

Know Your Investment Risk (KYIR) – Unit Trusts

Investment Risk

Unit trusts are subject to investment risks, including the possible loss of your principal amount. Please bear in mind that past historical performance is not an indication of future performance. The value of any investments and generated income is not guaranteed and may fluctuate over time.

Foreign Exchange Risk

You should be aware that your investments can be negatively affected by foreign exchange risk if you hold funds that invest in assets denominated in foreign currencies.

Forward Pricing Basis

Price of the Unit Trust quoted is indicative as it is determined **after**, not before, respective market(s) close for the day.

Cancellation Period

For unit trusts constituted in Singapore and not listed on a securities exchange, you have the right to cancel your trade order within **seven (7)** calendar days from the date of subscription without incurring any cancellation charges but any price difference incurred between your purchase price and selling price will be borne by you (if applicable).

Counterparty Risk

The Unit Trust constitutes direct, unconditional, unsecured and unsubordinated general obligations of the Issuer, in this case, the Issuer is the Unit Trusts' Asset Manager. Investors assume full credit risk of the Issuer. This means that should the Issuer become insolvent or defaults on its obligations (including payment obligations) or fail in any other way you may not receive back any of your investment monies.

Sales Charges

You should be aware that sales charges of up to 6% will apply and this will be taken from the purchase amount. In addition, an annual recurring fee of up to 1.75% which includes fund management and administrative fees will be charged by the fund house.

Redemption Period and Charges

Dealing/Transactions in the funds are provided by the product provider at the frequency mentioned in the product documentation. Redemption charges may apply as specified by the product provider in the product documentation.

Switching between Funds and incurred Fees

Switching fees of approximately 1% may apply if you switch funds internally. When you sell one fund to buy another from the same umbrella of funds, you are performing an internal switch. If you sell one fund from one umbrella of funds to buy into another umbrella of funds, you are performing an external switching and may be subject to full sales charge.

Cut-off Time for Unit Trust Transactions

Unit Trust transactions including sale, purchase and switching of funds will only be transacted on the same business day if the order is received before 15.00hrs on the same day.

Tax

You may be subject to taxation according to the laws and regulations applicable to you or the funds and you shall remain responsible for any such taxation. The Bank does not provide tax advice to any investor or prospective investor, including you. You are solely responsible for obtaining advice as to the tax consequences of your investment in the light of your own individual circumstances, including under the tax laws and regulations of your country of residence, citizenship or domicile or any other territory with which you may be connected for relevant tax purposes.

Difference between Capital Guarantee and Capital Protected Funds (if applicable)

Capital Guaranteed funds offer a guarantee on your capital by a credible financial institution. Capital Protected funds invest in safe financial instruments to protect the capital but offer no capital guarantee.

Potential risks of Hedge Funds (if applicable)

Hedge funds differ from traditional funds in that they can undertake more risky investment strategies than traditional fund managers e.g. they may borrow to invest which can magnify potential losses.

Potential risks of Derivatives (if applicable)

A derivative is a financial contract whose value depends on, or is derived from assets, liabilities or indices and includes a wide assortment of financial instruments such as forwards, futures, options, warrants and swaps. Derivatives are typically used to manage a fund's risk, however, derivatives may also be used as part of a fund's overall investment strategy.

Funds which invest in derivatives may have higher volatility. An investment in derivatives may result in losses that are greater than the principal amount invested. Derivatives are also subject to a number of risks including but not limited to liquidity, interest rate, market, counterparty and credit risk. You should not invest in a fund that invests in or contains derivatives unless you understand the nature of derivative investments and the extent of your risk exposure. You must satisfy yourself that a fund which invests in or contains derivative instruments is suitable for you in light of your circumstances and financial resources.