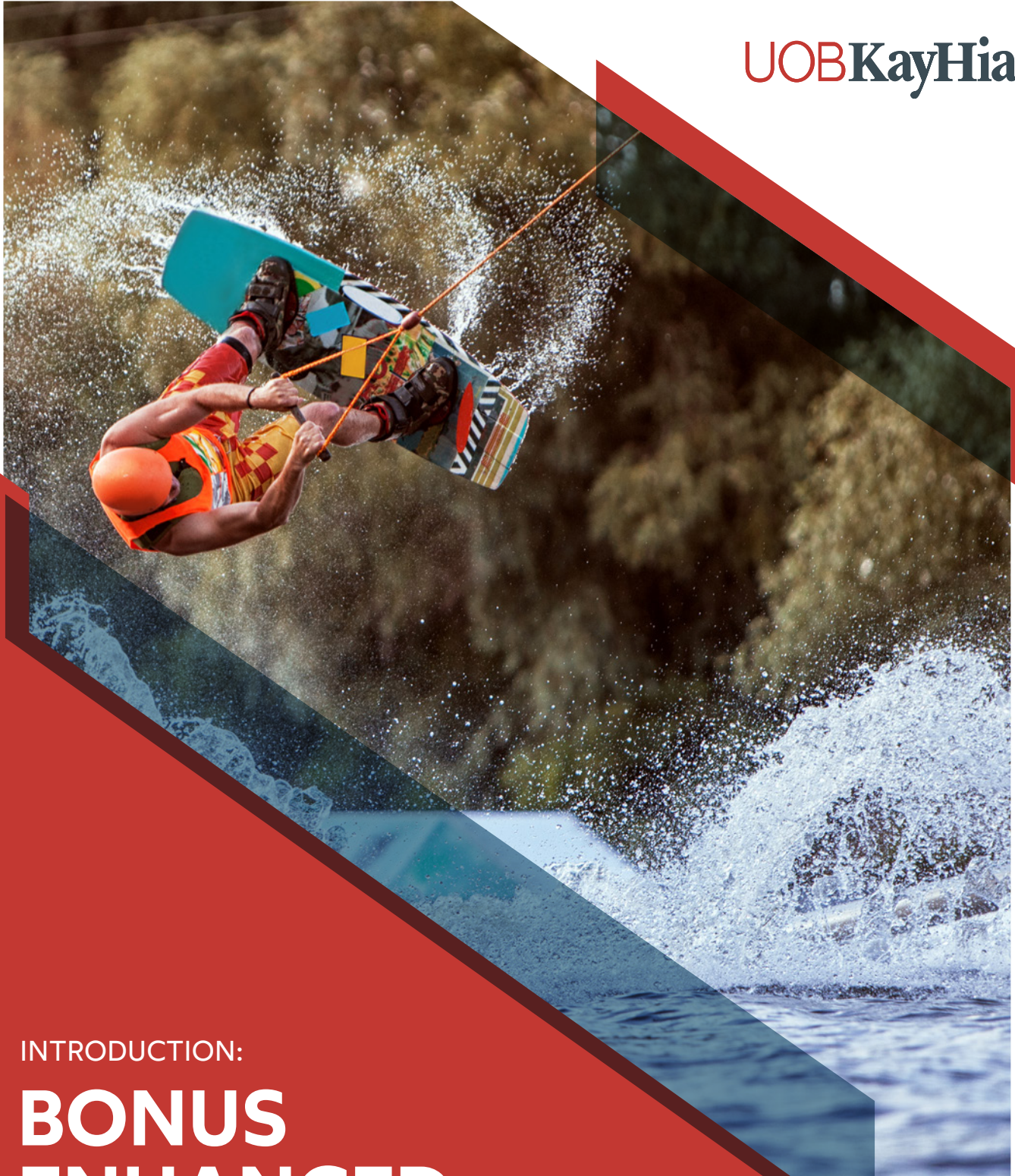


UOBKayHian



INTRODUCTION:

BONUS ENHANCED NOTE

CONTENT

PRODUCT DESCRIPTION

1

3 POSSIBLE INVESTMENT OUTCOMES

2

ILLUSTRATIONS OF POSSIBLE OUTCOMES

■ OUTCOME 1

3

■ OUTCOME 2

4

■ OUTCOME 3

5

BENEFITS & RISKS / ADDITIONAL INFORMATION

6

Disclaimer

The investment products mentioned in the information herein are sophisticated investment products that carry significant risks and are not suitable for persons who do not comprehend the product or are risk averse. They are subject to investment risks, including market risk, credit risk, liquidity risk and the possible loss of the principal amount invested. The information contained herein does not purport to identify all of the risks (direct or indirect) or other material considerations which may be associated with any person entering into the transaction. Prior to entering into the transaction, any person in receipt of the information should have determined, without reliance upon UOB Kay Hian Pte Ltd ("UOBKH") or its affiliates, the economic risks and merits, as well as the financial, legal, tax, accounting or other material characterizations and consequences of the transaction and that the person is able to assume these risks. The person should consider carefully and exercise caution in making any trading decision whether or not he has received advice from any financial adviser.

PRODUCT DESCRIPTION

Bonus Enhanced Note (BEN) is a product that allows investor to:

- Select 2 or more stocks that they are prepared to invest in at a discount to the market price on trade date;
- Where the investment price is a predetermined price commonly known as **strike price**.
- Receive the worst-performing stock (WPS) at a predetermined strike price which is at a discount to the market price on trade date.

BEN payout is determined on its single **observation date** where the investor gets the opportunity to receive:

- **Bonus Coupon** (Outcome 1)
- **Additional Yield** (Outcome 2)
- **Worst-performing Stock** (Outcome 3)

■ STRIKE PRICE

The predetermined purchase price at which the issuer will deliver the worst-performing stock to the investor when the stock price is below the strike price.

■ OBSERVATION DATE

Predetermined date where the stocks' closing price(s) on observation date is/are compared to the knock-out level, knock-in level, strike level, if applicable.

■ BONUS COUPON

The predetermined one-time payment which is awarded to investors at maturity when all of the stock prices are higher than the strike price on the final observation date.

■ ADDITIONAL YIELD

Upside performance of the worst-performing stock that exceeds the predetermined bonus coupon.

■ TENOR

The length of time that the product is valid for.

INVESTMENT OUTCOMES

OUTCOME

1

- Occurs when all of the underlying stocks close at or above its strike price on observation date.
- Investor receives:
 - 100% of the invested amount
 - Predetermined Bonus Coupon
- Minimum payout scenario of the BEN where the client receives the predetermined bonus coupon.

OUTCOME

2

- Occurs when all of the underlying stocks close at or above strike price, **and**, the percentage of price gain of the worst-performing stock is higher than the predetermined bonus coupon on observation date.
- Investor receives:
 - 100% of the invested amount
 - **Additional yield gained from the worst-performing stock.**
- **Maximum payout scenario of the BEN where the client receives the upside performance of the worst-performing stock that exceeds the predetermined bonus coupon.**

OUTCOME

3

- Occurs when either one of the stocks closes below its strike price on observation date.
- Investor receives:
 - Worst-performing stock purchased at the strike price.
 - No Bonus Coupon
- Investors will incur a paper loss in the investment at maturity of the BEN.

OUTCOME 1

LET US ASSUME THAT AN INVESTOR INVESTS **\$100,000** TO PURCHASE A **BEN**



Invested Amount:
\$100,000



Maturity:
6 Months

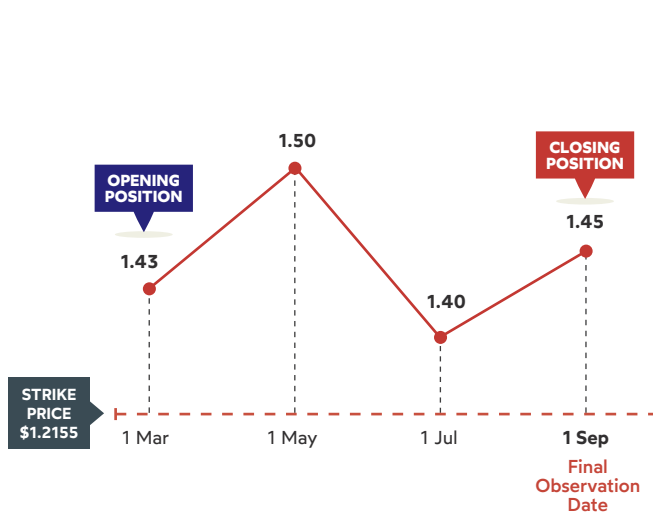


Observation Date:
1 September 2022

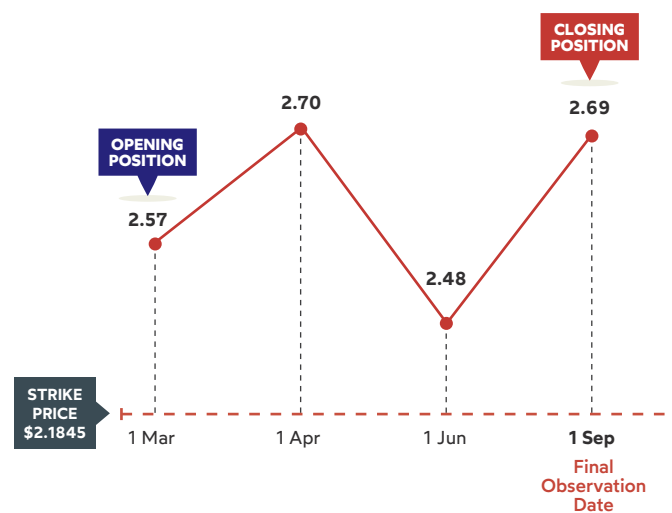


Bonus Coupon:
25%

STOCK A



STOCK B



Worst Performer	Gain of Worst Performer (Closing Position Price/ Opening Position Price) -1	Is Worst Performer at or above strike price?
Stock A	$(\$1.45 / \$1.43) - 1 = 1.398\%$	Yes

Investor will earn the bonus coupon as the stocks are above the strike price.

WHAT DOES THE INVESTOR RECEIVE AT THE END OF THE INVESTMENT?

$$\begin{aligned}
 \text{Total Amount Investor Receives} &= \text{Invested Amount} + \text{Bonus Coupon} \\
 &= \$100,000 + (25\% \times \$100,000) \\
 &= \$100,000 + \$25,000 = \$125,000
 \end{aligned}$$

OUTCOME 2

LET US ASSUME THAT AN INVESTOR INVESTS **\$100,000** TO PURCHASE A **BEN**



Invested Amount:
\$100,000



Maturity:
6 Months

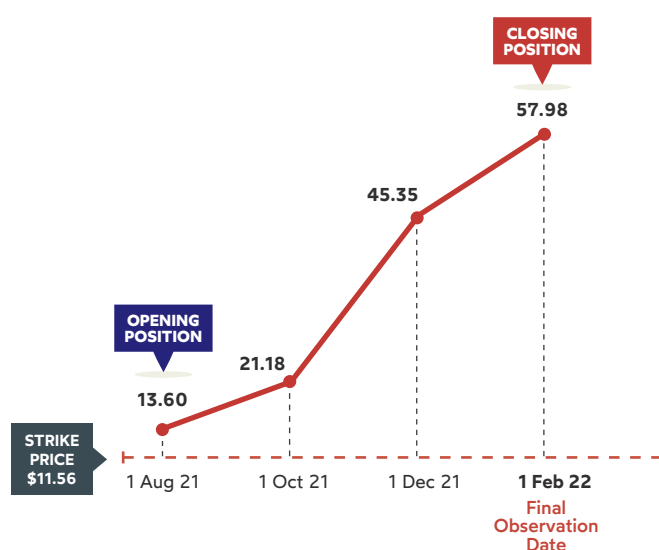


Observation Date:
1 February 2022



Bonus Coupon:
25%

STOCK C



STOCK D



Worst Performer	Gain of Worst Performer (Closing Position Price / Opening Position Price) -1	Is Worst Performer at or above strike price?
Stock D	$(\$284.90 / \$99.00) - 1 = 187.777\%$	Yes

Investor will earn the upside performance of the worst-performing stock as the gain is **higher than the bonus coupon**.

WHAT DOES THE INVESTOR RECEIVE AT THE END OF THE INVESTMENT?

$$\begin{aligned}
 \text{Total Amount Investor Receives} &= \text{Invested Amount} + \text{Gain of Worst Performer} \\
 &= \$100,000 + (187.777\% \times \$100,000) \\
 &= \$100,000 + \$187,777 = \$287,777
 \end{aligned}$$

OUTCOME 3

LET US ASSUME THAT AN INVESTOR INVESTS **\$100,000** TO PURCHASE A **BEN**



Invested Amount:
\$100,000



Maturity:
6 Months

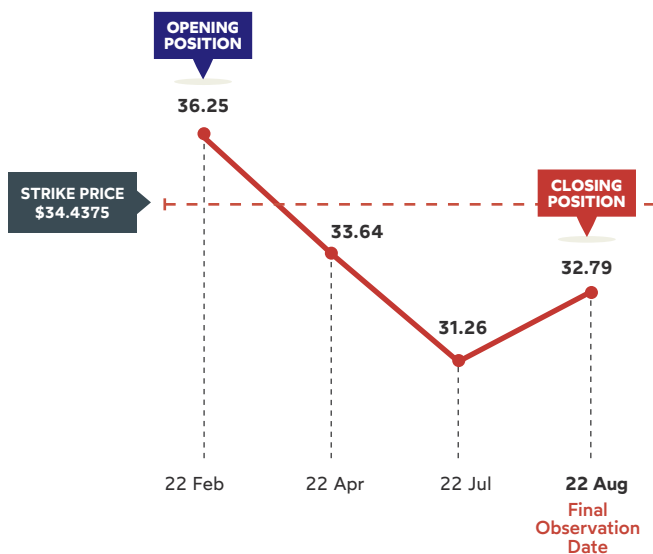


Observation Date:
22 August 2022

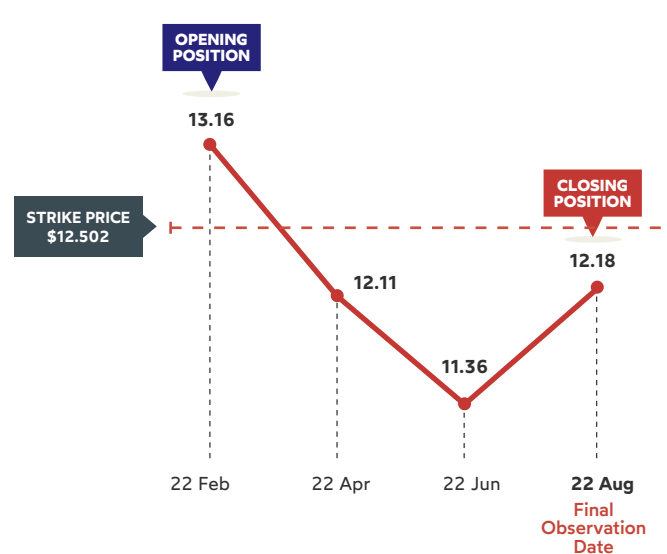


Bonus Coupon:
25%

STOCK E



STOCK F



Worst Performer	Gain of Worst Performer (Closing Position Price/ Opening Position Price) - 1	Is Worst Performer at or above strike price?
Stock E	$(\$32.79/\$36.25) - 1 = -9.54\%$	No

Investor will **NOT** earn any bonus coupon but rather receive the worst-performing stock at strike price.

WHAT DOES THE INVESTOR RECEIVE AT THE END OF THE INVESTMENT?

$$\begin{aligned}
 \text{Total Number of Shares/Cash Investor Receives} &= \text{Invested Amount} \div \text{Strike Price} \\
 &= \$100,000 \div \$34.4375 \\
 &= 2,903 \text{ Units of Stock E} + 0.81 \text{ Units} \\
 &\quad \text{of Stock E in Cash}
 \end{aligned}$$

BENEFITS & RISKS

BENEFITS

- Wide selection of underlying securities for the BEN.
- Opportunity to receive a bonus enhanced coupon that is relatively higher than other structured products.
- Opportunity to receive the upside performance of the worst performing stock if it is higher than the bonus coupon.

RISKS

- Potential Losses of up to 100% of Capital Invested
- Opportunity Cost
- Liquidity Risk
- Issuer's Credit Risk

ADDITIONAL INFORMATION

■ WHAT IS OPENING POSITION / TRADE DATE?

Opening Position is when you enter the BEN on the trade date where all trade parameters are confirmed and observation starts.

■ WHAT IS ISSUE DATE?

It is typically 2 weeks after the trade date whereby settlement between UOB Kay Hian and the issuer takes place.

■ WHAT IS CLOSING POSITION / OBSERVATION DATE?

Closing Position occurs on the final observation date where the outcome will be determined.

■ WHAT IS MATURITY DATE?

It is the date when investors receive cash / stock as the settlement of the BEN. The processing of the settlement takes about 5 business days from the final observation date.

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 UOBKH Trading Ideas