

Name of Main Account Holder: \_\_\_\_\_ NRIC / Passport No.: \_\_\_\_\_

Name of Joint Account Holder: \_\_\_\_\_ NRIC / Passport No.: \_\_\_\_\_

Name of Corporation: \_\_\_\_\_ Company Reg No.: \_\_\_\_\_

## RISK DISCLOSURE STATEMENTS

The various risk disclosure statements contained herein shall be collectively referred to as  
"Risk Disclosure Statements" ("Statements")  
*You are requested to read, acknowledge and retain one copy of these Statements.*

### PART 1

#### RISK DISCLOSURE STATEMENT FOR SECURITIES TRADING

*This risk disclosure statement for securities trading is provided to you, as a Client of UOB Kay Hian Pte Ltd ("UOBKH"), in compliance with the SGX Rules and the provisions of the Securities and Futures (Licensing and Conduct of Business) Regulations.*

This statement does not disclose all of the risks and other significant aspects of trading in securities. In light of the risks, you should undertake such transactions only if you understand the nature of securities, including their derivatives, and the contracts (and contractual relationship) which you are entering into and the extent of your exposure to risk. You should carefully consider whether trading in securities is appropriate in the light of your experience, objectives, financial resources, and other relevant circumstances. If in any doubt, you should seek professional advice. Different securities involve different levels of risk and in considering whether to trade in securities, you should be aware of the following points:

#### 1. Terms and Conditions of Securities Trading

You should read and understand the terms and conditions spelt out (and from time to time amended) in the UOBKH's Master Trading Agreement all of which are to be referred to and construed as part of the agreement between you as a Client and UOBKH.

#### 2. Risks associated with Securities Trading

##### (a) Price fluctuation

The price and value of any investment in securities and the income, if any, from them, can fluctuate and may fall against your interest. An individual security may experience downward price movements and may under some circumstances even become valueless. An inherent risk of trading securities is that losses may be incurred, rather than profits made, as a result of buying and selling securities.

##### (b) Suspension or Restriction of Trading

Market conditions (e.g. illiquidity) and/or the operation of the rules of certain markets (e.g. the suspension of trading in any security because of price limits or trading halts) may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions.

##### (c) Warrants

A warrant is a time-limited right to subscribe for securities and is exercisable against the original issuer or the underlying securities. A relatively small movement in the price of the underlying security results in a disproportionately large movement, favourable or unfavourable, in the price of the warrant. The prices of warrants can therefore be volatile. It is essential for anyone who is considering purchasing warrants to understand that the right to subscribe which a warrant confers is invariably limited in time with the consequence that if the investor fail to exercise this right within the predetermined time-scale then the investment becomes worthless.

##### (d) Securitised Derivatives (e.g. structured warrants, contracts for differences)

These instruments may give you a time-limited or absolute right to acquire or sell one or more types of investment which is normally exercisable against someone other than the issuer of that investment. Or they may give you rights under a contract for differences which allow for speculation on fluctuations in the value of the underlying security. These instruments often involve a high degree of gearing or leverage, so

that a relatively small movement in the price of the underlying investment results in a much larger movement, favourable or unfavourable, in the price of the instrument. The price of these instruments can therefore be volatile. These instruments have a limited life, and may expire worthless if the underlying instrument does not perform as expected.

Equity-linked investments are structured products based on underlying listed securities that offer the potential for high returns but also involve substantial risks including market, liquidity and credit risks. These investments are intended to be held to maturity and are generally for investors who expect the price of the reference security to be stable or moderately bullish in the near future. The principal investment sum and interest are not guaranteed and investors may suffer a capital loss, if the reference security price is below the strike price on determination date, as investors will receive the reference security instead of cash.

### **3. Risk of Margin Trading**

The risk of loss in financing a transaction by deposit of collateral may be significant. You may sustain losses in excess of your cash and any other assets deposited as collateral with UOBKH. You may be called upon at short notice to make additional margin deposits or interest payments. If required margin deposit or interest payment is not made within the prescribed time, your collateral may be liquidated by UOBKH without prior notification to you. You should therefore carefully consider whether such a financing arrangement is suitable in light of your own financial position and investment objectives.

### **4. Commission and Other Charges**

You should obtain a clear explanation of all commissions, fees and any other charges and understand that these charges may affect your net profit (if any) or increase your loss. You agree that you will be liable for these charges (as may be amended from time to time).

### **5. Transactions in Other Jurisdictions (please refer to Risk Warning Statement For Overseas-Listed Investment Product in Part 2 of this document)**

Transactions on markets in other jurisdictions, including markets formally linked to the Singapore market, may expose you to additional risks. Such markets may be subjected to rules that may offer different or diminished investor protection. Before entering into such trades, you should be aware of the rules relevant to your particular transactions. Our local regulatory authority may be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where your transactions have been effected.

### **6. Currency Risks**

The potential for profit or loss from transactions on foreign markets or in foreign currency-denominated securities (traded locally or in other jurisdictions) will be affected by fluctuations in foreign exchange rates.

### **7. Trading Facilities and Electronic Trading**

UOBKH's trading facilities are supported by computer-based component systems for the order-routing, executing, matching, registration or clearing of trades. As with all facilities and computer systems, Client will be exposed to risks associated with the system including the failure of hardware and software. The result of any systems failure may be that your order is either not executed according to your instructions or is not executed at all. You should also be aware that the internet is not a completely reliable transmission medium and there may be delays in service provisions.

### **8. Securities Borrowing and Lending**

When you borrow securities from UOBKH, you will be required to deposit a required level of collateral. You may be called upon at short notice to place additional deposits if the level of your collateral is inadequate in relation to the market value of borrowed securities. If the required deposit is not made within the prescribed time, UOBKH may buy-back the borrowed securities without prior notification to you. When you lend securities to UOBKH, you temporarily lose legal ownership rights to the securities but in place, have a right to claim equivalent securities. In so far as you receive manufactured dividends, you may be required to treat the entire amount as income for tax purposes.

### **9. Execution Only Services For Categories of Customers**

Please note that:

- (a) In relation to Excluded Investment Products; and
- (b) In relation to Specified Investment Products except where you are a person for whom UOBKH is obliged to effect or both of a Customer Account Review and/or a Customer Knowledge Assessment as condition to permitting you to trade or continue to trade in Specified Investment Products – i.e. what UOBKH's Guide and Cautionary Notes referred to as a "Retail Client".

Unless you have a specific agreement with UOBKH for the provision of advisory services or fund management services, UOBKH's relationship with you in relation to your securities and securities related transaction is purely as execution only broker/dealer or as a counterparty to you. In either case while you

are entitled to expect UOBKH or its employees or representatives to answer your queries, the obligation in so answering is only to be honest. Such answers should not be assumed to be backed by any prior reasonable due diligence or research or specifically suitable for reliance by yourself without you first independently confirming the same with your independent advisers. **You should also note clause A26 of UOBKH's Master Trading Agreement and ensure you understand and accept the same as a condition to your relationship with UOBKH.**

You may however, from time to time be provided with investment and financial related information and reports, including but not limited to research reports and market or securities specific analysis. Please note that the information is provided for you by way of information only. All of the information report and analysis were and should be taken as having been prepared for the purpose of general circulation and that none were made with regard to any specific investment objective, financial situation or the needs of any particular person who may receive the information, report or analysis (including yourself). Any recommendation or advice that may be expressed in or inferred from such information, reports or analysis therefore does not take into account and may not be suitable for your investment objectives, financial situation and particular needs.

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## PART 2

### **RISK WARNING STATEMENT FOR OVERSEAS-LISTED INVESTMENT PRODUCTS\* (\*not applicable to corporate and financial institutions)**

#### **RISK WARNING**

An overseas-listed investment product\* is subject to the laws and regulations of the jurisdiction it is listed in. Before you trade in an overseas-listed investment product or authorise someone else to trade for you, you should be aware of:

- The level of investor protection and safeguards that you are afforded in the relevant foreign jurisdiction as the overseas-listed investment product would operate under a different regulatory regime.
- The differences between the legal systems in the foreign jurisdiction and Singapore that may affect your ability to recover your funds.
- The tax implications, currency risks, and additional transaction costs that you may have to incur.
- The counterparty and correspondent broker risks that you are exposed to.
- The political, economic and social developments that influence the overseas markets you are investing in.

These and other risks may affect the value of your investment. You should not invest in the product if you do not understand or are not comfortable with such risks.

*\*An "overseas-listed investment product" in this statement refers to a capital markets products that is approved in-principle for listing and quotation on, or listed for quotation or quoted only on one or more overseas securities exchanges or overseas futures exchanges (collectively referred to as "overseas exchanges").*

1. This *Risk Warning Statement for Overseas-listed Investment Products* is provided to you in accordance with paragraph 29D of the Notice on the Sale of Investment Products [SFA04-N12].
2. This statement does not disclose all the risks and other significant aspects of trading in an overseas-listed investment product. You should undertake such transactions only if you understand and are comfortable with the extent of your exposure to the risks.
3. You should carefully consider whether such trading is suitable for you in light of your experience, objectives, risk appetite, financial resources and other relevant circumstances. In considering whether to trade or to authorise someone else to trade for you, you should be aware of the following:

#### **Differences in regulatory regimes**

- (a) Overseas markets may be subject to different regulations, and may operate differently from approved exchanges in Singapore. For example, there may be different rules providing for the safekeeping of securities and monies held by custodian banks or depositories. This may affect the level of safeguards in place to ensure proper segregation and safekeeping of your investment products or monies held overseas. There is also the risk of your investment products or monies not being protected if the custodian has credit problems or fails. Overseas markets may also have different periods for clearing and settling transactions.

These may affect the information available to you regarding transaction prices and the time you have to settle your trade on such overseas markets.

- (b) Overseas markets may be subject to rules which may offer different investor protection as compared to Singapore. Before you start to trade, you should be fully aware of the types of redress available to you in Singapore and other relevant jurisdictions, if any.
- (c) Overseas-listed investment products may not be subject to the same disclosure standards that apply to investment products listed for quotation or quoted on an approved exchange in Singapore. Where disclosure is made, differences in accounting, auditing and financial reporting standards may also affect the quality and comparability of information provided. It may also be more difficult to locate up-to-date information, and the information published may only be available in a foreign language.

#### **Differences in legal systems**

- (d) In some countries, legal concepts which are practiced in mature legal systems may not be in place or may have yet to be tested in courts. This would make it more difficult to predict with a degree of certainty the outcome of judicial proceedings or even the quantum of damages which may be awarded following a successful claim.
- (e) The Monetary Authority of Singapore (“MAS”) will be unable to compel the enforcement of the rules of the regulatory authorities or markets in other jurisdictions where your transactions will be effected.
- (f) The laws of some jurisdictions may prohibit or restrict the repatriation of funds from such jurisdictions including capital, divestment proceeds, profits, dividends and interest arising from investment in such countries. Therefore, there is no guarantee that the funds you have invested and the funds arising from your investment will be capable of being remitted.
- (g) Some jurisdictions may also restrict the amount or type of investment products that foreign investors may trade. This can affect the liquidity and prices of the overseas-listed investment products that you invest in.

#### **Different costs involved**

- (h) There may be tax implications of investing in an overseas-listed investment product. For example, sale proceeds or the receipt of any dividends and other income may be subject to tax levies, duties or charges in the foreign country, in Singapore, or in both countries.
- (i) Your investment return on foreign currency-denominated investment products will be affected by exchange rate fluctuations where there is a need to convert from the currency of denomination of the investment products to another currency, or may be affected by exchange controls.
- (j) You may have to pay additional costs such as fees and broker’s commissions for transactions in overseas exchanges. In some jurisdictions, you may also have to pay a premium to trade certain listed investment products. Therefore, before you begin to trade, you should obtain a clear explanation of all commissions, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.

#### **Counterparty and correspondent broker risks**

- (k) Transactions on overseas exchanges or overseas markets are generally effected by your Singapore broker through the use of foreign brokers who have trading and/or clearing rights on those exchanges. All transactions that are executed upon your instructions with such counterparties and correspondent brokers are dependent on their respective due performance of their obligations. The insolvency or default of such counterparties and correspondent brokers may lead to positions being liquidated or closed out without your consent and/or may result in difficulties in recovering your monies and assets held overseas.

#### **Political, economic and social developments**

- (l) Overseas markets are influenced by the political, economic and social developments in the foreign jurisdiction, which may be uncertain and may increase the risk of investing in overseas-listed investment products.

#### **Additional Risk Disclosure Statement for trading in derivatives contracts with cryptocurrencies as underlying assets**

- (m) Trading in Payment Token Derivatives (“PTDs”) such as cryptocurrency exchange traded funds, cryptocurrency contracts for differences or debentures or futures contracts that reference payment tokens carries a high level of risk. You may risk losing all your capital or more. You must therefore be fully aware of the following risks associated with both derivatives and payment tokens/cryptocurrencies and carefully

assess whether an investment in PTDs or cryptocurrencies is suitable for your investment objectives and risk appetite:

- i. Cryptocurrencies are not legal tender and are not issued by any government nor backed by any asset or issuer. Cryptocurrencies are currently not subject to any regulatory requirements or supervisory oversight by the MAS. Hence the safeguards afforded under MAS' regulatory framework may not apply to consumers dealing with unregulated products;
- ii. Cryptocurrencies have little or no intrinsic value, making them hard to value and are extremely volatile. Being highly speculative, investing in them entails high risk as prices are prone to sudden sharp swings as a result of unanticipated events or changes in market sentiments primarily due to the lack of price transparency;
- iii. Liquidity may also become limited and price gaps may occur in such circumstances;
- iv. Cryptocurrency exchanges, where cryptocurrencies are bought and traded, may be susceptible to cyber security breaches. In the event of a cyberattack and theft of cryptocurrencies, it may result in drastic, adverse price movements.

Given the risks associated with cryptocurrency's inherent volatility and the uncertain regulatory environment surrounding cryptocurrencies, you must carefully consider these factors and conduct thorough research to understand the implications of investing in these cryptocurrency exchange traded funds, cryptocurrency contracts for differences or debentures or futures contracts that reference payment tokens as they inherit the complexities and speculative nature of the underlying asset. The decision to invest should be based on your own financial goals, risk tolerance, and a comprehensive assessment of the market environment.

### PART 3

#### RISK DISCLOSURE STATEMENT FOR AND TERMS AND CONDITIONS APPLICABLE TO BOND TRADING

#### SECTION A

#### TERMS AND CONDITIONS APPLICABLE TO BOND TRANSACTIONS WITH UOBKH

Please:

- A. Read the terms and conditions below with effect from the date of your signing and agreeing to the terms and conditions, they will apply and govern all orders from you, the "Client", as a Qualified Person (as defined below) to UOBKH for Unlisted Bonds.
- B. **Complete the Application for us to enter into contracts with you but only if you are a Qualified Person (as defined below) and wish to enter into Unlisted Bond transactions with UOBKH and are agreeable to the terms and conditions.**

#### SCOPE

1. **Application:** The clauses in this Section apply to transactions in Unlisted Bonds effected by you (who may also be referred to as the "Client") with us from time to time pursuant to the Client's orders/instructions.

**Supplemental Effect Of This Section:** Please note that the terms and conditions in this Section are intended to be read in conjunction with:-

- (i) and as supplementary to the terms of the Master Trading Agreement
- (ii) our terms for electronic trading facilities and
- (iii) the terms of our template "**IMPORTANT INFORMATION AND DISCLAIMER NOTICE**" under which UOBKH sends out or make available information with respect to Unlisted Bonds that may be dealt in with UOBKH ("Template Notice") - (collectively the "Terms") executed by you.

Your transactions in Bonds with us shall therefore be subject to the Terms and not merely the clauses in this Appendix.

## 2. Specific Terms for Transactions in Bonds:

### Precondition:

UOBKH intends to and will only trade in bonds with Qualified Persons as defined in the Template Notice and then only as principal to such persons and you therefore understand and acknowledge that UOBKH will not deal or consider dealing with you if you are not a Qualified Person.

As either the net asset test (and in particular any liabilities you may have) for determining whether you are an accredited investor or otherwise have the substantive personal financial resources available for determining whether you are otherwise still substantively a Qualified Person depends on full knowledge of your financial conditions, only you are in a position to properly and ultimately determine whether you are a relevant Qualified Person. Therefore in giving any and every order for bond dealing, you represent, warrant and undertake in favour of UOBKH with full intent that UOBKH relies on its correctness as a material condition in agreeing to accepting your order that you have, after relevant due diligence on your financial status and resources, determined that you are a Qualified Person as indicated in your acknowledgement below.

You also undertake in favour of UOBKH that should you cease to be a Qualified Person as indicated in your acknowledgement below, you will notify UOBKH accordingly and cease any further dealings with UOBKH with respect to Unlisted Bonds.

You also acknowledge and confirm that should it be discovered after the event that your representation warranty and undertaking with respect to any Unlisted Bond transaction concluded with or through UOBKH was wrong, that the transaction shall be voidable at the option of UOBKH but without prejudice to its rights to recover damages for your misrepresentation, breach of warranty and undertaking.

### 3. Bond Trading Only As Principal

UOBKH will only trade bonds with you as principal to you (and therefore expressly without the assumption of any advisory or fiduciary duties to you) and then only subject to its standard terms for bond trading

### 4. SFA/FAA Exemptions Claimed

As it is a condition to your being allowed to access/review the information below that you are an accredited investor for both the purposes of the SFA and the FAA, you must also note that UOBKH is also specifically relying on the exemptions from all suitability and information provision compliance requirements provided pursuant to regulations and guidelines to the SFA and/or the FAA available to it.

### 5. Commissions and Mark-Ups

In addition as you are trading bonds with UOBKH as principal you may/will be charged a marked up on trades (generally referred to in market parlance as a "spread") UOBKH executes for ourselves on a back-to-back basis as our hedge or off-setting trade to your trades with UOBKH. Your bond contract will be issued on a net contract value basis.

## 6. PROVISION OF UNLISTED BOND DEALING SERVICES BY UOBKH

In consideration of UOBKH agreeing at its discretion from time to time to provide you information on Unlisted Bonds and allowing you to transact with UOBKH in such Unlisted Bonds on your initiative and responsibility and for your personal benefit, you hereby declare, warrant and agree that:-

- (a) You have read, understood, accepted and agreed to the terms and conditions set out in this Risk Disclosure Statements for the provision of Unlisted Bond Dealing Services to you;
- (b) You acknowledge and agree to the terms and conditions in this Risk Disclosure Statements forming part of the terms of the Master Trading Agreement, to be read with UOBKH's terms for electronic trading facilities and the terms of its template "**IMPORTANT INFORMATION AND DISCLAIMER NOTICE**" under which UOBKH sends out or make available information with respect to Unlisted Bonds that may be dealt in with UOBKH; and
- (c) You are, after careful personal consideration, an accredited investor within the meaning of that expression as defined in both Securities and Futures Act 2001– "**SFA**" – and the Financial Advisers Act 2001 – "**FAA**"; **and** you have not opted to be treated as other than such an accredited investor; or
- (d) You are, after careful personal consideration, a person who while not an accredited investor as defined in both the SFA and FAA have the personal financial capacity to, and intend only to, acquire Unlisted Bonds solely for yourself and solely for your own benefit at prices for each purchase of no less than S\$200,000 (or its equivalent in a foreign currency) per purchase so as to qualify you as a person pursuant to Section 275 (1A) of the SFA entitled to be offered Unlisted Bonds for purchase; and where

the information being provided is an Unlisted Bond that is not an Excluded Investment Product for the purposes of the FAA, that you will ensure that you are a person who has been assessed as having passed the relevant CAR/CKA (as relevant) requirements to be allowed to trade or invest in such bonds before you give any order for such bonds.

## SECTION B

### **RISK DISCLOSURE STATEMENT FOR BOND TRADING**

This disclosure statement discusses only some of the characteristics and risk of trading bonds through and with UOBKH. Before trading bonds, you should consider consulting a financial advisor, who can provide advice on whether particular investments suit your financial goals and for your full understanding of the bonds you may choose to transact in. Please be reminded that UOBKH merely provides execution services and does not provide specific or any trading or investment advice or recommendation. UOBKH also claims the benefit of all exemptions available to it for dealing with the Client as an accredited investor under both the SFA and the FAA. UOBKH will not monitor your trades and investments to determine if they are appropriate or suitable for your financial needs or otherwise.

Before trading any particular bond, you should understand the specific terms of the particular bond, including its credit rating, maturity, interest rate, whether it is callable, and other relevant information.

More information on bond trading can be found on amongst others, the following website sponsored by the Securities Industry and Financial Markets Association: [www.investinginbonds.com](http://www.investinginbonds.com).

#### **General Risks of Bond Trading**

Trading bonds may not be suitable for all investors. Although bonds are often thought to be conservative investments, there are numerous risks involved in bond trading. The prices of bonds may move up or down, and there is the risk that they may become valueless. If you are uncomfortable with any of the risks involved, you should not trade bonds.

##### **1. Credit Risks**

There is a credit risk involved with trading bonds. When you purchase a corporate bond, you are lending money to a company. There is always the risk that the issuer or even the guarantor (where the bond is packaged with guarantee) may default. If this happens, you will not receive your investment back. This is a risk of which you must be aware. Credit risk is figured into the pricing of bonds. There is a prepayment risk involved. Prepayment risk involves the scenario where an issuer "calls" a bond. If this happens, your investment will be paid back early. Certain bonds are callable and others are not, and this information is detailed in the prospectus. Corporations may call their bonds when interest rates fall below current bond rates.

##### **2. Market Risk**

There is an interest rate risk associated with bonds. Changes in interest rates during the term of any bond may affect the market value of the bond prior to call or the maturity date. Prices of bonds generally move in opposite direction with interest rates during the tenor of the bond. Bond prices generally fall when interest rates rise during the tenor of the bond.

##### **3. Liquidity Risks**

There is the risk that there may be no active secondary market quotations for the bonds. Unless the bonds are held to maturity, the lack of buyers or the sale price may be much lower than the amount invested or the bond holder may receive upon maturity. A lack of buyers or sellers in the market may lead to investors not being able to execute the trade or may be forced to trade at a value significantly away from the investor's desired price.

##### **4. Foreign exchange risk**

There is the risk that if the bonds are denominated in a foreign currency, exchange rate fluctuations may have an adverse impact on the value of the bonds.

## PART 4

### SECURITIES AND FUTURES ACT 2001

#### SECURITIES AND FUTURES (LICENSING AND CONDUCT OF BUSINESS) REGULATIONS (Rg. 10)

#### RISK DISCLOSURE STATEMENT REQUIRED TO BE FURNISHED UNDER SECTION 47(E)1 AND TO BE KEPT UNDER REG. 39(2)(c) BY THE HOLDER OF A CAPITAL MARKETS SERVICES LICENCE TO TRADE IN FUTURES CONTRACTS OR LEVERAGED FOREIGN EXCHANGE CONTRACTS

### SECTION A

#### FORM 13

1. This statement is provided to you in accordance with regulation 47E(1) of the Securities and Futures (Licensing and Conduct of Business) Regulations (Rg 10).
2. This statement does not disclose all the risks and other significant aspects of trading in futures, options, over-the-counter derivatives contracts where the underlying is a currency or currency index ("OTCD currency contracts") and spot foreign exchange contracts for the purposes of leveraged foreign exchange trading ("Spot LFX trading contracts"). In light of the risks, you should undertake such transactions only if you understand the nature of the contracts (and contractual relationships) into which you are entering and the extent of your exposure to the risks. Trading in futures, options, OTCD currency contracts and Spot LFX trading contracts may not be suitable for many members of the public. You should carefully consider whether such trading is appropriate for you in the light of your experience, objectives, financial resources and other relevant circumstances. In considering whether to trade, you should be aware of the following:

#### (a) Futures, OTCD currency contracts and Spot LFX trading

##### (i) *Effect of 'Leverage' or 'Gearing'*

Transactions in futures, OTCD currency contracts and Spot LFX trading contracts carry a high degree of risk. The amount of initial margin is small relative to the value of the futures contract, OTCD currency contract or Spot LFX trading contract transaction so that the transaction is highly 'leveraged' or 'geared'. A relatively small market movement will have a proportionately larger impact on the funds you have deposited or will have to deposit; this may work against you as well as for you. You may sustain a total loss of the initial margin funds and any additional funds deposited with the firm to maintain your position. If the market moves against your position or margin levels are increased, you may be called upon to pay substantial additional funds on short notice in order to maintain your position. If you fail to comply with a request for additional funds within the specified time, your position may be liquidated at a loss and you will be liable for any resulting deficit in your account.

##### (ii) *Risk-Reducing Orders or Strategies*

The placing of certain orders (e.g. 'stop-loss' orders, where permitted under local law, or 'stop-limit' orders) which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. At times, it is also difficult or impossible to liquidate a position without incurring substantial losses. Strategies using combinations of positions, such as 'spread' and 'straddle' positions may be as risky as taking simple 'long' or 'short' positions.

#### (b) Options

##### (i) *Variable Degree of Risk*

Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarise themselves with the type of options (i.e. put or call) which they contemplate trading and the associated risks. You should calculate the extent to which the value of the options would have to increase for your position to become profitable, taking into account the premium paid and all transaction costs.

The purchaser of options may offset its position by trading in the market or exercise the options or allow the options to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the option is on a futures contract, OTCD currency contract or Spot LFX trading contract, the purchaser will have to acquire a position in the futures contract, OTCD currency contract or Spot LFX trading contract, as the case may be, with associated liabilities for margin (see the section on Futures, OTCD currency contracts and Spot LFX trading contracts above). If the purchased options expire worthless, you will suffer a total loss of your investment which will consist of the option premium paid plus transaction costs. If you are contemplating purchasing deep-out-of-the-money options, you should be aware that, ordinarily, the chance of such options becoming profitable is remote.



Selling ('writing' or 'granting') an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of the amount of premium received. The seller will be liable to deposit additional margin to maintain the position if the market moves unfavourably. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obligated to either settle the option in cash or to acquire or deliver the underlying interest. If the option is on a futures contract, OTCD currency contract or spot LFX trading contract, the seller will acquire a position in the futures contract, OTCD currency contract or spot LFX trading contract, as the case may be, with associated liabilities for margin (see the section on Futures, OTCD currency contracts and Spot LFX trading contracts above). If the option is 'covered' by the seller holding a corresponding position in the underlying futures contract, OTCD currency contract, spot LFX trading contract or another option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited.

Certain exchanges in some jurisdictions permit deferred payment of the option premium, limiting the liability of the purchaser to margin payments not exceeding the amount of the premium. The purchaser is still subject to the risk of losing the premium and transaction costs. When the option is exercised or expires, the purchaser is responsible for any unpaid premium outstanding at that time.

### **(c) Additional Risks Common to Futures, Options and Leveraged Foreign Exchange Trading**

#### **(i) Terms and Conditions of Contracts**

You should ask the corporation with which you conduct your transactions for the terms and conditions of the specific futures contract, option, OTCD currency contract or spot LFX trading contract which you are trading and the associated obligations (e.g. the circumstances under which you may become obligated to make or take delivery of the underlying interest of a futures contract, OTCD currency contract or spot LFX trading contract transaction and, in respect of options, expiration dates and restrictions on the time for exercise). Under certain circumstances, the specifications of outstanding contracts (including the exercise price of an option) may be modified by the exchange or clearing house to reflect changes in the underlying interest.

#### **(ii) Suspension or Restriction of Trading and Pricing Relationships**

Market conditions (e.g. illiquidity) or the operation of the rules of certain markets (e.g. the suspension of trading in any contract or contract month because of price limits or 'circuit breakers') may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions. If you have sold options, this may increase the risk of loss.

Further, normal pricing relationships between the underlying interest and the futures contract, and the underlying interest and the option may not exist. This can occur when, e.g., the futures contract underlying the option is subject to price limits while the option is not. The absence of an underlying reference price may make it difficult to judge 'fair' value.

#### **(iii) Deposited Cash and Property**

You should familiarise yourself with the protection accorded to any money or other property which you deposit for domestic and foreign transactions, particularly in a firm's insolvency or bankruptcy. The extent to which you may recover your money or property may be governed by specific legislation or local rules. In some jurisdictions, property which had been specifically identifiable as your own will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall.

### **(d) Commission and Other Charges**

Before you begin to trade, you should obtain a clear explanation of all commissions, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.

### **(e) Transactions in Other Jurisdictions**

Transactions on markets in other jurisdictions, including markets formally linked to a domestic market, may expose you to additional risk. Such markets may be subject to a rule which may offer different or diminished investor protection. Before you trade, you should enquire about any rules relevant to your particular transactions. Your local regulatory authority will be unable to compel the enforcement of the rules of the regulatory authorities or markets in other jurisdictions where your transactions have been effected. You should ask the firm with which you conduct your transactions for details about the types of redress available in both your home jurisdiction and other relevant jurisdictions before you start to trade.

### **(f) Currency Risks**

The profit or loss in transactions in foreign currency-denominated futures and options contracts (whether they are traded in your own or another jurisdiction) will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.

### **(g) Trading Facilities**

Most open-outcry and electronic trading facilities are supported by computer-based component systems for the order-routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. Your ability to recover certain losses may be subject to limits on liability imposed by the one or more parties, namely the system provider, the market, the clearing house or member firms. Such limits may vary. You should ask the firm with which you conduct your transactions for details in this respect.

**(h) Electronic Trading**

Trading on an electronic trading system may differ not only from trading in an open-outcry market but also from trading on other electronic trading systems. If you undertake transactions on an electronic trading system, you will be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that your order is either not executed according to your instructions or not executed at all.

**(i) Off-Exchange Transactions**

In some jurisdictions, firms are permitted to effect off-exchange transactions. The firm with which you conduct your transactions may be acting as your counterparty to the transaction. It may be difficult or impossible to liquidate an existing position, to assess the value, to determine a fair price or to assess the exposure to risk. For these reasons, these transactions may involve increased risks. Off-exchange transactions may be less regulated or subject to a separate regulatory regime. Before you undertake such transactions, you should familiarise yourself with the applicable rules and attendant risks.

Note: "Margin" means an amount of money, securities, property or other collateral, representing a part of the value of the contract or agreement to be entered into, which is deposited by the buyer or the seller of a transaction in a futures contract, OTCD currency contract or spot LFX trading contract to ensure performance of the terms of the transaction in the futures contract, OTCD currency contract or spot LFX trading contract.

## SECTION B

### RISK DISCLOSURE STATEMENT FOR TRADING IN CONTRACTS FOR DIFFERENCES ("CFDs")

1. As part of our Regulator requirements, we have to provide you with the risk disclosure statement with respect to trading in CFDs which are not covered by the requirements under section 128 (1) of the Securities and Futures Act 2001. Futures and Leveraged Foreign Exchange contracts are covered by the requirements under section 128 (1) of the Securities and Futures Act 2001 but not CFDs transactions.

This statement however does not disclose all the risks and other significant aspects of trading in CFDs. You should undertake such transactions only if you clearly understand the nature of the contracts (and contractual relationships) into which you are entering and the extent of your risk exposure. As CFDs are leveraged instruments, it may not be suitable for many members of the public. You should clearly consider your trading objectives, experience, financial resources to determine if trading in CFDs is suitable for you. **Before trading, you should be aware of the risks notified in Form 13 set out as Part 4 Section A of this Risk Disclosure Statements.** The risks notified in Form 13 are also risks common to CFDs.

2. **CFDs**

- (a) **Effect of 'Leverage' or 'Gearing'**

Transactions in CFDs carry a high degree of risk. The amount of initial margin is small relative to the value of the CFDs transaction so that the transaction is highly 'leveraged' or 'geared'. A relatively small market movement will have a proportionately larger impact on the funds you have deposited or will have to deposit; this may work against you as well as for you. You may sustain a total loss of the initial margin funds and any additional funds deposited with the firm to maintain your position. If the market moves against your position or margin levels are increased, you may be called upon to pay substantial additional funds on short notice in order to maintain your position. If you fail to comply with a request for additional funds within the specified time, your position may be liquidated at a loss and you will be liable for any resulting deficit in your account.

- (b) **Risk-Reducing Orders or Strategies**

The placing of certain orders (e.g. 'stop-loss' orders, where permitted under local law, or 'stop-limit' orders) which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. At times, it is also difficult or impossible to liquidate a position without incurring substantial losses. Strategies using combinations of positions, such as 'spread' and 'straddle' positions may be as risky as taking simple 'long' or 'short' positions.

### 3. Liquidity

CFDs are over the counter (“OTC”) instruments and may be illiquid at times due to the absence of a secondary market, meaning such instruments may be difficult to be transacted within a reasonable time (if at all) or a price which reflects its objectivity perceived “fair” value. For some of such instruments it may even be difficult to get any reliable independent information about the value and risks associated with such instruments.

## SECTION C

### RISK FACT SHEET FOR TRADING IN CONTRACTS FOR DIFFERENCES (“CFDs”)

The Risk Fact Sheet is provided to you in accordance with Notice SFA N04-N15. It highlights the common risks of trading in Contracts for Differences (CFDs) and complements the trading agreement and associated risk disclosures furnished by UOB KAY HIAN Pte Ltd (UOBKH). This Risk Fact Sheet does not disclose all the risks of trading in CFDs. It is important to read the trading agreement and associated risk disclosures before deciding whether to trade in CFDs. You should also carefully consider whether trading in CFDs is appropriate for you in the light of your experience, objectives, financial resources and other relevant circumstances. If you do not have a copy of the trading agreement and associated risk disclosures, please contact UOBKH to request for a copy or download via <https://www.utrade.com.sg>. You should not trade in CFDs if you do not understand the product or are not comfortable with the accompanying risks.

#### Q1. What is my potential loss when I trade on margin in CFDs?

When you enter into a CFD transaction, you need to pay an initial margin, which is based on a percentage of the value of the trade. When you trade on margin, you should be prepared to lose more than or all of your initial investment amount that you have paid as margin to UOBKH.

**Illustration 1:** The shares of XYZ Ltd are quoted at S\$2.00 per share and you are buying 2,000 shares of XYZ Ltd as a CFD at S\$2.00 per CFD. UOBKH sets the margin at 10% so you have to put up an initial margin of  $10\% \times S\$2.00 \times 2,000 = S\$400$ .

- The share price of XYZ Ltd then falls from S\$2.00 to S\$1.95. As such, you incur a loss of S\$100  $[(S\$1.95 - S\$2.00) \times 2,000]$ .
- Due to adverse market information on XYZ Ltd, the share price falls further to \$1.75. You incur a loss of S\$500  $[(S\$1.75 - S\$2.00) \times 2,000]$ . The S\$500 loss would be deducted from your initial margin of S\$400, which means you have to pay an additional S\$100 arising from your incurred loss.
- In the worst case, the shares of XYZ Ltd become worthless. You lose the full contract value of S\$4000  $[(S\$0 - S\$2.00) \times 2,000]$ . This is similar to the situation where you bought 2,000 shares at S\$2.00 per share, and lost your entire initial investment. You may also be liable for additional charges, costs and fees incurred.

#### Q2. What will happen if I do not have enough margin to cover my losses?

There are two margin call situations you can encounter:

- i. If the cash balance in your account is less than the margin required on your account, UOBKH will issue you a margin call to pay the margin shortfall by the second business day.
- ii. For account's margin ratio that exceeds 125%, the account holder has to pay the margin shortfall by the next business day.

Pursuant to clauses E10.1 of your Master Trading Agreement with us, if you fail to meet the margin call, UOBKH has the right to close out your CFD positions without notifying you. Therefore, you will need to monitor your account closely to ensure that you deal with any margin calls promptly.

**Illustration 2:** Referring to Illustration 1, the share price of XYZ Ltd falls from S\$2.00 to S\$1.95 and the notional value of the contract is now \$3,900 (2,000 x \$1.95). The margin requirements (assuming 10% margin rate) to maintain the contract is now S\$390 (S\$3,900 x 10%). With an unrealized loss of S\$100 (S\$2.00 – S\$1.95) x 2,000 and margin of S\$400, your net equity is now S\$300 (S\$400 – S\$100). UOBKH issues you a margin call of S\$90 to top up your margin to S\$390 (assuming that the margin requirement is S\$390). If you fail to pay the margin call by the stipulated day, UOBKH can close out your position. If the share price of XYZ Ltd continues to fall and your loss exceeds S\$X (i.e. X% of the margin requirement), UOBKH may close out your position. In addition, you may be liable for additional charges, costs and fees incurred.

#### Q3. How is the CFD quoted?

UOBKH has two pricing models for its products – the CFD direct market access (CFD DMA) model and the CFD non-DMA model. For the CFD DMA model, the CFD prices will correspond directly to prices of the reference instrument quoted in the underlying exchange or market. Therefore, the CFD prices will only be available if the underlying exchange or market is open and if there is sufficient liquidity.

For the CFD non-DMA model, the firm obtains quotes from its counterparties whose prices are referenced to, but may differ, from the actual prices in the underlying exchange or market. In particular, when the underlying exchange or market is not open or has insufficient liquidity, the CFD non-DMA prices quoted may deviate significantly from the underlying or last available reference price, the firm may also charge additional spreads to the prices.

**Q4. Can my order be executed at a price that is less favourable than the price quoted on the trading system, or the price that I have submitted?**

Yes, this is stipulated in clauses of section E7 of your Master Trading Agreement with us. Quotes for prices for dealing in UOBKH's products are indicative only and not guaranteed. This can happen when there is a change in our quoted price between the time your order is placed and the time your order is received or executed by our system (e.g., delay in the internet transmission of your order, or rapid price fluctuations in the financial markets during that period). In particular, for stop-loss orders that are triggered for execution at the stop price level that you have indicated, it may be difficult or not possible to liquidate your position at your stop price level, due to rapid price fluctuations or lack of liquidity in the markets. If any of the foregoing events happens, you may incur unexpected losses.

**Q5. Will my order be manually executed? If so, under what circumstances does UOBKH rely on manual execution?**

UOBKH's system executes your orders on an automated basis and does not rely on any manual intervention or dealing, unless your orders do not pass the pre-execution checks carried out by UOBKH's trading system. This can happen if there is insufficient or unavailable liquidity in the underlying market for UOBKH to hedge its own risk exposure. In this regard, UOBKH has the discretion to determine the price of the CFD *pursuant to clauses of section E7 of your Master Trading Agreement with us.*

**Q6. Where are my margins kept and maintained? Can UOBKH use my margins for its own purposes?**

Your moneys or other assets that you placed with UOBKH are required by regulations to be maintained in segregated accounts with certain specific entities. Your moneys or other assets are segregated from UOBKH's own moneys or assets, but may be kept in the same omnibus account with other customers of UOBKH. UOBKH is not permitted to use your money or other assets in the segregated account for its own purposes, including for settling its own dealings with its hedge counterparty.

**Q7. What will happen to my margins if UOBKH becomes insolvent? Will I be able to get back my moneys or other assets?**

UOBKH is your contractual counterparty and is obliged according to the terms and conditions of the trading agreement to honour your CFD trades and any profits made. Therefore, if UOBKH becomes insolvent, you face the risk that UOBKH will not be able to honour any profits that you made. As for your moneys or other assets that are held in the segregated account, these should be protected from the claims of UOBKH's creditors. Nonetheless, the recovery and return of your moneys or other assets will take time, as this is subject to due process of UOBKH's liquidation, including the reconciliation of all its customers' positions and moneys.

**Q8. Under what circumstances can UOBKH close my position or void my order?**

Under the terms of the trading agreement, UOBKH can close out your position or void your trade when:

- (i) you are unable to meet the margin calls within the required timeframe (pursuant to clause E10.1 of your Master Trading Agreement with us);
- (ii) Any of the situations as listed in all clauses of section E13 of your Master Trading Agreement with us.

The price at which your CFD is closed out will depend on the available price of the underlying share or asset at that point in time, which may result in a loss to you.

**Q9. What are the commissions, fees and other charges that I have or may have to pay?**

UOBKH commission, fees and other charges may include but are not limited to the following items. Please refer to the product FAQ on <https://www.utrade.com.sg> for the latest information.

Commission: Applicable to all CFDs. All commission charges are subjected to the Goods and Services Tax (GST).

Finance Charge: A financing fee is charged on any CFD positions that are held overnight on a daily basis. Finance charge is set at a percentage (e.g. 0.5% p.a.) and is charged based on 100% of the end-of-day marked to market value of your CFD positions.

**Illustration 3:** The shares of XYZ Ltd are quoted at S\$2.00 per share and you buy 2,000 shares of XYZ Ltd as a CFD at S\$2.00 per CFD. The commission charged is  $S\$2.00 \times 2,000 \times 0.5\% = S\$20.00$ . In addition, GST of S\$1.40 (7% of S\$20.00) is levied. If you hold the 2,000 shares as a CFD overnight, you incur a daily financing interest. The daily interest charge is  $(S\$4,000 \times 0.5\% / 365 \text{ days}) = S\$0.05$ .

**Q10. What happens when trading in the underlying share or asset is suspended or halted? How can I exit my position and will I suffer losses?**

In event of a suspension where the price of the underlying share is unavailable, UOBKH may allow you to exit your CFD position at a price determined by UOBKH (at section E13.5 to E13.9 of the Master Trading Agreement with us). During the period of suspension, holders of open (long or short) positions will continue to be charged interest if the positions are held overnight.

In the event of a prolonged period of suspension, UOBKH may require you to increase the margins, pay up the contract value in full, or close off your positions at an appropriate price determined by UOBKH. In the worst case, you could lose 100% of the contract value. You may also be liable to pay additional charges, costs and fees incurred.

## SECTION D

### COMMODITY TRADING ACT 1992

#### COMMODITY TRADING REGULATIONS

##### RISK DISCLOSURE STATEMENT REQUIRED TO BE FURNISHED BY A COMMODITY BROKER, COMMODITY FUTURES BROKER OR SPOT COMMODITY BROKER

1. This statement is provided to you in accordance with section 32(1) of the Commodity Trading Act.
2. The intention of this statement is to inform you that the risk of loss in trading in commodity contracts, commodity futures contracts and in spot commodity contracts can be substantial.
3. You should therefore carefully consider whether such trading is suitable for you in light of your financial condition.
4. In considering whether to trade, you should be aware of the following:
  - (a) **Margin:** You may sustain a total loss of the initial margin and any additional margins that you deposit to establish a position or maintain positions in the commodity market, commodity futures market or spot commodity market. If the market moves against your positions, you may be called upon to deposit a substantial amount of additional margins, on short notice, in order to maintain your positions. If you do not provide the required margins within the prescribed time, your positions may be liquidated at a loss, and you will be liable for any resulting deficit in your account.
  - (b) **Liquidation of position:** Under certain market conditions, you may find it difficult or impossible to liquidate a position.
  - (c) **Contingent orders:** Placing contingent orders such as “stop-loss” or “stop-limit” order, will not necessarily limit your losses to the intended amounts, since market conditions may make it impossible to execute such orders.
  - (d) **“Spread” position:** A “spread” position may not be less risky than a simple “long” or “short” position.
  - (e) **Leverage:** The high degree of leverage that is often obtainable in commodity futures trading, trading in commodity contracts and spot commodity trading because of the small margin requirements can work against you as well as for you. The use of leverage can lead to large losses as well as gains.
  - (f) **Foreign markets and off-futures exchange transactions:** Funds placed with a commodity broker, commodity futures broker or spot commodity broker for the purpose of participating in foreign markets or off-futures exchange transactions, such as over the counter (“OTC”) or LME related transactions,

may not enjoy the same level of protection as funds placed in commodity markets or Commodity Futures Exchanges located in Singapore.

This brief statement cannot disclose all the risks and other significant aspects of the commodity market or commodity futures market. You should therefore carefully study commodity futures trading, trading in commodity contracts and spot commodity trading before you trade.

### **IMPORTANT INFORMATION**

#### **UOBKH's Role as a Counterparty to Transactions**

With the exception of spot diamond trading where UOBKH is acting as agent broker of the Client except when UOBKH discloses to the Client with respect to any particular Diamond Transaction that UOBKH acts as principal for its own account, the FX trading and/or commodities trading you may enter into is not conducted on an exchange. UOBKH is acting as principal for its own account and as a counterparty to you in all FX and/or commodities transactions that you conduct with UOBKH and, therefore, acts as the buyer when you sell and the seller when you buy. As a result, UOBKH's interests may be in conflict with yours. Unless otherwise specified in a written agreement between UOBKH and you, UOBKH establishes the prices at which it offers to trade with you. The prices UOBKH offers might not be the best prices available and UOBKH may also offer different prices to different Clients.

If UOBKH elects not to cover its own trading exposure, then you should be aware that UOBKH may make more money if the market goes against you. Additionally, since UOBKH acts as the buyer or seller in each transaction, you should carefully evaluate any trading or other information that you receive from UOBKH or any of its representatives. Accordingly, you should obtain independent professional advice (including legal, regulatory, tax, financial, and/or accounting advice) from such advisers as you deem necessary or desirable.

## **PART 5**

### **RISK DISCLOSURE STATEMENT FOR TRADING IN FUNDS**

You acknowledge and accept that information set out below and any access to it relates to trading in Funds and accordingly, is available only to the Qualified Persons (as defined in 10.1 below). You acknowledge and accept that UOBKH accepts no responsibility for recommending any Fund and that none of the advice or recommendations appearing on generally circulated materials should be taken as intended for your reliance. UOBKH does not and will not, without the parties having entered into a specific written agreement to so provide, provide any financial recommendation or advice. Therefore, the information and opinions/comments set out below are provided for education and information purposes only, without any express or implied warranty of any kind, including warranties of accuracy, completeness, or fitness for any particular purpose. The information contained in or provided below or accessible through any web-site links provided below is not intended to be and does not constitute financial advice, investment advice, trading advice or any other advice or recommendation. Qualified Persons who are potential investors in/purchasers of Funds to which the provided or accessible information relates should secure for themselves relevant disclosure documents from the issuers of the Funds in their entirety and determine for themselves the relevance of the information contained in those documents; and their respective eligibility under the terms for the issues of the Funds to purchase such Funds. The decision to invest in Funds should be based on the information contained in the disclosure document issued by the relevant issuers and any such investigation as you deem necessary.

This statement does not disclose all of the risks and other significant aspects of trading in any unit trust, investment fund, mutual fund or any other collective investment scheme authorised or recognised by the MAS (or deemed to authorised or recognised under law) and/or distributed by or made available through UOBKH from time to time ("**Funds**").

In light of the risks, you should undertake such transactions only if you understand the nature of Funds, including their derivatives, and the contracts (and contractual relationship) which you are entering into and the extent of your exposure to risk. You should carefully consider whether trading in Funds is appropriate in the light of your experience, objectives, financial resources, and other relevant circumstances. If in any doubt, you should seek professional advice. You may wish to seek advice from a financial adviser before making a commitment to purchase the products or making an investment in the Funds. In the event that you choose not to seek advice from a financial adviser, you should consider whether the product in question is suitable for you.

#### **Trading in Funds**

UOBKH is acting as your agent broker except when UOBKH discloses to you, that with respect to any particular Fund transaction, UOBKH is acting as principal for its own account.

Different Funds involve different levels of risk and in considering whether to trade in securities, you should be aware of the following points:

#### **1. Terms and Conditions of Trading in Funds**

You should read and understand the terms and conditions spelt out (and from time to time amended) in the UOBKH's Master Trading Agreement all of which are to be referred to and construed as part of the agreement between you as a Client and UOBKH. Defined terms herein shall have the meaning as set out in the Master Trading Agreement, unless otherwise defined herein.

#### **2. General Risks associated with Trading in Funds**

2.1 Investment in Funds involves investors taking certain risks. Before investing, investors should consider and satisfy themselves as to the risks of investing in the Funds.

2.2 Investors should be aware that the value of their investments in Funds and the income from them (if any) may fall as well as rise. There can be no assurance that the investments in Funds will achieve its investment objective or that their strategies described in the Fund Literature (as defined in the Master Trading Agreement) will be successful. Given the risk factors that are described in the Fund Literature, there exists a possibility that an investor could suffer a substantial or even a complete loss of his investment in the Funds. Past performance of the Funds or the manager is not an indicator of future or likely performance of the Fund or the manager.

2.3 There is no assurance that the tax concessions or exemptions that are applicable and utilised in respect of such investments will be granted in perpetuity (or granted/attained if at all) to the Fund, and any tax efficient structure adopted by any of the Funds at the date of this document may not be the most efficient structure or as efficient as when it was first conceived.

- 2.4 Any forward-looking statements contained in any Fund Literature involve risks and uncertainties. These statements describe the Fund's plans, strategies, goals, beliefs and assumptions concerning future economic or other conditions, and the outlook for the Fund, based on currently available information. Words such as "anticipates", "believes", "expects", "objectives", "goals", "future", "intends", "seeks", "will", "may", "could", "should" and similar expressions in any Fund Literature are used in an effort to identify forward-looking statements, although some forward-looking statements may be expressed differently. Such forward-looking statements are not guarantees of future performance and that the actual results, financial condition and liquidity, and the development of the industry in which the Fund invests, may differ materially from those made or suggested to be made by the forward-looking statements contained in the Fund Literature. The Fund's actual results could differ materially from those anticipated in the forward-looking statements because of various risks and uncertainties.
- 2.5 Any investment should be made only after consultation with independent qualified sources of investment, legal and tax advice. Whilst it is the intention of the manager to implement strategies that are designed to minimise potential losses, there can be no assurance that these strategies will be successful or that the investment objective of the Funds will be met.
- 2.6 Because of the risks involved, investment in any Funds is only suitable for investors who, understanding the degree of risk involved in the relevant Funds, believe that the investment is suitable based upon their investment objectives and financial needs, and (subject to the investment strategy of the relevant Funds) have no need for liquidity of the investment monies, and who are able to bear the loss of a substantial portion or even all of the money they invest in the Funds. Investors are therefore advised to seek independent professional advice on the implications of investing in any Funds. In addition, as each Fund's investment programme develops and changes over time, an investment in a Fund may be subject to additional and/or different risk factors.

### **3 Currency Risk**

There is a risk that when a security is denominated in a foreign currency which fluctuates unfavourably against the base currency of a fund, investments in a Fund may face currency loss in addition to the capital gains/losses. This may lead to a lower net asset value of such Fund. Therefore, the profit or loss in transactions in foreign currency-denominated securities (whether they are traded in your own or another jurisdiction) will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.

Any investor who anticipates a return in a foreign currency will bear the risk of an adverse change in the exchange rate and the resultant reduction in the value of an investment.

### **4 Market Risk**

There is a risk that the prices of investments in the marketplace may be affected by circumstances such as political or economic events. These circumstances, which may be a local or global event, can affect a local market where a Fund is invested in or global markets and subsequently, the value of the-Fund's investments.

### **5 Derivatives**

A Fund may from time to time utilise derivatives, including without limitation, both exchange-traded and over-the-counter futures, options and contracts for difference as part of its investment policy. These instruments are highly volatile and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, depending on the type of instrument, a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further loss exceeding any margin deposited.

Transactions in over-the-counter contracts may involve additional risk as there is no exchange market on which to close out an open position and thus limit loss. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. A Fund may also sell covered and uncovered options on securities. To the extent that such options are uncovered, the Fund could incur an unlimited loss.

### **6 Investment in the Investment Funds**

An investment by a Fund in an investment fund may be affected by an investment by other funds in that investment fund. This risk can be adverse to a Fund, for example, if such other funds are large enough, in the aggregate, so as to out vote the Fund on matters presented to the Fund's unitholders for approval. In such circumstances the Fund may be required to redeem its investment in the investment fund or take



other appropriate actions. Any such redemption could result in a distribution of the investment fund's assets in kind (as opposed to a cash distribution from the investment fund). A distribution in kind may result in a less diversified portfolio of investments and could adversely affect the liquidity of the Fund. Also, in view of the fact that all expenses of such investment funds are typically shared pro-rata among their unitholders, if other investors in the investment fund were to redeem their shares, then the possibility exists that the Fund will have to bear the burden of an increased share of the investment fund's fees and expenses. Changes in governmental regulation, political structure, local economies and tax laws may adversely impact a Fund's investment in an investment fund. Furthermore, should such investment fund enter into liquidation, a liquidator may be appointed and such liquidator would have ultimate authority with respect to the investment fund's assets.

## **7 Trading and Settlement Risk**

The trading and settlement practices of some of the markets in which a Fund may invest may not be the same as those in more developed markets, and this may increase settlement risk and/or result in delays in realising investments made by a Fund. In addition, a Fund will be exposed to credit risk on parties with whom it trades and will bear the risk of settlement default. Investors should be aware, however, that this may result in a loss to a Fund if a transaction fails to settle which may result in a loss.

## **8 Economic and Business Conditions**

General economic and business conditions may affect a Fund's activities. Interest rates, the prices of securities and participation by other investors in the financial markets may affect the value of securities purchased by the Fund. Unexpected volatility or liquidity in the markets in which a Fund directly or indirectly holds positions could impair a Fund's ability to carry out its business and could cause it to incur losses.

## **9 Short Selling and Leverage Risk**

A Fund's investment strategy may include investment techniques such as short selling and leverage which practices can, in certain circumstances, maximise the adverse impact to which a Fund's investments may be subject.

### *Short Selling*

A Fund may sell short securities of an issuer in the expectation of covering the short sale with securities purchased in the open market at a price lower than that received in the short sale. If the price of the issuer's securities declines, the relevant Fund may then cover the short position with securities purchased in the market. The profit realised on a short sale will be the difference between the price received in the sale and the cost of the securities purchased to cover the sale, less applicable transaction costs. The possible losses from selling short a security differ from losses that could be incurred from a cash investment in the security; the former may be unlimited, whereas the latter can only equal the total amount of the cash investment. Short selling activities are also subject to restrictions imposed by applicable securities regulations and the various national and regional securities exchanges, which restrictions could limit a Fund's investment activities. There can be no assurance that securities necessary to cover a short position will be available for purchase.

### *Leverage*

A Fund may use leverage in its investment program when deemed appropriate by the manager and subject to applicable regulations. Leverage creates an opportunity for greater yield and total return, but at the same time increases exposure to capital risk and higher current expenses. If a Fund purchases securities on margin and the value of those securities falls, a Fund may be obligated to pay down the margin loans to avoid liquidation of the securities. If loans to a Fund are collateralised with portfolio securities or Funds that decrease in value, a Fund may be obligated to provide additional collateral to the lender in the form of cash or securities to avoid liquidation of the pledged securities. Any such liquidation could result in substantial losses. Moreover, counterparties of a Fund, in their sole discretion, may change the leverage limits that they extend to a Fund.

Unless you have a specific agreement with UOBKH for the provision of advisory services or fund management services, UOBKH's relationship with you in relation to your securities, Funds, and securities and Fund related transaction is purely as execution only broker/dealer or as a counterparty to you. In either case while you are entitled to expect UOBKH or its employees or representatives to answer your queries, the obligation in so answering is only to be honest. Such answers should not be assumed to be backed by any prior reasonable due diligence or research or specifically suitable for reliance by yourself without you first independently confirming the same with your independent advisers.

**You should also note UOBKH's Master Trading Agreement and ensure you understand and accept terms and conditions as a condition to your relationship with UOBKH.**

## **10 Important Information and Disclaimer Notice**

10.1 The information set out above and any access to it relates to trading in Funds and accordingly, is available only to the following persons, and you agree that subscription and redemption of unit trusts i.e. Funds (as defined herein) via UOBKH is only available to:-

- (a) Accredited or expert investors as defined in UOBKH's Guide And Cautionary Notes In Applying For/Continuing With An Account With UOBKH – the "Guide" (available at <http://www.utrade.com.sg/page/site/public/english/pdf/Guide%20and%20Cautionary%20Notes.pdf>); or
- (b) Persons, not being (a), defined as Retail Investors in the Guide who have passed their respective Customer Knowledge Assessments (CKA) and Customer Review Accounts (CAR) assessment(s) (as appropriate and relevant) with UOBKH and thereby deemed to understand the nature and risks of trading in Funds. Where the account is a joint account, each and every/all joint account holder must have passed their respective CKA and CAR assessments as otherwise only the account holder who passed his/her CKA and CAR assessments (as appropriate and relevant) shall have the authority to operate the joint account; or
- (c) A prescribed investor pursuant to an offer referred to in Section 305(2) of the SFA, and in accordance with the requirements and conditions of any other applicable provisions of the SFA;

**("Qualified Persons" and each a "Qualified Person")**

and is subject to the terms and disclaimers below.

10.2 If you are not the intended recipient i.e. a Qualified Person or do not agree to be bound by the terms of restricted access above, you should immediately either discontinue and disregard the information below and contained herein as having no relevance to you; not act on any of the information; and (if the information is received by way of a hard copy version) destroy such document and let UOBKH know of your desire no longer to receive such information. UOBKH shall have no responsibility or liability to any person (even a named addressee) for any loss or prejudice such person may suffer from reading or relying or purported to be relying on any information in disregard of the restricted access notice contained herein and / or contrary to the terms for and upon which any person is properly entitled to receive, review and act on any information subject to this notice.

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- (h) In relation to investments into Funds, you acknowledge that you have read or will obtain directly from the UOBKH Unit Trust Portal or the relevant Manager's website, or may obtain from the relevant Manager, up-to-date versions of the prospectuses or any materials supplied by the relevant Manager that might exist on the date of the transaction and the date of the Order given by you to UOBKH prior to placing any Order with UOBKH to subscribe for units in such Funds. You acknowledge and agree that UOBKH does not warrant that such prospectus, report or any other material is accurate, complete, up-to-date and shall bear no liability or responsibility whatsoever to you for any error, misstatement or omission in any prospectus, report or any other material prepared by or issued by any Manager or Fund.
- (i) Without prejudice to the provisions of the opening important notice/warning or the terms contained herein, and in acknowledgement that orders for any Fund Investment (as defined in the Master Trading Agreement) are self-initiated by you, whether or not on UOBKH's Unit Trust portal, you acknowledge and agree that UOBKH can not and does not accept any responsibility and will bear no liability to you for giving any recommendation or advice to you (unless advice is specifically agreed to be provided by UOBKH in writing on a paid basis) as to whether to invest or not to invest in any Fund Investment, or in connection with the performance of any Fund. You acknowledge the desirability and importance of seeking independent financial or professional advice with respect to any dealings or investments in Funds or investment opportunities. You acknowledge that any dealings or investments under the account in any such Fund Investment is solely and exclusively made by you based on your own judgment and after your own independent appraisal and investigation into the risks associated with such dealings or investments have been made.
- (j) Without prejudice to the generality of the foregoing, you acknowledge that unless otherwise agreed by UOBKH in writing, UOBKH prohibits any of its Officers, employees of UOBKH or other persons appointed by UOBKH from giving any representation, trading suggestion, recommendation or information on its behalf that UOBKH is not itself legally obliged to give. Any such representation, trading suggestion, recommendation or information if made must therefore be regarded as having been made in the personal capacity of such person giving the same and should not be used or relied on, and if used or relied on, is solely at your own risk. You cannot and will not hold UOBKH liable for any Losses which you suffer if you rely on such representations, trading suggestions, recommendations or information.
- (k) You are aware that if you redeem the units in a Fund before the maturity date (if applicable), you may not receive the benefit of the capital protection, the capital guarantee or the additional minimum return (if applicable).
- (l) If you apply for, or are otherwise interested in any units/shares in any Restricted Schemes (defined below), you are responsible to ensure that (i) you satisfy the requirements set out in section 305 of the SFA (as the same may be amended or modified from time to time); (ii) you

- are not prohibited from acquiring such shares by reason of your domicile, nationality or other standing; and (iii) you are fully aware or has consulted and been advised by a financial or legal advisor on the terms and risks which may be applicable to the Restricted Schemes.
- (m) You have read, understood, accepted and agreed to the terms set out herein.

“Restricted Scheme” means a Fund which has been notified to the MAS pursuant to section 305 of the SFA and may only be offered or marketed to accredited investors in Singapore or such other relevant persons as may be permitted under the SFA;

## **11. Additional Risk Disclosure Statement for trading in Funds with cryptocurrencies as underlying assets**

- 11.1 Trading in Payment Token Derivatives (“PTDs”) such as cryptocurrency funds that reference payment tokens carries a high level of risk. You may risk losing all your capital or more. You must therefore be fully aware of the following risks associated with both derivatives and payment tokens/cryptocurrencies and carefully assess whether an investment in PTDs or cryptocurrencies is suitable for your investment objectives and risk appetite:
- (a) Cryptocurrencies are not legal tender and are not issued by any government nor backed by any asset or issuer. Cryptocurrencies are currently not subject to any regulatory requirements or supervisory oversight by the MAS. Hence the safeguards afforded under MAS’ regulatory framework may not apply to consumers dealing with unregulated products;
  - (b) Cryptocurrencies have little or no intrinsic value, making them hard to value and are extremely volatile. Being highly speculative, investing in them entails high risk as prices are prone to sudden sharp swings as a result of unanticipated events or changes in market sentiments primarily due to the lack of price transparency;
  - (c) Liquidity may also become limited and price gaps may occur in such circumstances;
  - (d) Cryptocurrency exchanges, where cryptocurrencies are bought and traded, may be susceptible to cyber security breaches. In the event of a cyberattack and theft of cryptocurrencies, it may result in drastic, adverse price movements.
- 11.2 Given the risks associated with cryptocurrency’s inherent volatility and the uncertain regulatory environment surrounding cryptocurrencies, you must carefully consider these factors and conduct thorough research to understand the implications of investing in these cryptocurrency funds that reference payment tokens as they inherit the complexities and speculative nature of the underlying asset. The decision to invest should be based on your own financial goals, risk tolerance, and a comprehensive assessment of the market environment.

### **No Warranty of Accuracy**

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**ACKNOWLEDGEMENT**

This acknowledges that I/we have received and read the Risk Disclosure Statements comprising of the following:

1. Part 1 – Risk Disclosure Statement for Securities Trading;
2. Part 2 – Risk Warning Statement for Overseas-listed Investment Products;
3. Part 3 – Risk Disclosure Statement for and Terms and Conditions Applicable to Bond Trading;
4. Part 4 – Risk Disclosure Statement For Trading in Futures Contracts or Leveraged Foreign Exchange Contracts, Contracts For Differences (CFDs), Leveraged Foreign Exchange and Commodities;
5. Part 4 – Risk Fact Sheet For Trading in Contracts For Differences (CFDs); and
6. Part 5 - Risk Disclosure Statement For Trading In Funds.

I/We further confirm that I/we understand their contents and/or obtained necessary explanations and that I/we am/are acquainted with the risks associated with trading these investment products.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_\_.

**For Individual/Joint Alternate Account**

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Name of Main Account Holder: \_\_\_\_\_

Name of Joint Account Holder: \_\_\_\_\_

**For Corporate Account (please affix company’s stamp)**

Signature: \_\_\_\_\_

For and on behalf of:  
(Name of Corporation) \_\_\_\_\_

Name of Authorised Signatory: \_\_\_\_\_

Designation: \_\_\_\_\_

Signature: \_\_\_\_\_

For and on behalf of:  
(Name of Corporation) \_\_\_\_\_

Name of Authorised Signatory: \_\_\_\_\_

Designation: \_\_\_\_\_

<u>For Office Use Only</u>	
_____ Signature Verified By / Date	_____ Data Entry By / Date