Unit Trusts Smart Saver Plan

Standard Chartered

Know Your Investment Risk (KYIR) – Unit Trusts Smart Saver Plan

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.

Investment in Emerging Markets

Emerging market investments may be more volatile than investments in more developed markets. Some emerging markets may have relatively unstable governments, economies based on only a few industries and securities markets that only trade a limited number of securities as well as a high concentration of investors and financial intermediaries. These factors may adversely affect the timing and pricing of a fund's acquisition or disposal or securities. Many emerging markets do not have well developed regulatory systems and disclosure standards may be less stringent than those of developed markets. There may be an increased risk of expropriation, confiscatory taxation or nationalization of your investments and any profits you make on them; social, political and economic instability; and in addition to withholding taxes on investment income, some emerging markets may impose different capital gains taxes on foreign investors. Repatriation of investment income, capital and the proceeds of sales by foreign investors may require governmental registration and/or approval in some emerging markets and may be subject to currency exchange control restrictions.

Brokers and counter parties in emerging markets may be less well capitalised and custody and registration of assets in some countries may be unreliable, increasing the risks involved in the settlement of transactions. Delays in settlement could result in investment opportunities being missed if a fund is unable to acquire or dispose of a security.

In addition to the foregoing general risks, there may be additional risks associated with specific emerging market countries which may change over time, either by increasing or by diminishing. Furthermore, new risks currently not anticipated may arise in the future in connection with specific countries and/or geographic regions. Investors should therefore consult with their qualified financial advisors as to the relevant risks associated with various markets at the time they are considering investing in an emerging market fund.

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

The total contribution per month will be charged by the Bank as the Setup Fee and debited from your account upon your submission of the Investment Services Action Form. Your monthly contribution towards the purchase of units for your selected fund(s) under Smart Saver shall begin in the second month. You should be aware that an annual recurring fee of up to 1.75% which includes fund management and administrative fees will be charged by the fund manager. The fund's Net Asset Value (NAV) declared by the fund manager is net off all such fees. Please refer to respective fund prospectus and factsheet for further details.

Redemption Period and Charges

Smart Saver offers flexibility to stop your monthly contributions at any time without any charges imposed by the Bank. However, in case you want to stop investing into any of the funds you would be under obligation to complete the Investment Services Action Form. You can redeem units of the funds anytime and there is no redemption charge imposed by the Bank. Dealing/Transactions in the funds are provided by the fund manager at the frequency mentioned in their respective factsheet and prospectus. The Bank shall not be liable for any delay in receiving the redemption proceeds.

Switching between Funds and Incurred Fees

You can switch units of the funds anytime and the 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. The investment into the new funds under the switch request will take place once the redemption proceeds from the old funds are received.

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.