

**TERMS AND CONDITIONS AND RISK DISCLOSURE STATEMENT  
APPLICABLE TO TRADING IN BONDBLOXS**

**SECTION A**

**TERMS AND CONDITIONS**

Please:

- A. read the terms and conditions below and 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, for BondbloXs.

A Qualified Person is defined as;

- (i) where you are residents in Singapore  
(a) an accredited investor as defined in Section 4A of the Securities and Futures Act (Cap 289) – "SFA"; and who have not, where they are eligible to do so, opted to be treated as other than such an accredited investor; and
- (ii) where you are residents outside of Singapore (who are not Singapore citizens or permanent residents of Singapore), you agree that the onus is on you to check your eligibility and confirm that you are eligible in the jurisdictions where you are domiciled in to purchase the BondbloX (as defined below).

- B. **Complete the BondbloX Application for us to enter into contracts with or for you but only if you are a Qualified Person and wish to enter into BondbloX transactions with UOBKH and are agreeable to the terms and conditions.**

**SCOPE**

1. **Application:** The clauses in these Terms and Conditions apply to transactions in BondbloX effected by you (who may also be referred to as the "Client") with or through UOBKH ("us", "we", "our") from time to time pursuant to the Client's orders/instructions.

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

- (i) and as supplementary to the terms of the Master Trading Agreement; and  
(ii) our terms for electronic trading facilities (collectively the "**Terms**") executed by you.

Your transactions in BondbloX with or through us shall therefore be subject to the Terms and not merely the clauses in this Document.

2. **Specific Terms for Transactions in BondbloX:**

**Precondition:**

**UOBKH intends to and will only trade in BondbloX with or for Qualified Persons and you therefore understand and acknowledge that UOBKH will not deal or consider dealing with or for 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 BondbloX 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, you will notify UOBKH accordingly and cease any further dealings with UOBKH with respect to BondbloXs.

You also acknowledge and confirm that should it be discovered after the event that your representation warranty and undertaking with respect to any BondbloX 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. Important Notice/Warning

3.1 An investment in BondbloX is not an investment in the Underlying Bond and does not represent a direct claim against the Underlying Bond issuer. As BondbloX holders are not the direct registered holders of the Underlying Bonds; its rights and entitlements may differ from the rights normally accorded to direct holders of the Underlying Bonds.

3.2 The BondbloX issued by BondValue can only be traded on the BondbloX Bond Exchange and cannot be traded on the conventional bond market.

3.3 You acknowledge that trading in BondbloX is governed by the Document which forms an integral part of the BondbloX Application. You agree to abide by the prevailing Document as may be amended or supplemented from time to time. You shall be deemed to have agreed to any addition, amendment and/or variation without reservation, if you give UOBKH any Order subsequent to the said change in the Document. In the event of any conflict or inconsistency between this Document and UOBKH's Master Trading Agreement in relation to the Client's Transactions, the terms in this Document shall prevail but only to the extent of such conflict or inconsistency.

3.4 Trading in BondbloX is also subject to the rules and terms and conditions found in the BondbloX Bond Exchange Rulebook and the Information Memorandum (collectively, the "**BondValue Information Materials**") that BondValue made available at its URL Link: <http://www.bondbloX.com>. You acknowledge that you have read and understood them and will from time to time keep yourself abreast of the updated and prevailing BondValue Information Materials available at <http://www.bondbloX.com>. You acknowledge and agree that UOBKH does not warrant that such or any of the BondValue Information Materials is accurate, complete or up-to-date and shall bear no liability or responsibility whatsoever to you for any error, misstatement or omission in any of the BondValue Information Materials issued by BondValue.

### 4. Disclaimer Notice

#### 4.1 **No Financial Advice And Investment Decision Purely Your Own**

Please be reminded that for Qualified Persons, UOBKH will not and does not, without the parties having entered into a specific written agreement to so provide, provide any financial recommendation or advice. The appropriateness or suitability of any particular BondbloX investment or trading strategy whether opined on or referred to in any information provided or made available to you via any means will depend on your individual circumstances and objectives and should be confirmed by yourself with your advisers independently before adoption or implementation

#### 4.2. **No Warranty of Accuracy**

Where any information is provided by personnel from UOBKH, the facts and views presented (unless the information is in a formal research report produced by its Research Department) may have not been reviewed by, and may not reflect information known to the appropriate professionals in UOBKH's employ.

UOBKH makes no warranties or representations of any kind relating to the accuracy, completeness, or timeliness of any data in information onward made available by UOBKH from third-party data providers and shall not have liability for any damages of any kind relating to such data.

## 5. SFA Exemptions Claimed

As it is a condition to your being allowed to access/review information or trade in BondbloXs that you are Qualified Person for the purpose of the SFA, you must also note that UOBKH is also specifically relying on the exemptions from all suitability and mandatory information provision compliance requirements provided pursuant to regulations and guidelines to the SFA available to it with respect to you as a Qualified Person. Without detracting from the generality of the preceding, it is also a condition and UOBKH is assuming that you have made a conscious decision to make your own suitability decision and not to enter into a specific written agreement with UOBKH to be provided any financial recommendation or advice with respect to any BondbloX you should choose to purchase from or through UOBKH where no such written agreement exists between the parties with respect to such BondbloX.

## 6. BondbloX Trading As Principal Or As Agent

UOBKH may trade BondbloX with you as principal to you or for you as agent to you (and either way expressly without the assumption of any advisory or fiduciary duties to you) and then only subject to its standard terms for BondbloX trading.

## 7. Interpretations

7.1 Unless the context otherwise requires or this Document expressly provides otherwise, all capitalised terms used in this Terms And Conditions And Risk Disclosure Statement Applicable To Trading In BondbloXs shall have the same meaning as defined in UOBKH's Master Trading Agreement. In addition, the following terms shall have the meaning ascribed to them below:-

**"Document"** means these "Terms and Conditions And Risk Disclosure Statement Applicable to Trading in BondbloXs" and any terms and conditions appearing in the BondbloX Application as amended or supplemented from time to time;

**"Account"** means the account with UOBKH on which the Customer effects, *inter alia*, Transactions pursuant to this Document, including a cash account through which the Customer's investment monies under this Document are accounted for and from which debits will be made for the purposes of effecting and/or settling the BondbloX Investments ordered by the Customer;

**"BondbloX/s"** represents fractional interests in the Underlying Bond issued by BondEvalue and traded on the BondbloX Bond Exchange in accordance with the Rulebook. BondbloXs are each issued in respect of the specified denomination of the Underlying Bonds issued by the issuer of the Underlying Bond, all as specified in the applicable Final Terms pursuant to and subject to a deed poll executed by BondEvalue Pte Ltd in favour of Direct Member Participants;

**"BondbloX Bond Exchange" or "BBX"** means the financial market operated by BondEvalue for the creation and trading of Eligible Instruments;

**"BondbloX Application"** means the application form provided by UOBKH to the Customer in accordance with its general operating procedures for the application by the Customer to trade in BondbloX;

**"BondbloX Investment"** means investment in BondbloX in an Underlying Bond;

**"BondEvalue"** means BondEvalue Pte Ltd as the manager and issuer of any BondbloX;

**"Customer"** means any person or persons who hold(s) and operate(s) an Account with UOBKH and includes the successors in title or legal representatives, whichever is applicable, of the Customer;

**"Designated Market Maker"** means a Direct Principal Member Participant authorised by BondEvalue to be a market maker pursuant to the Rulebook;

**"Designated Custodian"** means a custodian as may be appointed by BondEvalue from time to time and notice of whose appointment is duly given pursuant to the Terms and Conditions of the BondbloX;

**"Direct Agent Member Participants"** means Member Participants admitted to the BBX under the Rulebook and which submit Transactions to the BBX on behalf of Customers;

**"Direct Member Participant"** means the Direct Principal Member Participants and the Direct Agent Member Participants;

**"Direct Principal Member Participant"** means a person who is admitted to the BBX which submit Transactions to the BBX for its own account;

**"Eligible Instrument"** refers to a series or one or more tranches of BondbloX, whether or not issued on the same date, that relate to a series of Underlying Bonds and have identical terms on issue and are expressed to have the same series numbers. Designated Market Maker will publish a list of each Eligible Instrument for which it will make a market in;

**"Loss"** means any and all loss, damage, costs (including cost of funding), charges and expenses of whatsoever nature and howsoever arising, including legal fees on a full indemnity basis;

**"Order"** means any order given to UOBKH by the Customer, through such medium and in such manner or means of communication as UOBKH may approve, to execute a Transaction;

**"Payment(s)"** means all purchase monies, all charges, costs and expenses required to be paid for or in connection with the acquisition of BondbloX Investments and their registration in any nominee (including UOBKH)'s name, all taxes, fees, disbursements charges and expenses, including the costs of BondValue and the Designated Custodian, payable by the Customer in respect of the acquisition, holding or disposal of BondbloX Investments on behalf of the Customer, any payments in connection with the Customer's exchange of BondbloX Investments for the Underlying Bonds and any and all sums due under this Document;

**"Rulebook"** means BondbloX Bond Exchange Rulebook;

**"Trading Day"** means, in respect of any BondbloX Investment, a day on which dealings take place or may be effected in relation to the relevant BondbloX Investment;

**"Transaction"** means any transaction effected under the Account in respect of any BondbloX Investment and includes applications for purchase, sale and transfer of any BondbloX and/or exchange of BondbloX for the Underlying Bond; and

**"Underlying Bonds"** means the eligible bonds out of which Eligible Instruments are created. The list of eligible Underlying Bonds is available at <http://www.bondbloX.com>.

7.2 Any reference to a statutory provision shall include such provision as may from time to time be modified, amended or re-enacted so far as such modification, amendment or re-enactment applies or is capable of applying to any Transaction.

## 8. General Conditions

8.1 Subject to compliance with Applicable Laws, UOBKH may, when necessary and at its sole and absolute discretion, hold all BondbloXs for which the Customer has purchased, on behalf of the Customer as nominee. In acting as nominee for the Customer, UOBKH's sole duty shall be to act as passive nominee and bare trustee in respect of the BondbloXs and cash. The Customer agrees that UOBKH may commingle and hold any or all of the BondbloXs and cash together with any other BondbloXs and/or money that UOBKH may hold for its other customers. Without prejudice to the preceding, UOBKH shall be under no responsibility or obligation to take any action or notify the Customer in respect of any BondbloX Investment and cash unless otherwise instructed by the Customer.

8.2 The Customer hereby irrevocably appoints UOBKH through any of its directors or officers as the attorney of the Customer and authorises such directors or officers of UOBKH to sign and execute all documents and perform all acts in the name and on behalf of the Customer in connection with this Document, whether in respect of any Transaction relating to the Account or this Document (including the protection or preservation of any of UOBKH's rights and remedies hereunder and the payment of all monies due and owing to UOBKH by the Customer) or in respect of anything required to give effect and/or substance thereto. For the avoidance of doubt, nothing in this Clause shall impose any obligation on UOBKH to take any action or exercise any rights as the Customer's attorney and UOBKH shall at all times have the absolute discretion in determining whether or not to exercise any of its powers as the Customer's attorney hereunder.

8.3 Any instructions (oral or otherwise) given or purported to be given by any person other than the Customer, need not be acted on by UOBKH but UOBKH is authorised to act on any and all such instructions which UOBKH believes in good faith, or has reason to believe, is from the Customer as soon as such instructions have been received by UOBKH without requiring written confirmation thereof. In the

absence of gross negligence or wilful default, UOBKH shall not in any event be liable to the Customer for any Loss incurred by the Customer as a result of UOBKH acting or not acting upon any instructions given or purported to be given by the Customer to UOBKH by any means and the Customer agrees to bear any and all risks and/or Loss arising from, as a result of or in connection with the same.

## 9. **BondbloX Provisions**

9.1 You may instruct UOBKH to execute any Transaction in BondbloX through oral, written or electronic form (including but not limited to fax, email, telephone, handphone, SMS or WhatsApp) or such other medium or mean of communication as UOBKH may prescribe, upon which you shall be deemed to have placed an Order with UOBKH. UOBKH shall execute the Transaction by placing an Order with BondEvalue. The Order becomes irrevocable immediately after BondEvalue has matched the Order and executed the Transaction.

9.2 If UOBKH has executed a purchase Transaction before the actual receipt of the necessary application monies and fees, you shall procure that payment in cleared funds should be received by UOBKH by no later than such time period specified by UOBKH in its sole and absolute discretion from time to time. You shall ensure that there are sufficient funds in your Account to settle all your Transactions. If payment is not received within the time period specified by UOBKH or where there is confirmation of insufficient funds in your bank account, the purchase may be cancelled forthwith or resold (where possible and at the option of UOBKH) without any liability or responsibility on the part of UOBKH. In any event, you shall be responsible for any Loss suffered by UOBKH resulting from your failure to make such payment. UOBKH reserves the right to set off the said Loss or any part thereof against the available balance in your Account, and claim for the balance, or claim for the entire amount of Loss from you.

9.3 Orders placed by you with UOBKH may be aggregated and consolidated either daily or from time to time by UOBKH together with orders placed by UOBKH's other customers or any other person whom UOBKH deems fit, for the purposes of placement of the orders by UOBKH with BondEvalue.

9.4 Where UOBKH has placed a consolidated order for the purchase of BondbloX with BondEvalue, BondEvalue will (subject to its right to refuse or reject any such order pursuant to the Rulebook) issue the relevant BondbloX to and register the same in the name of UOBKH as your nominee. The BondbloX so issued will be allotted or allocated among the Customers and the other relevant customers of UOBKH in any order or manner as UOBKH may in its sole and absolute discretion determine.

9.5 In respect of Transactions involving BondbloX purchased, sold, transferred or exchanged for the Underlying Bonds, and made with or through UOBKH, UOBKH will send the confirmation notes and/or statements to the Customer in respect of all Transactions in the Account.

9.6 You acknowledge that BondEvalue which receives the Order from UOBKH is not obliged to accept the Order in part or whole. UOBKH shall not be liable or responsible for any action, delay, failure or rejection on the part of BondEvalue in respect of any Order.

9.7 You acknowledge that when you are transacting in BondbloX, you are not buying the Underlying Bonds but you are only buying exposures to the economic interests and bear the risks of the Underlying Bonds. BondbloXs may only be converted to the Underlying Bonds if you have the equivalent 'board lot' size of the Underlying Bond and the conversion is subject to the consent of BondEvalue.

9.8 You acknowledge that the purchase (bid) and sale (offer) quotations for each Eligible Instrument are published by the Designated Market Maker in accordance with the Rulebook or prescribed procedures on any Trading Day. As the quotations may change during the Trading Day, any price or value quoted by UOBKH to the Customer in respect of any BondbloX before the Order is matched is not conclusive and is indicative only.

9.9 You acknowledge that BondbloX holidays declared by BondEvalue and posted on its URL Link <http://www.bondbloX.com> from time to time will be observed and adhered to. You shall on your own accord find out the details of the BondbloX holidays and Trading Days from BondEvalue's URL Link. During such BondbloX holidays, purchase, sale and exchange of BondbloX will not be processed by BondEvalue. UOBKH shall not be liable to you for any Losses (including any loss of investment opportunity) which you may suffer or incur consequent upon any BondbloX holidays. UOBKH shall have no responsibility or liability for ensuring that BondEvalue allots the BondbloX or for any Losses (including any loss of investment opportunity) which you may suffer or incur as a result of any failure or delay in accepting such order by BondEvalue.

9.10 You acknowledge that public holidays declared by the Singapore Government will be observed and adhered to. During public holidays, purchase, sale and exchange of BondbloX will not be processed by UOBKH. UOBKH shall not be liable to you for any Losses (including any loss of investment opportunity) which you may suffer or incur consequent upon any public holiday.

9.11 You acknowledge that should Christmas' Eve, New Year's Eve and Chinese New Year's Eve fall on a Trading Day, the cut-off time for accepting any order from you on such a day will be at 10.00 am or such other time as UOBKH may notify. UOBKH shall not be liable to you for any Losses (including any loss of investment opportunity) which you may suffer or incur consequent upon any such event.

## 10. Fees and Payment

10.1 Unless otherwise agreed, UOBKH shall deduct from your Account the sum of any outstanding fees and charges imposed by UOBKH from time to time in its sole and absolute discretion with respect to the execution of any Transaction or otherwise for the maintenance of the Account or the provision of any service or facility to you in connection with the Account.

10.2 You shall promptly pay to UOBKH any outstanding sum on the relevant due date, or upon demand by UOBKH as provided for under this Document.

10.3 UOBKH shall be entitled to charge interest on any sum or payment due to UOBKH from you at such rate and calculated and/or compounded in such manner as UOBKH may, in its sole and absolute discretion, impose and determine from time to time and to debit the Account in respect of the interest due.

10.4 All payments from you to UOBKH or from UOBKH to you shall be settled in the relevant Currency of the BondbloX ("**BondbloX Currency**") that is being purchased or sold unless otherwise agreed between UOBKH and you. In the event that monies accruing to the Account is received by UOBKH in a currency other than the BondbloX Currency, such monies shall be converted to the BondbloX Currency at such rate of exchange as UOBKH may, in its sole and absolute discretion decide, before UOBKH credits the Account. Where UOBKH and you have agreed that the payments shall be settled in a currency other than the BondbloX Currency, such payments shall be settled at a rate of exchange as shall be determined by UOBKH in its sole and absolute discretion. You shall be fully responsible and liable for any Losses resulting from any currency conversion. If for any reason UOBKH cannot effect payment or repayment to you in the BondbloX Currency or in the agreed currency between UOBKH and you, UOBKH may effect payment or repayment in the equivalent of any other currency selected by UOBKH based on the applicable rate of exchange as determined by UOBKH at the time the payment or repayment is due.

10.5 All payments made by you to UOBKH shall be in the Currency they are due, in free and clear funds and free of deductions or withholdings. If you are obliged by law to make such deduction or withholdings, you shall pay to UOBKH such greater amount which after deduction shall ensure that the net amount actually received by UOBKH will equal the amount which would have been received by UOBKH had no such deduction or withholding been required.

10.6 You acknowledge that with effect from a date to be determined by UOBKH, all payments for any purchase in relation to any BondbloX, shall be made payable to "UOB Kay Hian Pte Ltd", or such Person as specified by UOBKH from time to time.

10.7 Any taxes, duties, disbursements, costs and/or other expenses incurred by UOBKH in connection with the Account or otherwise in connection with you shall be borne by you who shall reimburse UOBKH for any such said payments made by UOBKH on behalf of you. All interest, fees, commissions and other charges of UOBKH are exclusive of any goods and services tax or any other applicable sales tax which shall be borne and separately charged to you.

10.8 Sales proceeds received by UOBKH will be paid or credited in accordance with this Document or your instructions or otherwise, as required by Applicable Laws, to your Account. The sales proceeds will be net of any fees, charges or expenses incurred in connection with the sale.

10.9 You acknowledge that in relation to investments in the BondbloX, BondEvalue may pay monies (by way of commissions, discounts, fees or otherwise) to UOBKH in connection with, or in relation to, the issue of BondbloX to or for you, or other dealings in connection with any BondbloX. You agree that UOBKH may retain these monies for its sole benefit and is under no obligation to account to you for such monies.

10.10 UOBKH will levy a charge for each Transaction of a BondbloX that is denominated in a currency other than Singapore Dollar based on the prevailing rate to be advised by UOBKH from time to time, for the purpose of processing and remitting foreign currencies.

## **11. PROVISION OF BONDBLOX DEALING SERVICES BY UOBKH**

11.1 In consideration of UOBKH agreeing at its discretion from time to time to provide you information on BondbloX and allowing you to transact with or through UOBKH in BondbloX 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 Document for the provision of BondbloX Dealing Services to you; and
- (b) Should you choose to give any order for the purchase or sale or exchange of any BondbloX with or through UOBKH, UOBKH will assume that you are representing to UOBKH that you are a Qualified Person with respect to each BondbloX; and agreeable to such terms governing your BondbloX trading transactions with or through UOBKH, with intent that UOBKH materially relies on such representations in concluding any BondbloX transaction with or for you.

11.2 You acknowledge that UOBKH makes no representation, warranty or undertaking of any sort to you on BondbloX Investment and any Orders for any BondbloX investment are solely self-initiated by you, and you agree that UOBKH can accept no and therefore 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) as to whether to invest or not to invest in any BondbloX or in connection with the performance of BondbloX of any underlying bond.

11.3 You acknowledge that trading in BondbloX is subject to risks on the Underlying Bonds such as market risks, issuer risk, custodian risks, including possible loss of the principal amount invested. You represent and warrant that you understand and are fully aware of the risks associated with trading in BondbloX and are able to bear such risks.

## **SECTION B**

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

1. This disclosure statement discusses only some of the characteristics and risk of trading BondbloX with or through UOBKH. Before trading BondbloX, 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 BondbloX you may choose to transact in.

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

3. 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).

#### **4. General Risks of Trading in BondbloX**

4.1 Like bonds, trading BondbloX may not be suitable for all investors. **There are certain risks relating to BondbloX, BondValue, BondbloX system, the Designated Custodian, the BondbloX Bond Exchange, and the continuing ability of the Designated Market maker to perform its market maker obligations. Please refer to the non-exhaustive risks expounded in BondValue's Information Memorandum under the heading "Investment Considerations", as updated from time to time, that BondValue made available on <http://www.bondbloX.com>. You are deemed to have read and fully understood the risks set out in the documents mentioned above when you place your Order with or through UOBKH.**

4.2 Besides the risks of trading in BondbloX, the prices of BondbloX are predominantly affected by the prices of the Underlying Bonds. These prices may move up or down, and there is the risk that the Underlying Bonds may become valueless. The risks associated with trading in bonds are relevant and applicable to investors trading in BondbloX as BondbloX holders assume the risks associated with the Underlying Bonds. If you are uncomfortable with any of the risks involved in Underlying Bonds, you should not trade BondbloX.

### **1. Credit Risks**

There is a credit risk involved with trading bonds. When investors purchase a corporate bond, they 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, the investors will not receive their money back. This is a risk of which the investors must be aware. Credit risk is figured into the pricing of bonds. There is also a possibility of prepayment where an issuer “calls” a bond. If this happens, the investors will be paid 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.