

Term Sheet for Multi-Index Auto Callable Note

TERMS AND CONDITIONS

Issuer (Party A)	Investor (Party B)
ACME Financial Products	XYZ Investment Group
Trade Date	01/10/2023
Effective Date	05/10/2023
Maturity Date	05/10/2028
Notional Amount	USD 1,000,000.00
Settlement Currency	USD
Settlement Method Election	Cash
Underlyings	Stock A, Stock B, Stock C
Initial Stock Prices	\$150, \$250, \$300

Initial Conditions

	Stock A (\$150)	Stock B (\$250)	Stock C (\$300)
Initial Stock Levels	As recorded on the Effective Date	As recorded on the Effective Date	As recorded on the Effective Date
Auto Call Trigger Level	115%	115%	115%

Auto Call Feature

- If on any Auto Call Observation Date, any of the stock levels is at or above its respective Auto Call Trigger Level, the note will auto call based on the best performing stock.
- **Auto Call Observation Dates:**
05/04/2024, 05/10/2024, 05/04/2025, 05/10/2025, 05/04/2026, 05/10/2026, 05/04/2027, 05/10/2027, 05/04/2028
- **Auto Call Payment:** Notional Amount + (Notional Amount \times 7% annualized coupon, prorated for the period), based on the performance of the best performing stock.

Final Payoff at Maturity

- If the note has not auto called, the final payoff at maturity will depend on the performance of the best performing stock relative to its Initial Stock Level.
- For the best performing stock, if the Final Stock Level is:
 - At or above 115% of the Initial Stock Level: Notional Amount + (Notional Amount \times 15%).
 - Below 115% but above or equal to 60%: Notional Amount.
 - Below 60%: Notional Amount \times Final Stock Level / Initial Stock Level.

Definition of Best Performing Index

At any observation date the best performing index is the index with the highest ratio of

$$[\text{Current Stock Level}]/[\text{Initial Stock Level}] .$$

Term Structures

Volatilities

	Stock A	Stock B	Stock C
0-6 Months	20%	22%	25%
6-12 Months	21%	23%	26%
12-18 Months	20%	22%	24%
18-24 Months	19%	21%	23%
24-36 Months	18%	20%	22%
36-60 Months	19%	21%	23%

Interest Rates

Period	Rate
0-6 Months	1.5%
6-12 Months	1.75%
12-18 Months	2.0%
18-24 Months	2.1%
24-36 Months	2.0%
36-60 Months	1.9%

Dividend Yields

	Stock A	Stock B	Stock C
0-6 Months	1%	1.5%	2%
6-12 Months	1.5%	2%	2.5%
12-18 Months	2%	2.5%	3%
18-24 Months	1.9%	2.3%	2.5%
24-36 Months	1.8%	2.1%	2.3%
36-60 Months	1.7%	2.0%	2.2%

Correlation Matrix

The correlation matrix below indicates the correlations between the three underlying stocks. These correlation coefficients represent the expected relationship in the returns of these stocks over the term of the note.

	Stock A	Stock B	Stock C
Stock A	1	0.75	0.85
Stock B	0.75	1	0.9
Stock C	0.85	0.9	1

Additional Terms

Calculation Agent	ACME Financial Products
Governing Law	New York State Law
Index Disclaimer	Information regarding individual stocks is hypothetical and for illustrative purposes only.

Signatures

The undersigned hereby agree to the terms and conditions outlined in this term sheet.

For ACME Financial Products:

For XYZ Investment Group: