, can never be less than zero</p>
Knock-Out (KO Event)	<p>KO event is deemed to have occurred when Accumulated ITM Intrinsic Value (including the present Fixing's) is greater than or equal to 50 big figure or 0.5000, such that, KO Event occurs when $\sum_{n1 \text{ to } n52} (\text{In-the-money Intrinsic Value}) \geq 0.5000$</p>
Final Strike on KO Event	<p>Upon KO Event occurring, the Strike for the final fixing will be adjusted such that,</p> <ul style="list-style-type: none"> - If the Fixing is at or above Pivot Rate, Final Strike = Final Fixing j + [50 big figures less Sum of In-the-money Intrinsic Value at (j-1)] - If the Fixing is below Pivot Rate, Final Strike = Final Fixing j - [50 big figures less Sum of In-the-money Intrinsic Value at (j-1)]

Pivot Target Redemption Accumulator (Boosted)



J. SAFRA SARASIN



Sustainable Swiss Private Banking since 1841

The Structure : Pivot + Target Redemption

Pivot Structure

Fixing above Sell Strike: Sell AUD 20,000

----- **Sell Strike 0.7950** -----

Fixing above Pivot & Below Sell Strike : Sell AUD 10,000

Pivot 0.7600

Fixing below Pivot & Above Buy Strike: Buy AUD 10,000

----- **Buy Strike 0.7000** -----

Fixing below Buy Strike: Buy AUD 20,000

Target Redemption Structure

**50 big figure redemption
Knock Out**

-The big figure will determine when
■ the knock out will occur.

-KO once client has accumulated **50 BF**
of profit



Numerical Example



52 Weeks Boosted Pivot Target Redemption, Weekly Fix Weekly Settle

Sell Strike	0.7950
Pivot	0.7600
Buy Strike	0.7000
Target Redemption	50 big figures (5,000 pips or 0.5000)
KO Event	Accumulated Intrinsic Value \geq 50 big figures
Amount	AUD 10,000 X AUD 20,000 per week

What is PIP and Big Figure?

AUDUSD = **0.7000**

Up 1 PIP => **0.7001**

100 PIPs = 1 Big Figure

Week 1: **Fixing Rate 0.7300**

- is below Pivot rate of 0.7600 : Action => Client buys AUDUSD
- is above BUY Strike : **Client buys AUD 10,000 at 0.7000**
- Positive **Intrinsic Value** = Fixing Rate – Buy Strike
= 0.7300 – 0.7000
= **0.0300** (300 pips or 3.00 big figures)

Week 2: **Fixing Rate 0.6800**

- is below Pivot rate of 0.7600 : Action => Client buys AUDUSD
- is below BUY Strike : **Client buys AUD 20,000 at 0.7000**
- **Intrinsic Value** = Fixing Rate – Buy Strike
= 0.6800 – 0.7000
= **-0.0200** (-200 pips) => Only positive value is accrued, this negative value not added in.

Numerical Example



52 Weeks Boosted Pivot Target Redemption, Weekly Fix Weekly Settle

Sell Strike	0.7950
Pivot	0.7600
Buy Strike	0.7000
Target Redemption	50 big figures (5,000 pips or 0.5000)
KO Event	Accumulated Intrinsic Value \geq 50 big figures
Amount	AUD 10,000 X AUD 20,000 per week

Week 3: Fixing Rate 0.7650

- is above Pivot rate of 0.7600 : Action => Client sells AUDUSD
- is below SELL Strike : **Client sells AUD 10,000 at 0.7950**
- Positive **Intrinsic Value** = Sell Strike - Fixing Rate
= 0.7950 – 0.7650
= **0.0300** (300 pips or 3 big figures)

Week 4

Fixing Rate 0.8250

- is above Pivot rate of 0.7600 : Action => Client sells AUDUSD
- is above SELL Strike : **Client sells AUD 20,000 at 0.7950**
- **Intrinsic Value** = Sell Strike - Fixing Rate
= 0.7950 – 0.8250
= **-0.0300** (-300 pips) => Only positive value is accrued, this negative value not added in.

Numerical Example



52 Weeks Boosted Pivot Target Redemption, Weekly Fix Weekly Settle

Sell Strike	0.7950
Pivot	0.7600
Buy Strike	0.7000
Target Redemption	5 big figures (5,000 pips or 0.5000)
KO Event	Accumulated Intrinsic Value \geq 50 big figures
Amount	AUD 10,000 X AUD 20,000 per week

Let say...

- **Accumulated Intrinsic Value = 48 big figures(4,800 pips or 0.4800) as of Week 14 (from Week 1 to Week 14)**

Week 15:

Fixing Rate 0.7300

- Fixing is below Pivot rate of 0.7600 : Action => Client buys AUDUSD
- Positive **Intrinsic Value** = Fixing Rate – Buy Strike
= 0.7300 – 0.7000
= **0.0300** (300 pips or 3.00 big figures)

Accumulated Intrinsic Value = 4,800 + 300 = 5,100 => KO Event Occurs!

- Fixing is above BUY Strike : **Client buys AUD 10,000**
- **Final Strike** = Fixing Rate of Fixing j - [0.5000 – Accumulated ITM Intrinsic Value at Fixing (j-1)].
= Fixing Rate Week 15 - [0.5000 – Accumulated ITM Intrinsic Value at week 14]
= 0.7300 – [0.5000 – 0.4800]
= **0.7100**

So on Week 15, Client Buys AUD 10,000 at 0.7100, Pivot Target Accumulator has Knocked Out.

Numerical Example



52 Weeks Boosted Pivot Target Redemption, Weekly Fix Weekly Settle

Sell Strike	0.7950
Pivot	0.7600
Buy Strike	0.7000
Target Redemption	50 big figures (5,000 pips or 0.5000)
KO Event	Accumulated Intrinsic Value \geq 50 big figures
Amount	AUD 10,000 X AUD 20,000 per week

Let say...

Accumulated Intrinsic Value = 48 big figures(4,800 pips or 0.4800) as of Week 14

Alternative Week 15 Scenario:

Fixing Rate 0.7550

- Fixing is above Pivot rate of 0.7000 : Action => Client sells AUDUSD
- Positive **Intrinsic Value** = Sell Strike – Fixing Rate
= 0.7950 – 0.7550
= **0.0400** (400 pips or 4 big figures)

Accumulated Intrinsic Value = 4,800 + 400 = 5,200 => KO Event Occurs

- Fixing is below SELL Strike : **Client Sells AUD 10,000**
- **Final Strike** = Fixing Rate of Fixing j + [0.5000 – Accumulated ITM Intrinsic Value at Fixing (j-1)].

= Fixing Rate Week 15 + [0.5000 – Accumulated ITM Intrinsic Value at week 14]

= 0.7550 + [0.5000 – 0.4800]
= **0.7750**

So on Week 15, Client Sells AUD 10,000 at 0.7750, Pivot Target Accumulator has Knocked Out.

Numerical Example



52 Weekly Fix Weekly Settle Boosted Pivot Target Redemption Target Profit: 5,000 pips

Fixing	Buy Strike	Pivot	Sell Strike	Fixing Rate	Action	Profit	Accumulated intrinsic Value	Target
Week 1	0.7000	0.7600	0.7950	0.7500	Buy 1 @ 0.7000	500 PIPS	500 PIPS	5,000 PIPS
Week 2	0.7000	0.7600	0.7950	0.6800	Buy 2 @ 0.7000	-200 PIPS	500 PIPS	5,000 PIPS
Week 3	0.7000	0.7600	0.7950	0.7400	Buy 1 @ 0.7000	400 PIPS	900 PIPS	5,000 PIPS
Week 4	0.7000	0.7600	0.7950	0.7700	Sell 1 @ 0.7950	250 PIPS	1,150 PIPS	5,000 PIPS
Week 5	0.7000	0.7600	0.7950	0.8250	Sell 2 @ 0.7950	-300 PIPS	1,150 PIPS	5,000 PIPS
Week 6	0.7000	0.7600	0.7950	0.8150	Sell 1 @ 0.7950	200 PIPS	1,350 PIPS	5,000 PIPS
.
.
.
Week 14	0.7000	0.7600	0.7950	0.8250	Sell 1 @ 0.7950	300 PIPS	4,800 PIPS	5,000 PIPS
Week 15	0.7000	0.7600	0.7950	0.7300	Buy 1 @ 0.7100	300 PIPS	5,100 PIPS	5,000 PIPS

5,000 pips Target reached, Structure Knocks-Out On Week 15

Client will BUY AUD 1x at the Final Strike = Fixing Rate Week 15 - [0.5000 – Accumulated ITM Intrinsic Value at week 14]
 = 0.7300 – [0.5000 – 0.4800]
 = 0.7100

At or around 15:00 Tokyo time on each Fixing Date (JPNU Fixing),

Has the KO Event occurred?

YES



- If the respective AUDUSD Fixing Rate occurs at or above the Pivot Rate of 0.7600, Client will sell AUD 10,000 against USD at the Final Strike on KO Event Trigger.

- If the respective AUDUSD Fixing Rate occurs below the Pivot Rate of 0.7600, Client will buy AUD 10,000 against USD at the Final Strike on KO Event Trigger.

NO



If the respective AUDUSD Fixing Rate occurs at or above the Pivot Rate of 0.7600, and:

- If the respective AUDUSD Fixing Rate occurs at or below the Sell Strike Rate of 0.7950, Client will sell AUD 10,000 against USD at the Sell Strike Rate of 0.7950.

- If the respective AUDUSD Fixing Rate occurs above the Sell Strike Rate of 0.7950, Client will sell AUD 20,000 against USD at the Sell Strike Rate of 0.7950.

OR



If the respective AUDUSD Fixing Rate occurs below the Pivot Rate of 0.7600, and:

- If the respective AUDUSD Fixing Rate occurs at or above the Buy Strike Rate of 0.7000, Client will buy AUD 10,000 against USD at the Buy Strike Rate of 0.7000.

- If the respective AUDUSD Fixing Rate occurs below the Buy Strike Rate of 0.7000, Client will buy AUD 20,000 against at the Buy Strike Rate of 0.7000.



Important legal information

This document has been prepared by the Financial Strategies Advisory department ("FSA") of Bank J. Safra Sarasin Ltd, Switzerland, (hereafter the "Bank") for information purposes only. It is not the result of financial research conducted by the Bank's research department nor the result of any other detailed due diligence conducted by the Bank. Although it may contain quotes of research analysts or quote research documents, this document cannot be considered as investment research or a research recommendation for regulatory purposes as it does not constitute substantive research or analysis. Therefore the "Directives on the Independence of Financial Research" of the Swiss Bankers Association do not apply to this document. Any views, opinions and commentaries in this document (together the "Views") are short/mid-term FSA views and may differ from those of the Bank's research or other departments. The Bank may make investment decisions or take proprietary positions that are inconsistent with the Views expressed herein. It may also provide advisory or other services to companies mentioned in this document resulting in a conflict of interest that could affect the Bank's objectivity. While the Bank has taken steps to avoid or disclose, respectively, such conflicts, it cannot make any representation in such regard. You acknowledge and agree with such potential conflicts of interests.

The information, opinions and estimates contained in this document are for information purposes only. The Views contained in this document are those of the FSA as per the date of writing and may be subject to change without notice. This document is based on publicly available information and data (the "Information"). The Bank has not verified and is unable to guarantee the accuracy and completeness of the Information contained herein. Possible errors or incompleteness of the Information do not constitute legal grounds (contractual or tort) for the recipient to bring an action against the Bank. In particular, neither the Bank nor its shareholders and employees shall be liable for the information, opinions and estimates contained in this document. Certain investments and/or financial instruments contained herein may involve the use of leveraging, the use of derivative instruments, exposure to emerging markets or potentially volatile markets and can therefore be subject to significantly higher risks and may not be suitable for all investors. The value of, the income from, the annualised returns of or the projected returns of such investments may fluctuate and/or be affected by economic, financial and political factors, including interest and exchange rates, market volatility and market conditions.

Any prices set out in this document are for indicative and/or illustrative purposes only and may vary in accordance with market fluctuations and other market circumstances.

Unless specifically agreed, the principal amount invested is not guaranteed and investors may end up receiving either (i) an amount less than the principal amount invested or (ii) securities with a value substantially below that of the principal amount invested. No assurance (whether express or implied) is given to the effect that any of the issuer, the guarantor or any of their affiliates will make a market in the product, nor that there will be a secondary market in such product. The value of the product also depends on the ability of the issuer and the guarantor, if applicable, to perform their obligations thereunder.

This document is not intended to, and does not, provide individually tailored investment advice. It has been prepared without taking into account the objectives, financial situation or needs of particular investors. When you acquire an investment or product, unless the Bank has specifically solicited or advised you to acquire an investment or product, you give your orders or instructions in reliance on your own judgment, taking into account your overall financial situation, composition of your investment portfolio and your other assets, your investment objectives, attitude to risk, performance aspiration, tolerance to possible capital loss, liquidity requirements and any matters which you consider to be appropriate. The Bank does not make any representation or assess the suitability of such investment or product. Further, the Bank makes no representation as to their future performance. Nothing in this document constitutes investment, legal, accounting or tax advice, or a representation that any investment or strategy is suitable or appropriate for an investor's individual circumstances, or otherwise constitutes a personal recommendation for any specific investor. Before entering into any transaction or acquiring any product, you should independently assess with your professional advisers the specific risks relating to such transaction or product, such as maximum losses which the investor may incur, currency risks as well as any legal, regulatory, credit, tax (including the legal and tax regimes in the countries of your citizenship, residence, domicile and/or place of incorporation (as the case may be) and any applicable exchange control regulations) and accounting consequences arising from entering into any transactions or purchasing any products. Direct investments in U.S. securities may expose the investor to U.S. taxation (e.g. U.S. estate tax) and may lead to U.S. taxation of the investor even in cases where the investor is not domiciled in the U.S. and/or does not have U.S. person status.

Investments in services and products mentioned in this document should only be made after a thorough reading of the available product/services documentation, in case of mutual funds especially the Key Investor Information Document. The Bank will make available the relevant issuer's product documentation to facilitate you to understand the relevant transaction or product.

Past performance is not an indication of current or future performance. The return of a financial instrument may go down as well as up due to changes in rates of exchange between currencies. The Bank does not assume any liability, neither explicit nor implicit for the future performance of a financial instrument.



The Bank may receive commissions or fees for placement or distribution of financial products either as an initial charge and/or as ongoing fees during the holding period of the financial products. Such commissions or fees are considerations for services rendered by the Bank to the issuers and managers of the financial products, including but not limited to the use of the Bank's distribution channel. Investors acknowledge that the Bank may receive and keep such commissions and fees and that such commissions and fees will not be passed on to investors. Although measures are taken to avoid or limit conflicts of interest, the Bank cannot guarantee that such conflicts of interest will not occur. Specifically, the prospect of receiving, or the receipt of, commissions and fees described above may provide the Bank with an incentive to favour sales of certain financial products over others to which the Bank does not receive such commissions or fees, or receive lower commissions or fees. You acknowledge and agree that the Bank may receive such commissions or fees. This document may only be distributed in countries where its distribution is legally permitted. This information is not directed to any person in any jurisdiction where (by reason of that person's nationality, residence or otherwise) such offering is prohibited. Consequently, services and/or products mentioned in this document may not be available in all countries. Interested parties should contact the local J. Safra Sarasin Group-representative to be informed about the services and products available in their country of residence.

This document is disseminated as follows:

Switzerland: In Switzerland this document is distributed by Bank J. Safra Sarasin Ltd, regulated by the Swiss Financial Market Supervisory Authority FINMA. All investment funds mentioned in this document are approved for distribution in Switzerland. Structured products do not constitute a participation in such investment funds. Therefore, they are not supervised by the Swiss Financial Market Supervisory Authority FINMA and the investor does not benefit from the specific protection provided under the Swiss Federal Act on Collective Investment Schemes. This document is not a simplified prospectus as stated in Art. 5 of the Swiss Federal Act on Collective Investment Schemes.

Monaco: Bank J. Safra Sarasin (Monaco) SA, an institution regulated by the Minister of State for Monaco and the Bank of France, is sending to its clients this document prepared by the Bank.

Luxembourg: This marketing document has been prepared by Bank J. Safra Sarasin Ltd (the "Swiss Bank"), a sister company of Banque J. Safra Sarasin (Luxembourg) S.A. (the "Luxembourg Bank"), having its registered office at 10a, Boulevard Joseph II, L-1840 Luxembourg, which is subject to the supervision of the *Commission de surveillance du secteur financier* - CSSF on the basis of information at the disposal of the Swiss Bank or at the disposal of the other entities mentioned in the present document.

This document is not the result of a substantive research or financial analysis and does not constitute investment research or research recommendation, notably within the meaning of the second paragraph of Article 27 of the Grand-Ducal Regulation of 13 July 2007 relating to organisational requirements and rules of conduct in the financial sector, for the person to whom it is addressed. This document constitutes only general information material for the personal use of the intended recipient to whom it is communicated.

United Kingdom: This document is prepared by the Bank. It is a financial promotion for the purposes of section 21 of the Financial Services and Markets Act 2000 (FSMA) and has been approved for distribution in the UK by Bank J. Safra Sarasin (Gibraltar) Ltd. Rules made by the UK Financial Conduct Authority under the FSMA for the protection of retail clients do not apply to services provided by members of the J. Safra Sarasin Group outside the UK and both the Gibraltar Investor Compensation Scheme and the UK Financial Services Compensation Scheme will not apply.

Singapore:

Important Notice

Warning: The contents of this document and the investments contained herein have not been reviewed, registered or authorized, by any regulatory authority in Singapore. You are advised to exercise caution in relation to the investment(s) detailed in this document. If you are in doubt about any of the matters detailed herein, you should obtain independent professional advice.



Derivatives Warning

The investment(s) detailed in this document may involve certain structured product(s) containing derivatives, in which event the investment decision is yours but you should not invest in the investment detailed herein unless (i) the intermediary who solicits or recommends the structured products to you/your professional advisor has explained to you and advised you that the structured products are suitable for you having regard to your financial situation, investment experience and investment objectives; and (ii) you fully understand and are willing to assume the risks associated with them.

Singapore Selling Restriction

This document and related documents may not be distributed or circulated to, and the investment(s) mentioned herein may not be offered or sold or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public in Singapore other than (i) to an institutional investor specified in Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275 of the SFA, and in accordance with the conditions specified in Section 275 of the SFA 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, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the products pursuant to an offer made under Section 275 except: (1) to an institutional investor (for corporations under Section 274 of the SFA) or to a relevant person as defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA; (2) where no consideration is or will be given for the transfer; or (3) where the transfer is by operation of law.

This document is prepared and issued by Bank J. Safra Sarasin Ltd but distributed by its Singapore branch in the conduct of its business in Singapore. Bank J. Safra Sarasin Ltd, Singapore Branch is an exempt financial adviser under the Singapore Financial Advisers Act (Cap. 110), an offshore bank licensed under the Singapore Banking Act (Cap. 19) and regulated by the Monetary Authority of Singapore.

Bank J. Safra Sarasin, Singapore Branch has obtained an exemption under Section 100(2) of the Financial Advisers Act, Chapter 110 of Singapore, in respect of the provision of financial advisory services to its clients who are "high net worth individuals"; - specific reference is hereby made to Clause 39 of the Conditions for Account Opening and Maintenance in relation to, and which sets out, the said exemptions that Bank J. Safra Sarasin, Singapore Branch may rely upon.

Hong Kong:

Important Notice

Warning: The contents of this document and the investments contained herein have not been reviewed, registered or authorized, by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the investment(s) detailed in this document. If you are in doubt about any of the matters detailed herein, you should obtain independent professional advice.

Derivatives Warning

The investment(s) detailed in this document may involve certain structured product(s) which involves derivatives. Do not invest in such structured product(s) unless you fully understand and are willing to assume the risks associated with it/them. If you are in any doubt about the risks involved in the product(s), you may clarify with the Bank, Hong Kong branch or seek independent professional advice.



This document is prepared and issued by Bank J. Safra Sarasin Ltd but distributed by each of its branches in Singapore and Hong Kong in the conduct of their respective businesses in Singapore and Hong Kong. Bank J. Safra Sarasin Ltd, Hong Kong Branch is a licensed bank under the Hong Kong Banking Ordinance (Cap. 155 of the laws of Hong Kong) and a registered institution under the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) (CE Number AHX 499) to carry out Types 1 (dealing in securities) and 4 (advising on securities) regulated activities as defined under the Securities and Futures Ordinance.

Hong Kong Selling Restriction

This document and its contents are not intended and shall not in any way be construed as an offer or solicitation to the public in Hong Kong for the purchase or sale of any securities, regulated investment agreement or collective investment scheme. This document has not and will not be registered or authorized (whether by the Securities and Futures Commission or otherwise) in Hong Kong nor has its content been reviewed by any regulatory authority in Hong Kong. Accordingly, unless permitted by the securities laws of Hong Kong, (i) in the case of any product herein being a share or debenture of a company, no person may issue or cause to be issued this document in Hong Kong, other than to persons who are "professional investors" as defined in the Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong) and any rules made thereunder or in circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that Ordinance; and other cases, no investment agreement or collective investment scheme, whether in Hong Kong or (ii) in elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong, other than with respect to securities, regulated investment agreement or collective investment scheme which 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 and any rules made thereunder. If an investor is in doubt about any of the contents of this document, the investor should obtain independent professional advice.

Bahamas: This document is distributed to private clients of Bank J. Safra Sarasin (Bahamas) Ltd and is not intended for distribution to persons designated as a Bahamian citizen or resident under the Bahamas Exchange Control Regulations.

Panama: This document is presented, based solely on public information openly available to the general public, by J. Safra Sarasin Asset Management S.A., Panama.

Qatar Financial Centre (QFC): This document is only intended to be distributed by Bank J. Safra Sarasin (QFC) LLC, Qatar ("BJSSQ") from QFC to Business Customers as defined by the Qatar Financial Centre Regulatory Authority (QFCRA) Rules. Bank J. Safra Sarasin (QFC) LLC is authorized by QFCRA.

This document may also includes a collective investment scheme (Fund) that is not registered in the QFC or regulated by the Regulatory Authority. Any issuing document / prospectus for the Fund, and any related documents, have not been reviewed or approved by the Regulatory Authority. Investors in the Fund may not have the same access to information about the Fund that they would have to information of a fund registered in the QFC; and recourse against the Fund, and those involved with it, may be limited or difficult and may have to be pursued in a jurisdiction outside the QFC.

Dubai International Financial Centre (DIFC): This document is only intended to be distributed by Bank J. Safra Sarasin Asset Management (Middle East) Ltd ("BJSSAM") from DIFC to professional clients as defined by the DFSA. BJSSAM is duly authorised and regulated by DFSA. If you do not understand the contents of this document you should consult an authorised financial adviser. This document may also include Funds which are not subject to any form of regulation or approval by the Dubai Financial Services Authority ("DFSA"). The DFSA has no responsibility for reviewing or verifying any Issuing Document or other documents in connection with these Funds. Accordingly, the DFSA has not approved the Issuing Document or any other associated documents nor taken any steps to verify the information set out in the Issuing Document, and has no responsibility for it. The Units to which the Issuing Document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on the Units.

The entire content of this document is protected by copyright law (all rights reserved). The use, modification or duplication in whole or part of this document is only permitted for private, non-commercial purposes by the interested party. When doing so, copyright notices and branding must neither be altered nor removed. Any usage over and above this requires the prior written approval of the Bank. The same applies to the circulation of this document. Third party data providers make no warranties or representation of any kind relating to the accuracy, completeness or timeliness of the data provided and shall have no liability for any damages of any kind relating to such data.