

With Currency Linked Investment, you enjoy the flexibility to tailor your investment to your objectives.

What is a Currency Linked Investment (CLI)?

CLI is a short-term yield enhancement structured product based on your view of the exchange rate movement between 2 currencies of your choice.

CLI involves a currency option which allows the Bank to repay your maturity proceeds in either the base currency or the alternate currency depending on the outcome of the exchange rate. Maturity proceeds represent the investment amount plus an enhanced yield, which includes the option premium.

Benefits of CLI

- Tailored to suit your needs, based on your choice of currency pairs, pre-agreed exchange rate (strike rate) and tenor
- Enhanced yields¹ earned based on your view of the exchange rate and the risks undertaken
- Short Investment tenors from 1 week to 3 months
- A wide range of currencies to choose from including AUD, CAD, CHF, EUR, GBP, JPY, NZD, SGD and USD

CLI is ideal for

Investors who:

- have a view of the currency markets and are indifferent to holding either currency or
- have a need for the alternate currency
- are comfortable in taking some risks in return for enhanced yields

Illustration of a CLI²:

Assuming AUD/SGD spot rate is trading at 1.2115 and you have SGD 100,000

Step 1: Choose your base currency (the original currency invested): **SGD**

Step 2: Choose your alternate currency: **AUD** (The alternate currency which you are comfortable in holding)

Step 3: Agree on a strike rate: **1.1950** (The rate which you are comfortable in exchanging your base currency for the alternate currency)

Step 4: Choose a Tenor: **1 Month**

Based on your chosen currency pair, strike rate and tenor, the Bank determines the enhanced yield (in base currency): **5.0% p.a.**

On fixing date (2 business days before maturity), the prevailing exchange rate (spot rate) will be compared against the strike rate to determine whether you will be repaid the maturity proceeds in the base or the alternate currency.

If you are to be repaid in the alternate currency, the strike rate will be used to convert the maturity proceeds.

Assuming AUD/SGD spot rate is 1.2115

4 Simple steps:

Base currency	SGD 100,000
Alternate currency	AUD
Strike rate	1.1950
Tenor	1 month (30 days)

Enhanced Yield determined by the Bank based on the above choices: **5.0% p.a.**

1 month later on fixing date (2 business days before maturity):

Scenario 1
AUD strengthens against SGD compared to the strike rate (e.g. AUD/SGD rate is trading at 1.2120)
You will receive original investment + 1 month enhanced yield of 5.0% p.a. in SGD on maturity
= SGD 100,000 + (100,000 x 5.0% x 30/365)
= SGD 100,000 + 410.96
= SGD 100,410.96
Scenario 2
AUD weakens against SGD compared to strike rate (e.g. AUD/SGD rate is trading at 1.1900)
You will receive original investment + 1 month enhanced yield of 5.0% p.a., converted to AUD at the strike rate of 1.1950 on maturity
= AUD84,025.91*

* Depending on the spot rate at maturity, immediate conversion back to base currency may result in an excess or shortfall. In this example, the maturity proceeds of AUD84,025.91 when converted back into base currency at spot rate of 1.1900 (assuming this is the prevailing spot rate at maturity) is approximately SGD99,990.83, which is less than the invested amount. Where the spot rate on fixing date equals the strike rate, you will receive maturity proceeds in the alternate currency.

Gain access now to specialist advice on CLIs from our team of Treasury Services Managers. To find out more on CLIs or to seek advice, please contact your Treasuries Relationship Manager or DBS Senior Relationship Manager today. Alternatively, please call us at **1800 221 1111** for Treasuries and **1800 111 1111** for DBS.

¹ Generally, yields complement risks. Yields will be lower for less aggressive strike rates (i.e. deeper discount of the strike rate from spot rate on trade date), and the relationship is non-linear. Investment amount starts from a minimal SGD50,000 or equivalent.

² All figures and exchange rates are for illustration only. They are not indicative of actual or future performance of a CLI, and the level of exchange rates.

Important Information:

The CLI is a non-traditional investment that involves a currency option. By investing in the CLI you are giving the Bank the right but not the obligation to repay you at a future date in the alternate currency that is different from the currency of your initial investment, regardless of whether you wish to be repaid in this currency at that time.

CLIs are not principal protected or guaranteed and are not suitable for risk averse investors. You should not treat CLI as a substitute for ordinary savings or fixed deposits. You may wish to seek advice from a financial adviser before investing in this product. If you choose not to do so, you should carefully consider whether this product is suitable for you.

CLIs are excluded from insurance coverage under the Deposit Insurance Act 2005 (No. 31 of 2005).

CLIs are meant to be held to maturity. If you need to withdraw the CLI prior to maturity, you may receive substantially less than the original investment amount.

CLIs are subject to foreign exchange fluctuations which may affect the return of your investment. You must be comfortable with owning the alternate currency on maturity, otherwise, if you convert the funds back to the base currency, you may receive substantially less than the original investment amount. In the worst case scenario, a substantial decline in the alternate currency relative to the base currency could result in a total loss of the original investment amount and yield.

CLIs are subject to exchange controls applicable to the currencies linked to your investment. There may also be situations, due to reasons beyond the Bank's control (e.g. restrictions on convertibility of currency, exercise of governmental or military powers, war, strikes, etc), where it is impossible, illegal or impracticable for the Bank to convert the base currency into the alternate currency or deliver the maturity proceeds in the relevant currency to you. In such event, the Bank may redeem the CLIs prematurely and you may receive substantially less than the original investment amount. The market value of the CLI in these situations will be determined by the Bank in its sole discretion, taking into consideration all relevant information (including the impracticability, legality or impossibility) less the cost to the Bank of unwinding any related underlying hedging arrangements (including but not limited to selling or otherwise realising any options, futures contracts in relation to the investment).

This is published for information and general circulation only and does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person. Investors should read the CLI Agreement before investing. This document does not constitute an offer, an invitation or a recommendation to enter into any transaction. DBS Bank Ltd ("the Bank") is acting as principal and not as the reader's adviser or in a fiduciary capacity in respect of this proposed transaction or any other transaction unless otherwise specifically agreed in writing, and accepts no liability whatsoever with respect to the use of this document or its contents.

In case of inconsistency between the English and Chinese versions, the content of the English version shall prevail and apply. The Bank has engaged professionals to translate the English version into Chinese. However, the Bank does not make any representation or warranty as to the completeness or accuracy of the Chinese version. In cases of doubt, you should always refer to the English version.

重要信息:

货币挂钩投资是涉及货币选择权的非传统性投资。通过投资于货币挂钩投资，您给予本银行在未来的日期以非原始投资货币的另选货币向您支付到期收入的权利，而非义务。无论您是否希望在该日期以该货币获取到期收入。

货币挂钩投资不提供本金保障或担保，不适合不能承受任何风险的投资者。您不应将货币挂钩投资作为普通储蓄或定期存款的替代品。您可在投资本产品之前寻求金融顾问的建议。若您选择不采取任何行动，则应仔细考虑本产品对自身的适用性。

货币挂钩投资不在2005年存款保险法(2005年第31条)的受保范围之内。

货币挂钩投资应该持有至到期日。如果您需要在到期日之前提取货币挂钩投资，您收到的金额将可能大幅度低于您的原始投资额。

货币挂钩投资与外汇波动有关联。这可能会影响您的投资回报。您必须愿意在到期日持有另选货币。否则，如果您将资金转换成基础货币时，您获得的资金可能大幅度低于原始投资额。在最差的情况下，另选货币相对基础货币大幅度贬值，这将导致您的原始投资和收益全部亏损。

货币投资挂钩与您投资中涉及货币的外汇管制有关联。若发生一些超出本银行控制能力范围的情况(例如货币兑换管制、政府或军事行动、战争及罢工等)，则可能使得本银行无法将基础货币兑换成另选货币或以相关货币向您派发到期收入，或导致这一做法变成不合法或不可行。在这种情况下，本银行可以提早赎回货币挂钩投资，而您获得的资金可能大幅度低于原始投资额。本银行将全权决定该情况下货币挂钩投资的市场价值。考虑到所有相关信息(包括不可行性、非法性或不可能性)扣除本银行冲销相关避险方案的成本(包括但不限于出售或变现本投资相关的任何选择权、期货合约)。

本文件所刊载之讯息仅为提供信息和一般资料派发之用，并非针对任何特定人士之特别投资目标、财务状况以及特定需求。投资者在投资前应阅读货币挂钩投资协议书。本文件不构成达成交易之提议、邀约或建议。除非有书面的明确协议，就本交易或其它交易而言，星展银行("本银行")仅为本文读者之筹办人，而非顾问或信托人，并无须对本文件或其内容之使用承担任何责任。

若英文及中文之版本内容不一致，则优先采用英文版本之内容。本银行任用专业翻译人员将英文版本翻译为中文版本。若中文版本之内容出现不完整或不准确的情况时，本银行将不提供任何声明或担保。若有任何疑问，您应查阅英文版本。