OCBC Securities

Ref:

Client Investment Profile (CIP) Questionnaire

Factual Risk Summary

Trading in foreign exchange and futures contracts do not generally involve physical delivery – i.e. you neither get what you "buy" nor have to deliver what you "sell". Instead each transaction will generally result in either you getting a trading profit or suffering a trading loss when the transaction you enter into is either settled or closed out.

It is also generally the case that for foreign exchange and futures contracts, losses and profits are accounted for at least on a daily basis:-

(i) Where a transaction is closed out within the same day, that profit or loss is "realised" – i.e. you actually either suffer the loss or get the profit; and

(ii) When the transaction is not closed out within the same day, the "profit" or "loss" is notional and is relevant to decide whether you have or would still have enough margin to allow the transaction to be held open (if that is your decision). If the notional "loss" as a matter of arithmetic calculation reduces the margin you have with us below the required maintenance level, you will need to provide additional margin for you to keep your position open, failing which we have the right to close out your transaction and realise the "loss" to and for your account.

Both foreign exchange and futures transactions are done on a margin basis and therefore involve leverage. As noted in the risk disclosures provided to you, **leverage necessarily multiplies both the amount you can lose when a market moves against you as well as the amount of profit you can make**.

While the risk associated with futures or foreign exchange transactions can be generally gauged and there are loss limiting steps you can take, you must still note and accept:

(i) The loss limiting steps cannot guarantee that loss will indeed be limited since every such loss limiting step assumes that it is possible to close out and realise loss at a particular market price. This is not always possible – liquidity in the market can be limited or non-existent for particular futures contracts or currency pairs; and the market can move beyond your intended close out price before your position can be closed out; and

(ii) The actual profit you may realise is unpredictable.

Before you trade in any foreign exchange or futures contracts, you need to determine both:

(a) how much risk appetite you actually have; and

(b) how much loss you can actually afford to suffer

because the time horizon for any specific foreign exchange or futures contract transaction is short – generally determined within the day; and not unusually, particularly with foreign exchange transactions, within hours if not minutes.

Unless you have need to hedge a particular exposure with respect to the underlying subject matter of a futures contract; or a particular currency risk (neither of which is generally relevant if you will be trading and closing out transactions regularly), trading in futures contracts and foreign exchange transactions will generally mean that you are trading in hope of making speculative profit based on market price movements BUT **at the risk of the loss at least (and not necessarily limited) to the value of the entirety of your margin you are required to provide**.

Client Name:

Account No.:

IMPORTANT NOTE:

If you do not complete the CIP Questionnaire, we will use the CIP Questionnaire that you previously submitted as the basis of our recommendation.

CLIENT INVESTMENT PROFILE

You need not complete the questionnaire if you are an accredited investor or a person outside Singapore who is not citizen or permanent resident of Singapore, and not wholly or partly dependent on citizens or permanent residents of Singapore.

The series of questions below seek to help determine, in the context of the **Factual Risk Summary**, whether your risk profile and trading objectives reasonably match your decision to trade in futures contracts and/or leveraged foreign exchange contracts.

Note: Please choose only ONE answer.

1. What is your purpose of opening this trading account?

- ☐ Buy something that will preserve its present day value against erosion through inflation. Capital growth and/or income are secondary.
- ☐ To buy and hold something that will both appreciate in value and pay a stable & consistent income and long term capital growth but with focus/bias in favour of holding what is bought long term for it to grow in value.
- ☐ To engage in short term transactions hoping to secure profits from short term price movements of the underlying subject matter.

2. Will you or are you dependent on the funds that you will be using for the trading through us to meet any current or anticipated payment requirements?

- ☐ Yes
- ☐ No

3. In answering question (2) above, are you also aware that the leveraged nature of foreign exchange and futures contracts allows you to take a larger position relative to your deposited funds? As such, a relatively small negative market movement will have a magnified and therefore potentially a significant adverse impact on your deposited funds to the extent even of extinguishing such funds entirely and leaving you with a shortfall that you will have to separately pay for; you therefore risk losing more than just your initial or other deposits by way of margins or collateral for your obligations?

- ☐ Yes
- ☐ No

4. Regardless of how much you can actually afford to lose, please tell us how much price fluctuation you are generally willing to accept in your trading?

- ☐ I do not want to experience any short term price fluctuations.
- ☐ I am willing to accept short term market price movements against me but will wish to limit my capital loss up to only 2 and I am not willing to tolerate the loss of my entire trading capital.
- ☐ I am willing to accept that as market price movements are unpredictable, the funds that I can lose may be more than entire trading capital due to market's extreme volatility, compounded by the leveraged nature of forex and futures.

5. In order to achieve my investment objective as stated above, I am willing to take

- ☐ Low risk. I do not want to risk my capital in trading.
- ☐ Medium risk. I am generally willing to accept capital loss of up to 2% in trading by placing risk-reducing orders.
- ☐ High risk. I understand and am willing to take the speculative and therefore generally high risk in trading in futu contracts and leveraged foreign exchange transactions.

6. If your answer to question (5) above is Medium risk, do you understand and accept that the placing of certain orders (e.g. stop-loss 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, and at times, it is also difficult or impossible to liquidate a position without incurring substantial losses?

- ☐ Yes
- ☐ No

Please continue on the next page…

Notice and Confirmation Of Non-Relevance Of Certain Information

Explanatory Note

Pursuant to the Notice issued by the MAS (FAA-N16), we are required to take reasonable steps to secure certain specific information in order to be able to make any recommendation with respect to the trading of SIP that takes into account your investment objectives, financial situation and particular needs.

Where we believe that an item of information is materially relevant for us to have in order for us to be able to determine whether trading in futures and/or leveraged foreign exchange contracts (as relevant) are generic products suitable for you to deal in, this has been incorporated into our Client Investment Profile Questionnaire (the "CIP") to which this Notice and Confirmation is an annexure.

Correspondingly, where we believe that an item of information is **not** materially relevant for us to have in order for us to be able to determine whether trading in futures and/or leveraged foreign exchange contracts (as relevant) are generic products suitable for you to deal in, we have not asked for that information in the CIP.

This Notice and Confirmation sets out the items of information set out in FAA-N16 that we have not included in the CIP and our summary reasons for believing them to be irrelevant.

Items of Information Not Specifically Requested:

There are three specific items of information from the list of items in FAA-N16 that we did not ask for and our reasons for not asking for them are as follows.

i) Your financial situation, including assets, liabilities, cash flow and income because our question as to whether you are or will be dependent on the funds that you will be using for the trading through us to meet any current or anticipated payment requirements would already give us the relevant knowledge of your financial situation for our determination of the suitability of trading in futures and/or leveraged foreign exchange contracts for you**;**

ii) The source and amount of your regular income again because our question as to whether you are or will be dependent on the funds that you will be using for the trading through us to meet any current or anticipated payment requirements would already give us the relevant knowledge of the funds you will be using for meeting your obligations and making your trading for our determination of the suitability of trading in futures and/or leveraged foreign exchange contracts for you; and

iii) Your current investment portfolio, including any life policy, and whether the amount to be invested is a substantial portion of your assets because trading in futures contracts and/or leveraged foreign exchange contracts is not a medium or long term investment activity (which provides for your medium and long term objectives) but essentially a trading activity for short term gains.

Actions Required Of You

If you agree with our conclusion, please confirm your agreement by signing off on this Notice and Confirmation.

If you disagree, please then provide both the information we did not ask for but you believe to be relevant for us to have, together with the reasons for your belief, so that we can take both the information and reasons into account in making our assessment on whether trading in futures and/or leveraged foreign exchange contracts (as relevant) are generic products suitable for you to deal in.

☐ **I agree** that the items of information you did not ask for from me are not relevant for your assessment on whether trading in futures and/or leveraged foreign exchange contracts (as relevant) are generic products suitable for me to deal in.

☐ **I disagree.** I believe that the items of information I provide below that you did not ask for from me are relevant for your assessment on whether trading in futures and/or leveraged foreign exchange contracts (as relevant) are generic products suitable for me to deal in:

(a) My financial situation, including assets, liabilities, cash flow and income are set out in the document that I am attaching to this document and labeled as [ ].

I believe you need the information because ……………………………………………………………………………………………

(b) The source and amount of my regular income are set out in the document that I am attaching to this document and labeled as [ ].

I believe you need the information because ……………………………………………………………………………………………

(c) My current investment portfolio, including any life policy, and whether the amount to be invested is a substantial portion of my assets are set out in the document that I am attaching to this document and labeled as [ ].

I believe you need the information because ……………………………………………………………………………………………

Signature of Client / Date