



Capital
Markets

Amendment Notification

Issue of 5,000,000 Certificates linked to US Equity Intraday Momentum Strategy due June 2025 (the "Certificates")

This Notice should be read in conjunction with the Pricing Supplement document dated 22 June 2020 amending the Pricing Supplement in respect of the Certificates. Holders are informed that an amendment has occurred in the provisions stipulated in the Pricing Supplement as showed in the Annex below.

Yours faithfully,

Royal Bank of Canada, London Branch

Annex

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH DIRECTIVE 2003/71/EC FOR THE ISSUE OF NOTES DESCRIBED BELOW.

PRIIPS REGULATION – PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and may not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA Retail Investor**") or United Kingdom without an up-to-date PRIIPS KID being in place with the prior written consent of RBC Europe Limited and provided in accordance with the PRIIPS Regulation. For these purposes, a retail investor means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded). If the aforementioned consent of RBC Europe Limited has not been received then no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPS Regulation**") for offering or selling the Notes or otherwise making them available to EEA or United Kingdom Retail Investors has been prepared and therefore offering or selling the Notes or otherwise making them available to any EEA or United Kingdom Retail Investor may be unlawful under the PRIIPS Regulation.

Pricing Supplement dated 22 June 2020



ROYAL BANK OF CANADA
(a Canadian chartered bank)

Legal entity identifier (LEI): ES7IP3U3RHIGC71XBU11

Issue of 5,000,000 Certificates linked to US Equity Intraday Momentum Strategy due June 2025 under the Programme for the Issuance of Securities

PART A – CONTRACTUAL TERMS

Any person making or intending to make an offer of the W&C Securities may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or to supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

This document constitutes the Pricing Supplement for the W&C described herein. This document must be read in conjunction with the Structured Securities Base Prospectus dated 26 June 2019 as supplemented by the supplemental prospectus dated 4 September 2019, 10 January 2020 and 23 April 2020 which together constitute a base prospectus (the "**Base**

Prospectus”). Terms used but not defined herein have the meaning given in the Base Prospectus. Full information on the Issuer and the offer of the W&C is only available on the basis of the combination of this Pricing Supplement and the Base Prospectus. Copies of the Base Prospectus may be obtained from the offices of the Issuer, Royal Bank Plaza, 200 Bay Street, 8th Floor, South Tower, Toronto, Ontario, Canada and the offices of the Issuing and Paying Agent, One Canada Square, London E14 5AL, England.

The purchase of the W&C Securities may involve substantial risks and is suitable only for sophisticated investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Certificates. The following does not represent an exhaustive list or summary of the risks involved in purchasing the W&C Securities and investors should thoroughly familiarise themselves with the risks associated with structured Certificates and derivatives before making any investment.

By investing in the W&C Securities each investor represents that:

(a) **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to invest in the W&C Securities and as to whether the investment in the W&C Securities is appropriate or proper for it based upon its own judgement and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the Issuer or any Dealer as investment advice or as a recommendation to invest in the W&C Securities, it being understood that information and explanations related to the terms and conditions of the W&C Securities shall not be considered to be investment advice or a recommendation to invest in the W&C Securities. No communication (written or oral) received from the Issuer or any Dealer shall be deemed to be an assurance or guarantee as to the expected results of the investment in the W&C Securities.

(b) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts the terms and conditions and the risks of the investment in the W&C Securities. It is also capable of assuming, and assumes, the risks of the investment in the W&C Securities.

(c) **Status of Parties.** Neither the Issuer nor any Dealer is acting as fiduciary for or adviser to it in respect of the investment in the W&C Securities.

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|----|-----------------------------|--|
| 1. | Issuer: | Royal Bank of Canada |
| | Branch of Account / Branch: | Main Toronto Branch located at 200 Bay Street, Toronto, Ontario, Canada |
| 2. | (i) Series Number: | <u>55641</u> |
| | (ii) Tranche Number: | 1 |
| 3. | Type of W&C Securities: | <div style="display: flex; align-items: flex-start;"> <div style="margin-right: 10px;">(a)</div> <div>Redeemable Certificates</div> </div> <div style="display: flex; align-items: flex-start;"> <div style="margin-right: 10px;">(b)</div> <div>Basket of US Equity Intraday Momentum Strategies Linked W&C Securities</div> </div> |
| 4. | Bail-inable Securities: | No |
| 5. | Issue Date: | 22 June 2020 |

6. Number of W&C Securities being issued: The number of W&C Securities being issued is 5,000 and the issue amount is USD 5,000,000
7. Business Day Centre(s): The applicable Business Day Centre(s) for the purposes of the definition of **"Business Day"** in Condition 3 is London and New York
8. Settlement: Settlement will be by way of cash payment ("Cash Settled")
9. Cash Settlement Amount: Subject always to the provisions relating to early redemption, the Cash Settlement Amount per Certificate shall be an amount equal to:
$$\text{Calculation Amount} \times (\text{FRL} / \text{IRL})$$
where:
"Calculation Amount" means USD 1,000
"FRL" means an amount in USD equal to the Strategy Level (t) in respect of the Final Valuation Date as determined by or on behalf of the Strategy Calculation Agent.
"IRL" means USD 1000.
"Strategy Level (t)" has the meaning specified in the Underlying Strategy Description.
"Underlying Strategy" has the meaning specified in the Underlying Strategy Description.
"Strategy Calculation Agent" means Royal Bank of Canada, Toronto Branch
10. Issuer's Option to vary settlement: The Issuer does not have the option to vary settlement in respect of the W&C Securities
11. Settlement Currency: USD
12. Relevant RMB Settlement Centre: Not Applicable
13. Exchange Rate: Not Applicable
14. Calculation Agent (and address): Royal Bank of Canada, Toronto Branch
15. RMB Rate Calculation Agent (and address): Not Applicable
16. Issue Price: The issue price per W&C Securities is USD 1,000
17. Minimum Trading Size: 2 Certificates

PROVISIONS RELATING TO EXERCISABLE CERTIFICATES AND WARRANTS

18. Type of Certificates: Not Applicable
19. Settlement Date: Not Applicable

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|-----|---|--|----------------|
| 20. | Units: | | Not Applicable |
| 21. | Exercise Price: | | Not Applicable |
| 22. | Automatic Exercise: | | Not Applicable |
| 23. | Minimum Exercise Number: | | Not Applicable |
| 24. | Maximum Exercise Number: | | Not Applicable |
| 25. | Additional Amounts: | | Not Applicable |
| 26. | Issuer Call Option: | | Not Applicable |
| 27. | TLAC Disqualification Event: | | Not Applicable |
| 28. | Notice periods for Early Cancellation for Taxation Reasons: | | Not Applicable |
| 29. | Notice periods for Cancellation for Illegality: | | Not Applicable |
| 30. | Trigger Early Exercise: | | Not Applicable |

PROVISIONS RELATING TO REDEEMABLE CERTIFICATES

- | | | | |
|-----|---------------------|-----------------------|--|
| 31. | Redemption Date: | | 5 Business Days after the earlier of,
<div style="margin-left: 40px;"> (i) the Early Redemption Valuation Date, or
 (ii) the Knock-Out Redemption Valuation Date, or
 (iii) 15 June 2025.
 each of the above representing the "Final Valuation Date", subject to the Modified Following Business Day Convention </div> |
| 32. | Additional Amounts: | | Not Applicable |
| 33. | Issuer Call Option: | | Applicable |
| | (i) | Issuer Option Period: | Call Notice
Minimum period: Not Applicable
Maximum period: Not Applicable |
| | (ii) | Call Option | The earlier of, |

Date(s):

(i) The Strategy Calculation Day specified in the notice given by the Issuer to the Holders pursuant to Condition 22.06, such Strategy Calculation Day falling at least twenty two Business Days after the date of such notice (such Strategy Calculation Day, the “**Early Redemption Valuation Date**”), provided that if the Issuer is unable, after using commercially reasonable efforts, to acquire, establish, re-establish, substitute, maintain, unwind, or dispose of any transactions or assets it deems necessary to effect such early redemption of the Certificates or realise, recover or remit the proceeds of any such transactions or assets (“**Termination Adjustments**”), it may, in whole or in part, move the Early Redemption Valuation Date forward to the nearest dates as it is able to make such Termination Adjustments; or,

(ii) The Strategy Calculation Day, in respect of which, Strategy Level (t) is less than or equal to USD 400 (such Strategy Calculation Day, the “**Knock-Out Redemption Valuation Date**”).

(iii) Call Option Cash Settlement: Applicable

(iv) Call Option Cash Settlement Amount:

(i) In respect of Early Redemption Valuation Date, An amount per Calculation Amount in USD equal to:
Calculation Amount x (FRL/IRL)

where:

“**FRL**” means an amount in USD equal to the Strategy Level (t) in respect of the Early Redemption Valuation Date as determined by or on behalf of the Strategy Calculation Agent.

“**IRL**” means USD 1000.

“**Strategy Level (t)**” has the meaning specified in the Underlying Strategy Description.

“**Underlying Strategy**” has the meaning specified in the Underlying Strategy Description.

(ii) In respect of Knock-Out Redemption Valuation Date, an amount per Calculation Amount in USD equal to:

Calculation Amount x (FRL/IRL)

where:

“**FRL**” means an amount in USD equal to the Strategy Level (t) in respect of the Knock-Out Redemption Valuation Date as determined by or on behalf of the Strategy Calculation Agent.

“**IRL**” means USD 1000.

“**Strategy Level (t)**” has the meaning specified in

the Underlying Strategy Description.

“Underlying Strategy” has the meaning specified in the Underlying Strategy Description.

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| 34. | TLAC Disqualification Event | Not Applicable |
| 35. | Notice periods for Early Cancellation for Taxation Reasons: | |
| | (i) Minimum period: | 15 days |
| | (ii) Maximum period: | 30 days |
| 36. | Notice periods for Cancellation for Illegality: | |
| | (i) Minimum period: | 15 days |
| | (ii) Maximum period: | 30 days |
| 37. | Notice periods for Cancellation for Illegality: | Not Applicable |
| 38. | Trigger Early Redemption: | Not Applicable |
| 39. | Holder Put Option: | Not Applicable |

PROVISIONS RELATING TO TYPES OF W&C SECURITIES

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| 40. | Multi-Reference Item Linked W&C Securities | Not Applicable |
| 41. | Currency Linked W&C Securities | Not Applicable |
| 42. | Commodity Linked W&C Securities | Not Applicable |
| 43. | Index Linked W&C Security Provisions (Equity Indices only) | Not Applicable |
| 44. | Equity Linked W&C Security Provisions | Not Applicable |
| 45. | Fund Linked W&C Security Provisions | Not Applicable |
| 46. | Credit Linked W&C Security Provisions | Not Applicable |
| 47. | Interest Rate Linked Warrant Provisions: | Not Applicable |

PROVISIONS FOR PHYSICAL	Not Applicable
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DELIVERY

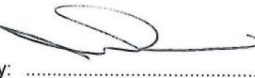
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| 48. | Relevant Asset(s) | Not Applicable |
| 49. | Entitlement: | Not Applicable |
| 50. | Cash Adjustment: | Not Applicable |
| 51. | Failure to Deliver due to Illiquidity: | Not Applicable |

GENERAL

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| 52. | Form of W&C Securities: | Registered Form: The W&C Securities are to be issued into and transferred through Euroclear and Clearstream, Luxembourg and will be represented by a Temporary Global W&C Securities exchangeable for a Permanent Global W&C Securities |
| 53. | Other terms or special conditions: | See Annexes to this Pricing Supplement |
| 54. | Exchange Date: | On or after 40 calendar days following the Issue Date |
| 55. | The net issue proceeds of the Redeemable Certificates / Exercisable Certificates issued (for purposes of the Programme limit) has been translated into U.S. dollars at the rate of U.S.\$1.00 = [●], producing a sum of: | Not Applicable |
| 56. | The implied notional amount of the Warrants / Exercisable Certificates (for purposes of the Programme limit) has been translated into U.S. dollars at the rate of U.S.\$1.00 = [●], producing a sum of: | Not Applicable |
| 57. | Governing law (if other than the laws of the Province of Ontario and the federal laws of Canada applicable therein): | English law |
| 58. | Alternative Payment: | Currency Not Applicable |

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.
Signed on behalf of the Issuer:

By:  **Ivan Browne**
Duly authorised **Duly Authorised Signatory**

By: 
Duly authorised
Fabian de Prey
Managing Director

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing/Admission to trading: Application will be made by the Issuer (or on its behalf) for the W&C Securities to be admitted to trading on Euro MTF Luxembourg with effect from June 22, 2020.
- (ii) Estimate of total expenses related to admission to trading: Not Applicable.

2. RATINGS

- Ratings: Not Applicable

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

The Issue Price may include a fee or commission payable by the Dealer to a distributor or third party, such a fee or commission will be determined by a number of factors including but not limited to the maturity of the Security, hedging costs and legal fees. Any fee or commission received by the distributor or third party may be in addition to the fee normally charged by that party in connection with an investment in the Security. Further details in respect of the fee or commission are available upon request.

4. OPERATIONAL INFORMATION

- (i) ISIN: XS0846768884
- (ii) Common Code: 084676888
- (iii) CFI: As set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN
- (iv) FISN: As set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN
- (v) Other Identification Number: Not Applicable
- (vi) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg, their addresses and the relevant identification number(s): Not Applicable
- (vii) Delivery: Delivery against payment
- (viii) Clearing Agent: Not Applicable

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|--|---|
| (ix) Name(s) and address(es) of Initial Paying Agents, Registrar and Transfer Agents: | <p>The Bank of New York Mellon, London Branch</p> <p>One Canada Square</p> <p>London E14 5AL</p> <p>England</p> <p>Registrar:</p> <p>The Bank of New York Mellon SA/NV,
Vertigo Building – Polaris</p> <p>2–4 rue Eugène Ruppert</p> <p>L–2453 Luxembourg</p> |
| (x) Names and addresses of additional Paying Agent(s), Registrar and Transfer Agents (if any): | Not Applicable |
| (xi) Intended to be held in a manner which would allow Eurosystem eligibility: | <p>No. Whilst the designation is specified as “no” at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Certificates are capable of meeting them the Certificates may then be deposited with one of the ICSDs as common safe-keeper, and registered in the name of a nominee of one of the ICSDs acting as common safe-keeper. Note that this does not necessarily mean that the Certificates will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.</p> |

5. DISTRIBUTION

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|--|---|
| (i) Method of distribution: | Non-syndicated |
| (ii) If syndicated, names of Managers: | Not Applicable |
| (iii) Stabilisation Manager(s) (if any): | Not Applicable |
| (iv) If non-syndicated, name of Dealer: | RBC Europe Limited |
| (v) U.S. Selling Restrictions: | <p>TEFRA rules not applicable</p> <p>Basket notice applicable</p> |
| (vi) Canadian Sales: | Canadian Sales Not Permitted |

(vi) Additional selling restrictions: Not Applicable

(viii) Prohibition of Sales to EEA Retail Investors: Applicable

6. HIRE ACT WITHHOLDING

The W&C Securities are not Specified Securities for purposes of Section 871(m) of the U.S. Internal Revenue Code of 1986.

7. INDEX DISCLAIMER

INFORMATION RELATING TO THE S&P 500 Index

The issue of this series of Certificates (in this paragraph, the “**Transaction**”) is not sponsored, endorsed, sold, or promoted by the Standard & Poor’s 500 Index (the “**Index**”) or S&P Dow Jones Indices LLP (the “**Index Sponsor**”) and no Index Sponsor makes any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Index and/or the levels at which the Index stands at any particular time on any particular date or otherwise. No Index or Index Sponsor shall be liable (whether in negligence or otherwise) to any person for any error in the Index and the Index Sponsor is under no obligation to advise any person of any error therein. No Index Sponsor is making any representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with entering into any Transaction. The Issuer shall not have any liability for any act of failure to act by the Index Sponsor in connection with the calculation adjustment or maintenance of the Index. Except as disclosed prior to the Issue Date, none of the Issuer or its affiliates has any affiliation with or control over the Index or Index Sponsor or any control over the computation, composition or dissemination of the Index. Although the Calculation Agent will obtain information concerning the Index from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Issuer, its affiliates or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning the Index.

ADDITIONAL TERMS ANNEX

Early Cancellation – amendments to Conditions

The third paragraph of Condition 5.01 (*Illegality*) is hereby amended to read as follows:

“If the Issuer redeems the W&C Securities then the Issuer will, if and to the extent permitted by applicable law, pay an amount equal to the Early Redemption Amount (as defined in the Additional Terms Annex to the Pricing Supplement) to each Holder in respect of each W&C Securities held by such Holder. Payment will be made in such manner as shall be notified to the Holders in accordance with Condition 31.”

The third paragraph of Condition 5.02 (*Early Cancellation for Taxation Reasons*) is hereby amended to read as follows:

“If the Issuer redeems the W&C Securities then the Issuer will pay an amount equal to the Early Redemption Amount (as defined in the Additional Terms Annex to the Pricing Supplement) to each Holder in respect of each W&C Securities held by such Holder. Payment will be made in such manner as shall be notified to the Holders in accordance with Condition 31.”

Events of Default – amendments to Conditions

Condition 6.02 (Events of Default) is hereby amended to read as follows:

“If any Event of Default shall occur, any Holder may, by notice given to the Issuing and Paying Agent through the relevant Clearing Systems in such manner as the Issuing and Paying Agent and the relevant Clearing Systems may approve for this purpose, declare such W&C Securities to be immediately repayable whereupon an amount equal to the Early Redemption Amount (as defined in the Additional Terms Annex to the Pricing Supplement) shall become immediately due and repayable notwithstanding the Event of Default, unless, prior thereto, all Events of Default in respect of such W&C Securities shall have been cured.”

Early Redemption due to a Force Majeure Event or a Regulatory Change or Disruption Event

The Issuer may, upon at least five Business Days’ notice in writing to the Certificates holders, early redeem the Certificates at the Early Redemption Amount if a Force Majeure Event or a Regulatory Change or Disruption Event occurs.

For these purposes:

“**Regulatory Change or Disruption Event**” means:

- (a) any market disruption;
- (b) any enactment of, implementation or supplement or amendment to, or change in any applicable laws or regulations;
- (c) an official communication of previously not existing or not publicly available official interpretation of such laws and regulations;
- (d) a change in the official interpretation of such laws and regulations; or

- (e) any requirements under any such laws and regulation becoming effective, in each case after the Trade Date and whether the relevant laws or regulations are of England or otherwise, which would:
 - (i) make it illegal or impracticable for the Issuer to perform any of its obligations in respect of the Certificates or to hedge such obligations;
 - (ii) require the restructuring of such obligations of the Issuer or hedging arrangements; or
 - (iii) result in the Issuer receiving less favourable or more punitive regulatory capital or capital adequacy treatment.

"Force Majeure Event" means:

- (a) the performance of the Issuer's obligations under the Certificates has become unlawful in whole or in part as a result of compliance by the Issuer with any applicable present or future law, rule, regulation, judgment, order, interpretation, directive or decree of any Government Authority or otherwise;
- (b) the performance of the Issuer's obligations under the Certificates is prevented or materially hindered or delayed due to either (1) any act, law, rule, regulation, judgment, order, interpretation, directive, decree or material legislative or administrative interference of any Government Authority or otherwise, or (2) the occurrence of civil war, disruption, military action, unrest, political insurrection, terrorist activity of any kind, riot, public demonstration and/or protest, or any other financial or economic reasons or any other causes or impediments beyond the Issuer's control; or
- (c) any other event beyond the control of the Issuer has occurred which makes it impracticable, illegal or impossible for the Issuer to perform its obligations under the Certificates or to hedge effectively its obligations under the Certificates or the costs of so doing would (in the determination of the Calculation Agent) be materially increased.

"Government Authority" means any nation, state or government; any province or other political subdivision thereof; any body, agency or ministry; any taxing, monetary, foreign exchange or other authority, court, tribunal or other instrumentality; and any other entity exercising; executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Early Redemption Amount" means an amount determined by the Calculation Agent equal to the fair market value of the W&C Securities on or around the date of early redemption, as selected by the Calculation Agent, taking into account, if applicable, the event resulting in the early redemption of the W&C Securities, all as determined by the Calculation Agent in its sole and absolute discretion by reference to such factor(s) as it may deem appropriate and less any Unwind Costs.

"Unwind Costs" means an amount determined by the Calculation Agent, in its sole discretion, equal to the sum of (without duplication) all costs and expenses (including loss of funding and break funding charges and fees and legal fees, tax and duties) incurred by the Issuer in connection with the redemption of the Certificates and the related termination, settlement or re-establishment of any Hedging Arrangements or related trading positions, including but not limited to, any unwind fees or charges incurred by the Issuer upon termination of any credit default swaps, interest rate swaps

or cross currency swaps entered into by the Issuer (whether internal within the Issuer, or with its Affiliates or other swap counterparties), and the cost, charges, fees howsoever described, incurred by the Issuer upon terminating any of its term funding transactions that were entered into in connection with the issuance of the Certificates (whether internal within the Issuer, or with its Affiliates or other third parties), such amount to be apportioned pro rata among the Certificate.

"Trade date" means 15 June 2020

Annex-1: Underlying Strategy Description

Strategy Level Calculation In respect of any Strategy Calculation Date (t) that is a Futures Half Day, the Strategy Level in respect of Strategy, shall be determined as below:

$$SL(t) = SL(t-1) + Ret_{ON}(t) - DMF(t)$$

In respect of each Strategy Calculation Date (t) that is not a Futures Half Day, the Strategy Level, shall be determined as below:

$$SL(t) = SL(t-1) + \left\{ \sum_{i=1}^{i=12} FutRet_i(t) \right\} + Ret_{ON}(t) - DMF(t)$$

Where,

$DMF(t)$ = Daily Management Fee in respect of Strategy Calculation Date (t);

$FutRet_i(t)$ = In respect of each i, Future Return in respect of Strategy Calculation Date (t);

$Ret_{ON}(t)$ = Daily Overnight Return in respect of Strategy Calculation Date (t); and

$SL(t)$ = Strategy Level in respect of Strategy Calculation Date (t);

$FX(t)$ = FX Rate in respect of Strategy Calculation Date (t);

$SL(t-1)$ = Strategy Level in respect of Strategy Calculation Date (t-1);

Strategy Level (t) in respect of the Initial Valuation Date shall be 1000;

Future Return In respect of any Strategy Calculation Date (t) and Interval (i), the Future Return shall be determined as per below:

- (i) If an Upper Barrier Event is deemed to have occurred on such Strategy Calculation Date (t) during Observation Period (i), then the Future Cash Return shall be calculated as per the following formula:

$$FutRet_i(t) = FutUnits_i(t) \times [\{RFExt_i(t) \times (1 - ExFee)\} - \{RFEnt_i(t) \times (1 + ExFee)\}]$$

- (i) If a Lower Barrier Event is deemed to have occurred on such Strategy Calculation Date (t) during Observation Period (i), then the Future Cash Return shall be calculated as per the following formula:

$$FutRet_i(t) = FutUnits_i(t) \times [\{RFEnt_i(t) \times (1 - ExFee)\} - \{RFExt_i(t) \times (1 + ExFee)\}]$$

Where,

- $FutUnits_i(t)$ = Reference Future Units in respect of Strategy Calculation Date (t) and Interval (i);
- $RFEnt_i(t)$ = Reference Future Entry Level in respect of Strategy Calculation Date (t) and Interval (i);
- $RFExt_i(t)$ = Reference Future Exit Level in respect of Strategy Calculation Date (t) and Interval (i)
- $ExFee$ = 0.015%

Reference Future Units In respect of any Strategy Calculation Date (t), the Reference Future Units (t) shall be determined as below:

$$FutUnits_i(t) = (PF(t-1)) \times \left(\frac{SL(t-1)}{RFUP_i(t)} \right) \times \left(\frac{1}{12} \right)$$

Where,

- $RFUP_i(t)$ = Reference Future Unit Price in respect of Strategy Calculation Date (t) and Interval (i);

Reference Future Price In respect of each Strategy Calculation Date (t) and Interval (i),

Unit (i) if an Upper Barrier Event is deemed to have occurred, then $RFUP_i(t)$ shall be equal to Upper Barrier (t);

(ii) if a Lower Barrier Event is deemed to have occurred then $RFUP_i(t)$ shall be equal to Lower Barrier (t).

Upper Barrier Event Determination In respect of each Strategy Calculation Date (t) and Interval (i), an Upper Barrier Event is deemed to have occurred at Time (z) if,

(i) such Time (z) is the first instance at which the Reference Future Intraday Price ($P_{(t,z)}$) is above or equal to the Upper Barrier (t) and,

(ii) provided that no Upper Barrier Event or Lower Barrier Event is deemed to have occurred prior to such Time (z) on such Strategy Calculation Date (t); and,

(iii) provided that such Time (z) falls within the relevant Observation Period (i).

In respect of each Strategy Calculation Date (t), Time (z) is the official local time in New York.

Lower Barrier Event Determination In respect of each Strategy Calculation Date (t) and Interval (i), a Lower Barrier Event is deemed to have occurred at Time (z) if,

(i) such Time (z) is the first instance at which the Reference Future Intraday Price ($P_{(t,z)}$) is equal to or below the Lower Barrier (t) and,

(ii) provided that no Upper Barrier Event or Lower Barrier Event is deemed to have occurred prior to such Time (z) on such Strategy Calculation Date (t); and,

(iii) provided that such Time (z) falls within the relevant Observation Period (i).

In respect of each Strategy Calculation Date (t), Time (z) is the official local time in

New York.

Reference Future Intraday Price In respect of Strategy Calculation Date (t), the Time (z) in respect of such Strategy Calculation Date (t) and the Reference Future, the Reference Future Intraday Price ($P_{(t,z)}$) shall be the most recent traded price (Bloomberg field "TRADE") observed for such Reference Future on the Bloomberg page "QRM" in respect of Time (z).

Reference Future Level **Entry** In respect of any Strategy Calculation Date (t) and Interval (i),

- (i) if an Upper Barrier Event is deemed to have occurred, the Reference Future Entry Level(i,t) shall be the average price determined by the Strategy Calculation Agent based on systematically buying the relevant Reference Future Units, as soon as reasonably practicable after the observation of such Upper Barrier Event;
- (ii) if a Lower Barrier Event is deemed to have occurred, the Reference Future Entry Level (i,t) shall be the average price determined by the Strategy Calculation Agent based on systematically selling the relevant Reference Future Units as soon as reasonably practicable after the observation of such Lower Barrier Event.

Reference Future Level **Exit** In respect of Strategy Calculation Date (t) and Interval (i),

- (i) if a Long Stop-Loss Event is deemed to have occurred on such Strategy Calculation Date (t) the Reference Future Exit Level (i,t) shall be the price determined by the Strategy Calculation Agent based on systematically selling the relevant Reference Future Units as soon as reasonably practicable after the occurrence of such Long Stop-Loss Event;
- (ii) if a Short Stop-Loss Event is deemed to have occurred on such Strategy Calculation Date (t), the Reference Future Exit Level (i,t) shall be the price determined by the Strategy Calculation Agent based on systematically buying the relevant Reference Future Units as soon as reasonably practicable after the occurrence of such Short Stop-Loss Event.

If neither a Short Stop-Loss Event nor a Long Stop-Loss Event is deemed to have occurred on such Strategy Calculation Date (t) and Interval (i), the Reference Future Exit Level (t) shall be equal to the Reference Future Close Price (t).

Stop-Loss Event Determination In respect of Strategy Calculation Date (t) and Interval (i)

- (i) a Long Stop-Loss Event is deemed to have occurred at Time (z), if at such Time (z) the below condition is satisfied:

$$P_{(t,z)} \leq RFSP(t-1) \times (1 - \sigma(t))$$

provided that such Long Stop-Loss Event is the first Long Stop-Loss Event to occur as determined by the Strategy Calculation Agent and an Upper Barrier Event is deemed to have occurred prior to such Long Stop-Loss Event, in respect of such Strategy Calculation Date (t).

- (ii) a Short Stop-Loss Event is deemed to have occurred at Time (t), if at such Time (t) the below condition is satisfied:

$$P_{(t,z)} \geq RFSP(t-1) \times (1 + \sigma(t))$$

provided that such Short Stop-Loss Event is the first Short Stop-Loss Event to occur as determined by the Strategy Calculation Agent and a Lower Barrier Event is deemed to have occurred prior to such Long Stop-Loss Event, in respect of such Strategy Calculation Date (t).

Where,

$P_{(t,z)}$ = The Reference Future Intraday Price in respect of Strategy Calculation Date (t) and Time (z);
 $\sigma(t)$ = The Realized Volatility in respect of Strategy Calculation Date (t);

Upper Barrier Determination In respect of Strategy Calculation Date (t), the Upper Barrier shall be calculated as per the following formula:

$$UpBarr(t) = RFSP(t-1) \times (1 + \sigma(t))$$

Where,

$UpBarr(t)$ = The Upper Barrier in respect of Strategy Calculation Date (t);
 $RFSP(t-1)$ = The Reference Future Settlement Price in respect of the Future Trading Day immediately preceding Strategy Calculation Date (t) for the Reference Future, that is the relevant Reference Future in respect of Strategy Calculation Date (t);

rounded to the Reference Future's nearest tradable tick (nearest 0.25) i.e., 0.25, 0.50, 0.75 or 0.00, whichever is the closest.

Lower Barrier Determination In respect of Strategy Calculation Date (t), the Lower Barrier shall be calculated as per the following formula:

$$LowBarr(t) = RFSP(t - 1) \times (1 - \sigma(t))$$

Where,

$$LowBarr(t) = \text{The Lower Barrier in respect of Strategy Calculation Date (t);}$$

rounded to the Reference Future's nearest tradable tick (nearest 0.25) i.e., 0.25, 0.50, 0.75 or 0.00, whichever is the closest.

Observation Period	In respect of Strategy Calculation Date (t) and Interval (i), the Observation Period (i) shall be the time period between the Observation Start Time (i) (excluded) and Observation End Time (i) (included).
Reference Future Close Price	In respect of any Strategy Calculation Date (t) and a Reference Future, the Reference Future Close Price (t) shall be the price determined by the Strategy Calculation Agent based on systematically buying or selling the relevant Reference Future Units as soon as reasonably practicable after 16:00:00 hrs New York Time.
Reference Future Settlement Price	In respect of any Future Trading Day and a Reference Future, the official settlement price published by the Future Exchange for such day. If an official settlement price is not available, the last available traded price for such day, as determined by the Strategy Calculation Agent.
Realized Volatility	In respect of Strategy Calculation Date (t), the Realized Volatility shall be calculated by the Strategy Calculation Agent as per the following formula:

$$\sigma(t) = \text{Max} \left(Vol_Floor(t), \sqrt{\frac{\sum_{x=t-n}^{x=t-1} \left(\ln \left(\frac{RefSpotClose(x)}{RefSpotClose(x-1)} \right) \right)^2}{n}} \right)$$

$$\sigma(t) = \text{Max} \left(Vol_Floor, \sqrt{\frac{\sum_{x=t-n}^{x=t-1} \left(\ln \left(\frac{RefSpotClose(x)}{RefSpotClose(x-1)} \right) \right)^2}{n}} \right)$$

where,

RefSpotClose (t)	=	the Reference Spot Close Level in respect of Strategy Calculation Date (t);
RefSpotClose (t-j)	=	the Reference Spot Close Level in respect of the Strategy Calculation Date that falls j Spot Trading Days prior to Strategy Calculation Date (t), where j = 1 to n;
n	=	22
Vol_Floor(t)	=	<u>As defined in Annex 30.50%.</u>

Reference Spot Close Level	In respect of any Spot Trading Day, the Reference Spot Close Level shall be the official closing level of the Reference Spot Underlying.
Reference Spot Underlying	Standard & Poor's 500 Index (Bloomberg: SPX Index)
Reference Future	In respect of any Trading Day, (a) if such Future Trading Day is a Future Trading Day that falls four or more Trading Days prior to a Futures Expiry Date, the relevant Reference Future is the front expiry E-mini futures contract on the S&P 500 Index (being the E-mini futures contract on the S&P 500 Index whose expiry date is expected to be the first expiry date following such Trading Day), (b) if such Future Trading Day coincides with a Futures Expiry Date or is a Future Trading Day that falls less than four Trading Days prior to a Futures Expiry Date, the relevant Reference Future is the second expiry E-mini futures contract on the S&P 500 Index (being the E-mini futures contract on the S&P 500 Index whose expiry date is expected to be the expiry date following, (i) if such Future Trading Day coincides with a Futures Expiry Date, such Trading Day, (ii) if such Future Trading Day does not coincide with a Futures Expiry Date, the Futures Expiry Date following the Futures Expiry Date immediately following such Trading Day).
Futures Disruption Day	In respect of any scheduled Futures Trading Day, if an event or circumstance makes it impossible or not practicable, in the determination of the Strategy Calculation Agent, to trade (buy or sell) the required amount of the relevant Reference Futures on such day, such a day shall be considered a Futures Disruption Day(s). On such day, the Issuer may not be able to buy or sell the required amount of futures, which may lead to residual open future positions beyond the relevant regular trading session. Such residual open future positions may continue to exist over more than one Future Trading Day, if there are consecutive Futures Disruption Days. If the Strategy Calculation Agent determines any scheduled Future Trading Day to be a Futures Disruption Day the Strategy Level, shall be a value determined by the Strategy Calculation Agent that is representative of the aggregate proceeds from buying or selling of the required amount of the Reference Future(s), net of Execution Fees and any other costs. For avoidance of doubt, in order to unwind (buy or sell) any open future positions the Issuer may choose any suitable day or time that allows for execution of such open future positions at soon as practicable, subject to the Issuer's judgement on the liquidity and tradability of such future positions. Such suitable time could potentially also be outside of the regular trading session on the Future Exchange.
Execution Fees	0.015%
Daily Management Fee	In respect of Strategy Calculation Date (t), Daily Management Fee shall be calculated as per the following formula:

$$DMF(t) = SL(t-1) \times MF \times PF(t-1) \times (DCF_C(t-1, t))$$

where,

$$MF = 0.50\%;$$

Observation Period (i) In respect of each Interval (i), in respect of any Strategy Calculation Date, Observation Period (i) shall be the period starting from (and including) Observation Start Time (i) and ending at (and excluding) Observation End Time (i).

Daily Overnight Return In respect of any Strategy Calculation Date (t), the Daily Overnight Return shall be determined as per below:

$$Ret_{ON}(t) = Rate_{ON}(t-1) \times SL(t-1) \times DCF_C(t-1, t)$$

Where,

$$Rate_{ON}(t-1) = \text{Overnight Rate in respect of any Strategy Calculation Date (t-1);}$$

$$DCF_C(t-1, t) = \text{Calendar Day Count Fraction in respect of Strategy Calculation Date (t-1) and Strategy Calculation Date (t);}$$

Observation Start Time and Observation End Time In respect of each Interval (i), Observation Start Time (i) and Observation End Time (i) shall be determined as below:

i	Observation Start Time (i)	Observation End Time (i)
1	09:45:00	10:15:00
2	10:15:00	10:45:00
3	10:45:00	11:15:00
4	11:15:00	11:45:00
5	11:45:00	12:15:00
6	12:15:00	12:45:00
7	12:45:00	13:15:00
8	13:15:00	13:45:00
9	13:45:00	14:15:00
10	14:15:00	14:45:00
11	14:45:00	15:15:00
12	15:15:00	15:45:00

Strategy Calculation Date(s) Any day that a Futures Trading Day.

Strategy Calculation Date (t-1) Strategy Calculation Date that falls immediately prior to Strategy Calculation Date (t).

Spot Day	Trading	Any day on which the Spot Exchange is scheduled to open for its regular trading session. Including Half Day Trading Session.
Futures Day	Trading	Any day on which the Futures Exchange is scheduled to open for its regular trading session. Including Half Day Trading Session.
Spot Exchange		New York Stock Exchange
Futures Exchange		Chicago Mercantile Exchange
Spot Index		S&P 500 Index (Bloomberg: SPX Index)
Calendar Count Fraction(X,Y)	Day	In respect of any two dates X and Y, Calendar Day Count Fraction shall be determined as the ratio of, (i) The absolute number of calendar days that fall between the dates X(including) and Y(excluding); and, (ii) 360.
Overnight Rate		The US Federal Funds Effective Rate as published on Bloomberg: FEDLO1 Index, or any successor as determined by the Strategy Calculation Agent.
Time (z)		In respect of any Strategy Calculation Date, Time (z) shall be the local time in New York in respect of such Strategy Calculation Date.

Annex-2: Participation Factor Modification

Participation Modification	Factor	On any Strategy Calculation Date (t), the Strategy Advisor may propose an amendment to the value of Participation Factor in respect of the Strategy Calculation Date immediately following such Strategy Calculation Date (t) (a "Participation Modification Request"), by communicating to the Issuer the new value in respect of the Participation Factor (the "Revised Participation Factor").
Participation Modification Day:	Factor	Any Strategy Calculation Date on which the Strategy Advisor makes a Participation Modification Request and such is deemed to be a Valid Participation Modification Request by the Issuer.
Valid Modification Request	Participation	Any Participation Modification Request that has been acknowledged and accepted by the Issuer.
Issuer's Objection:	Right of	As soon as reasonably practicable, the Issuer shall communicate to the Strategy Advisor that it rejects a Participation Modification Request, if in any situation, the Issuer, due to changes in any applicable laws, regulations, infringements, restrictions to buy, hold or sell the relevant futures or any technical constraints, cannot execute the instructions. For the avoidance of doubt, the Issuer will not have any responsibilities for any loss incurred by any investor in the Certificates nor does it owe any legal duty to the Strategy Advisor if such Participation Modification Request is rejected.

Participation Factor PF(t) shall be the Participation Factor in respect of any Strategy Calculation Date (t);

PF(t-1) shall be the Participation Factor in respect of Strategy Calculation Date (t-1);

PF(t) in respect of any Strategy Calculation Date following a Participation Factor Modification Day, shall be equal to the Revised Participation Factor in respect of such Participation Factor Modification Day.

In respect of any Strategy Calculation Date (t), PF(t) shall have the same value as the Revised Participation Factor in respect of the most recent Participation Factor Modification Day immediately preceding such Strategy Calculation Date (t).

PF(t) in respect of the Initial Valuation Date shall be 500%.

Participation Modification Rules	The Strategy Advisor may make a Participation Modification Request to the Issuer only subject to the following rules:
	(i) A Participation Modification Request in respect of a Strategy Calculation Date (t) shall be considered a Valid Participation Modification Request only if such request is received and acknowledged by the Issuer no later than 17:00 London Time in respect of such Strategy Calculation Date (t); (ii) Only a maximum of one Participation Modification Request can be made by the Strategy Advisor in respect of any Strategy Calculation Date (t), unless otherwise mutually agreed upon. In case of more than one Participation Modification Request in respect of Strategy Calculation Date (t), the most recent Participation Modification Request shall be considered a Valid Participation Modification Request in respect of such Strategy Calculation Date (t), subject to (i); (iii) Participation Factor in respect of any Strategy Calculation Date (t) shall not be greater than 500% or less than 0%.

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Annex-3: Volatility Floor Modification

<u>Volatility Floor Modification</u>	<u>On any Strategy Calculation Date (t), the Strategy Advisor may propose an amendment to the value of Volatility Floor in respect of the Strategy Calculation Date immediately following such Strategy Calculation Date (t) (a "Volatility Floor Modification Request"), by communicating to the Issuer the new value in respect of the Volatility Floor (the "Revised Volatility Floor").</u>
<u>Volatility Floor Modification Day</u>	<u>Any Strategy Calculation Date on which the Strategy Advisor makes a Volatility Floor Modification Request and such is deemed to be a Valid Volatility Floor Modification Request by the Issuer.</u>
<u>Valid Volatility Floor Modification Request</u>	<u>Any Volatility Floor Modification Request that has been acknowledged and accepted by the Issuer.</u>

Issuer's Right of Objection: As soon as reasonably practicable, the Issuer shall communicate to the Strategy Advisor that it rejects a Volatility Floor Modification Request, if in any situation, the Issuer, due to changes in any applicable laws, regulations, infringements, restrictions to buy, hold or sell the relevant futures or any technical constraints, cannot execute the instructions.

For the avoidance of doubt, the Issuer will not have any responsibilities for any loss incurred by any investor in the Certificates nor does it owe any legal duty to the Strategy Advisor if such Participation Modification Request is rejected.

Volatility Floor

Vol Floor(t) shall be the Volatility Floor in respect of any Strategy Calculation Date (t);

Vol Floor(t) in respect of any Strategy Calculation Date following a Volatility Floor Modification Day shall be equal to the Revised Volatility Floor in respect of such Volatility Floor Modification Day.

In respect of any Strategy Calculation Date (t), Vol Floor(t) shall have the same value as the Revised Volatility Floor in respect of the most recent Volatility Floor Modification Day immediately preceding such Strategy Calculation Date (t).

For avoidance of doubt,

(i) Vol Floor(t) in respect of the Calculation Dates prior to 13th January 2021 shall be 0.50%.

(ii) Vol Floor(t) in respect of the Calculation Dates from 13th January 2021 and until next Volatility Floor Modification Day shall be 1.0%.

Volatility Floor Modification Rules

The Strategy Advisor may make a Volatility Floor Modification Request to the Issuer only subject to the following rules:

(iv) A Volatility Floor Modification Request in respect of a Strategy Calculation Date (t) shall be considered a Valid Participation Modification Request only if such request is received and acknowledged by the Issuer no later than 17:00 London Time in respect of such Strategy Calculation Date (t);

(v) Only a maximum of one Volatility Floor Modification Request can be made by the Strategy Advisor in respect of any Strategy Calculation Date (t), unless otherwise mutually agreed upon. In case of more than one Volatility Floor Modification Request in respect of Strategy Calculation Date (t), the most recent Volatility Floor Modification Request shall be considered a Valid Volatility Floor Modification Request in respect of such Strategy Calculation Date (t), subject to (i);

(vi) Volatility Floor in respect of any Strategy Calculation Date (t) shall not be less than 0%.

Role of the Strategy Advisor

Premier Fund Managers Limited in its role as the Strategy Advisor will provide the Issuer with the Participation Factor as described in Annex - 2 "Participation Factor Modification" and the Volatility Floor as described in Annex – 3 "Volatility Floor Modification".

The Issuer has relied on the Strategy Advisor's knowledge and expertise in respect of the product and also relies on the following in respect of the Strategy Advisor's understanding of the product,

- (i) the Strategy Advisor fully understands that the maximum potential loss on this product could be one hundred percent of the invested capital;
- (ii) the Strategy Advisor fully understands that the investment exposure to the relevant financial instruments could be greater than the notional investment in the product;
- (iii) the Strategy Advisor fully understands that the product could also have short investment exposures to the relevant financial instruments;
- (iv) the Strategy Advisor understands that the fees and any other costs in relation to the product may exacerbate the losses and reduce the gains from the relevant investment exposures;
- (v) that if and when making a Participation Modification Request, pursuant to Annex - 2 ("Participation Factor Modification"), or a Volatility Floor Modification Request, pursuant to Annex – 3 ("Volatility Floor Modification"), the Strategy Advisor will do so on its own independent and complete assessment of the product.