

Key Information Document (“KID”)

Purpose

This document provides the investor (“you”) with key information about this investment product. It is not marketing material. The information is required by law to help the investor understand the nature, risks, costs, potential gains and losses of this product and to help the investor compare it with other products.

Twin-Win Certificate in USD on Twitter

Swiss Securities Number: 41958141 | ISIN: CH0419581415

Issuer of this Product: **Leonteq Securities AG, Guernsey Branch** | www.leonteq.com | Call +41 58 800 10 00 for more information

KID Manufacturer: **Leonteq Securities AG** | Competent Authority: the relevant Authority | Production date of the KID: 19.06.2019

The investor is about to purchase a product that is not simple and may be difficult to understand.

1. What is this product?

Type

This product is a Swiss Uncertificated Security under Swiss law.

Objectives

Objective of the product is to provide the investor with a specified entitlement according to predefined conditions. The product has a fixed lifetime and will be redeemed on the Redemption Date, if no Early Redemption has occurred. The investor may receive an additional Conditional Coupon Amount on a Conditional Coupon Payment Date if a Coupon Trigger Event has occurred on the corresponding Coupon Observation Date. A Coupon Trigger Event shall occur if on any Coupon Observation Date the official close of the Underlying is above the Coupon Trigger Level. If the investor has not received a coupon payment on the previous Conditional Coupon Payment Date(s) the missed coupon payment(s) shall additionally be payable in arrears if a Coupon Trigger Event occurs on a subsequent Conditional Coupon Observation Date. The possibilities for the redemption of the product are as follows:

Early Redemption on the specific Early Redemption Date:

Provided that on one of the pre-defined Autocall Observation Dates the official close of the Underlying is above its Autocall Trigger Level, an Early Redemption will occur and the product will expire immediately.

The investor will receive USD 1'000.00 (100% of the Denomination) plus the Conditional Coupon Amount, if applicable, for the respective Conditional Coupon Payment Date. No further payments will be made.

Redemption opportunities on the Redemption Date:

- If a Barrier Event has not occurred and
 - (1) If the Final Fixing Level is at or below the Initial Fixing Level, the investor will receive a Cash Settlement that equals the Denomination multiplied by the difference of (a) 2 and (b) the Final Fixing Level divided by the Initial Fixing Level. Accordingly, the Cash Settlement is calculated as follows: $\text{Denomination} \times (200\% - \text{Final Fixing Level} / \text{Initial Fixing Level})$
 - (2) If the Final Fixing Level is above the Initial Fixing Level, the investor will receive a Cash Settlement in the Settlement Currency which equals the Denomination multiplied by the Final Fixing Level and divided by the Initial Fixing Level.
- If a Barrier Event has occurred, the investor will receive a Cash Settlement in the Settlement Currency which equals the Denomination multiplied by the Final Fixing Level and divided by the Initial Fixing Level.

A Barrier Event shall be deemed to occur if at any time on any exchange business day during the Barrier Observation Period the level of the Underlying's price has been traded at or below the Barrier Level.

The investor might incur a loss in case the sum of Cash Settlement on the Redemption Date and the coupon payment is below the purchase price of the product. Different from a direct investment in the Underlying, the investor will receive a coupon payment, but no dividend payment nor any further entitlement resulting from the Underlying (e.g. voting rights). The investor will benefit from a positive and a negative performance of the Underlying as long as the Barrier Event has not occurred.

Currency of the product (Settlement Currency)	US Dollars (“USD”)	Minimum Investment / Minimum Trading Lot	USD 1'000.00
Issue Date	27/06/2018	Initial Fixing Date	19/06/2018
Last Trading Day	19/12/2019	Redemption Date	27/12/2019
Final Fixing Date	19/12/2019	Denomination	USD 1'000.00
Issue Price	100.00%	Initial Fixing Level	Official close of the Underlying on the Initial Fixing Date on the Related Exchange.
Final Fixing Level	Official close of the Underlying on the Final Fixing Date on the Related Exchange.	Settlement Type	Cash Settlement
Barrier Observation Period	19/06/2018 - 19/12/2019	Quoting in consideration of accrued interest	yes (dirty prices); the investor pays no accrued interest additionally when purchasing the product
Conditional Coupon Rate	10.0000%	Currency Risk	If the Underlying is calculated in a currency different from the Currency of the Product, the conversion into the Currency of the Product will be carried out at the relevant exchange rate.

Coupon Observation Date	Coupon Trigger Level ^a	Conditional Coupon Payment Date	Conditional Coupon Amount	Autocall Observation Date	Autocall Trigger Level ^a	Early Redemption Date
19/12/2018	100.00%	24/12/2018	USD 100.00	19/12/2018	100.00%	24/12/2018
19/06/2019	100.00%	24/06/2019	USD 100.00	19/06/2019	100.00%	24/06/2019
19/12/2019	100.00%	27/12/2019	USD 100.00	-	-	-

^a: levels are expressed in percentage of the Initial Fixing Level

Underlying	Type	Related Exchange	ISIN	Initial Fixing Level (100%)*	Barrier Level (66.00%)*	Autocall Trigger Level (100.00%)*	Coupon Trigger Level (100.00%)*
TWITTER INC	Share	NYSE	US90184L1026	USD 44.95	USD 29.67	USD 44.95	USD 44.95

*levels are expressed in percentage of the Initial Fixing Level

The Issuer may, with immediate effect, terminate the product if an extraordinary event occurs. Examples of extraordinary events include the loss of the Underlying, tax events and the discontinuation of the Issuer's ability to carry out the necessary hedging transactions. In this case, the Redemption Amount may possibly be significantly below the purchase price. Even a total loss of the investment is possible. The investor also bears the risk that the product will be called at an unfavourable point in time and the investor might only be able to reinvest the redemption amount on less favorable terms.

Intended retail investor

- The product is aimed at retail investors who intend to form private assets and have a very short-term investment horizon.
- The investor can bear losses up to the total loss of the investment amount and attaches no importance to products with capital guarantee.
- **KNOWLEDGE & EXPERIENCE:** Investors who have at least one of the following characteristics: Some knowledge of the financial instruments in question; or moderate experience of financial markets.

2. What are the risks and what could the investor get in return?**Risk Indicator**

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because the Issuer is not able to pay the investor.

We have classified this product as 6 out of 7, which is the second-highest risk class.

This rates the potential losses from future performance at a high level, and poor market conditions are very likely to impact the capacity of the Issuer to pay the investor of the product.

The investor shall be aware of currency risk. The investor may receive payments in a different currency, so the final return that the investor will get depends on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

This product does not include any protection from future market performance so the investor could lose some or all of its investment.

If the Issuer is not able to redeem the investor what is owed, the investor could lose the entire investment.

Performance Scenarios

Investment USD 10,000		27/12/2019 (Recommended holding period)
Scenario		
Stress Scenario	What the investor might get back after costs	USD 684.62
	percentage return over the recommended holding period	-99.40%
Unfavourable Scenario	What the investor might get back after costs	USD 4816.40
	percentage return over the recommended holding period	-75.24%
Moderate Scenario	What the investor might get back after costs	USD 8601.01
	percentage return over the recommended holding period	-25.02%
Favourable Scenario	What the investor might get back after costs	USD 18615.53
	percentage return over the recommended holding period	227.89%

This table shows the money the investor could get back on the Redemption Date under different scenarios, assuming that the investor invests USD 10,000.00.

The scenarios shown illustrate how the investor's investment could perform. The investor can compare them with scenarios of other products.

The scenarios presented are an estimate of future performance based on evidence from the past on how the value of the product varies, and are not an exact indicator. What the investor gets back will vary depending on how the market performs and how long the investor keeps the investment/product.

The stress scenario shows what the investor might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay the investor.

This product cannot be easily cashed in. This means it is difficult to estimate how much the investor would get back if the investor sells it before maturity. The investor will either be unable to sell early or the investor will have to pay high costs or make a large loss if the investor does so.

The figures shown include all the costs of the product itself, but may not include all the costs that the investor pays to the advisor or distributor. The figures do not take into account the investor's personal tax situation, which may also affect how much the investor gets back.

3. What happens if the Issuer is unable to pay out?

The investor is exposed to the risk that the Issuer might be unable to fulfil its obligations in respect of the product e.g. in the event of insolvency (inability to pay / over-indebtedness) or administrative order. A total loss of the investor's capital invested is possible. The product is a debt instrument and as such is not covered by any deposit protection scheme.

4. What are the costs?**Cost over time**

The Reduction in Yield (RIY) shows what impact the total costs the investor pays will have on the investment return the investor might get. The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself. They include potential early exit penalties. The figures assume the investor invests USD 10,000. The figures are estimates and may change in the future.

The person selling to the investor or advising the investor about this product may charge other costs. If so, this person will provide the investor with information about these costs, and show the investor the impact that all costs will have on the investor's investment over time.

Investment USD 10,000	If the investor cashes in at the end of the recommended holding period
Total costs	USD 56.95
Impact on return (RIY) over the Recommended Holding Period	0.82%

Composition of Costs

The table below shows:

- the impact each year of the different types of costs on the investment return the investor might get at the end of the recommended holding period.
- the meaning of the different cost categories.

This table shows the impact on return over the Recommended Holding Period

One-off costs	Entry costs	0.82%	The impact of the costs already included in the price.
	Exit costs	-	Not applicable
Ongoing costs	Portfolio transaction costs	-	Not applicable
	Other ongoing costs	-	Not applicable
Incidental costs	Performance fees	-	Not applicable
	Carried interests	-	Not applicable

5. How long should the investor hold it and can the investor take money out early?**Recommended holding period: 6 months 8 days (until Redemption Date 27/12/2019)**

The objective of the product is to provide the investor with the redemption profile described under "1. What is this product?" above. This only applies if the product is held until maturity. It is not always appropriate to compare the performance or cost figures of this product with other products with different recommended holding periods.

There are no possibilities to take the investor's money out early other than to sell the product off-exchange.

In unusual market situations, or in the event of technical faults/disruptions, a purchase and/or sale of the product can be temporarily hindered, or may not be possible at all.

6. How can the investor complain?

Any complaint regarding the person advising on, or selling, the product on the relevant website can be submitted directly to that person.

Any complaint regarding the product or the conduct of the Issuer of this product can be submitted to the following address: Leonteq Securities AG, Europaallee 39, 8004 Zurich, Switzerland, kid@leonteq.com, www.leonteq.com.

7. Other relevant information

Any additional documentation in relation to the product and in particular the simplified prospectus and the programme (including any supplements hereto) are published on the website: www.leonteq.com. In order to obtain more detailed information – and in particular details of the structure of and risks associated with an investment in the product – the investor should read these documents.

Furthermore, Leonteq created the KID after having made certain assumptions and exercised certain discretion with respect to calculations of key figures and performance scenarios and is going to reassess and adapt its assumptions as it deems appropriate from time to time.