

Understanding and Trading
**Specified Investment
Products**

DO YOU KNOW?

- Which products listed on the Singapore Exchange have more complex features and risks?
- How much do you know about them?
- What is the difference between “Exchange Traded Funds” and “Exchange Traded Notes”?
- What are “Callable Bull/Bear Contracts”?
- Would you like to learn more about these products?

What are “Specified Investment Products”?

As an investor, you have access to a wide range of products with varied features and risk exposures listed on the Singapore Exchange (SGX). Some products may have terms and features that are not as well known and widely understood as others. These products are referred to as “Specified Investment Products”.

The current list of Specified Investment Products on SGX securities market includes:-

- Certificates
- Exchange Traded Funds (ETFs)
- Exchange Traded Notes (ETNs)
- Futures (Exended Settlement contracts)
- Structured Warrants
- Callable Bull / Bear Contracts (CBBCs)*

* CBBC has yet to be launched.

Specified Investment Products listed on SGX derivatives market include:-

- Futures
- Options

More of such products may be introduced to the market in the future.

Important Note

Specified Investment Products have structures, features and risks that may be more complex in nature. These products on the securities market will be marked with a “@” suffix on the SGX website and SGX Members’ trading screens.

Before Trading Specified Investment Products

The Customer Account Review module and SGX Online Education are SGX's online initiatives to support the new requirements by the Monetary Authority of Singapore (MAS) to provide safeguards to retail investors who wish to trade Specified Investment Products.

Launch Date

The Customer Account Review module and SGX Online Education on "Specified Investment Products" are available from 29 July 2011 at www.sgx.com/onlineeducation/specifiedinvestmentproducts

Understanding the Customer Account Review Module and SGX Online Education on "Specified Investment Products"

Customer Account Review Module

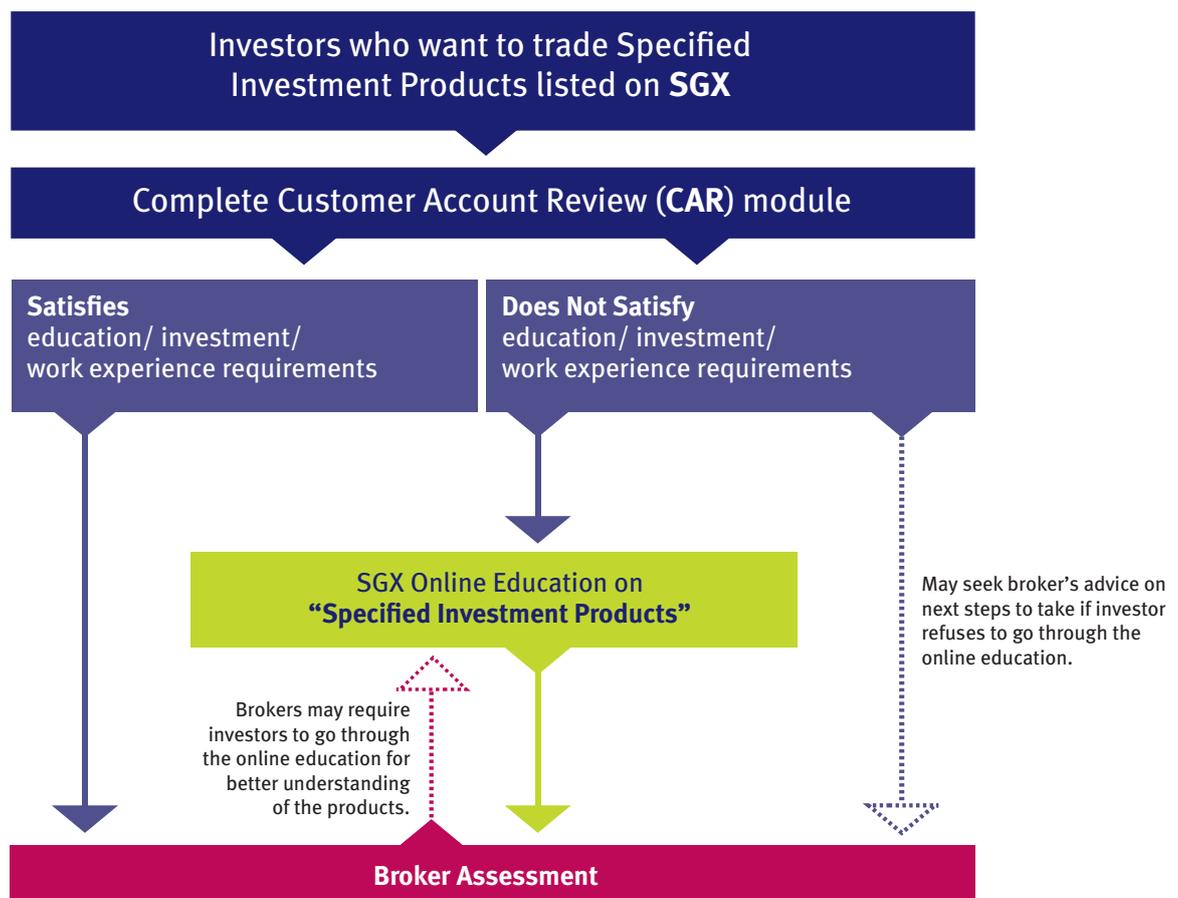
The Customer Account Review module is designed to assist SGX broking firms in assessing whether investors have the relevant knowledge and experience to trade Specified Investment Products.

- You can easily provide information such as education, professional qualifications, work experience and investment experience in a standard format. The information you provide will enable your broking firm to make the assessment.
- You can now log onto the Customer Account Review module at www.sgx.com/onlineeducation/specifiedinvestmentproducts, or go through your broking firm. On completion, please approach your broking firm.
- If your SGX broking firm assesses that you have the relevant knowledge or experience to trade these products, it may proceed to transact Specified Investment Products for you.

SGX Online Education on “Specified Investment Products”

The SGX Online Education aims to help you learn more about the basic terms and features of Specified Investment Products. Understanding the products’ features can help you assess whether a product meets your investment needs.

- If your broking firm assesses that you may not have the relevant knowledge or experience to trade Specified Investment Products, or you wish to find out more of these products, you can consider going through the SGX Online Education.
- You can access the SGX Online Education on “Specified Investment Products” at your own time and pace. After completing the online education, you will be asked to answer a short list of questions to confirm your understanding of the products.
- Before you invest in a product, please read the educational materials relating to the specific product. On completion of the online education, please approach your SGX broking firm if you wish to trade Specified Investment Products.



These new procedures support requirements introduced by MAS to safeguard investors who want to trade **Specified Investment Products**.

Frequently Asked Questions

1. Why do I have to go through the “Customer Account Review” module and SGX Online Education on “Specified Investment Products” if I want to trade in listed products? Is this a compulsory procedure?

It is compulsory for broking firms to assess their retail investors for relevant knowledge and experience in trading Specified Investment Products. These products have structures, features and risks that are relatively more difficult to understand.

The information you provide in the Customer Account Review module enables your broker to assess whether you can trade such products.

It may not be compulsory to go through the SGX Online Education on “Specified Investment Products”. However, if your broking firm assesses that you do not have the relevant knowledge or experience, you can improve your understanding of the products by completing the SGX Online Education programme.

2. What are Specified Investment Products?

Specified Investment Products are products that have terms and features that may be less well known and understood.

The current list of Specified Investment Products on SGX securities market includes:-

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Specified Investment Products listed on SGX derivatives market include:-

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Whereas, the following products are not categorised as Specified Investment Products:-

- Shares
- Fully Paid Depository Receipts representing shares
- Subscription rights pursuant to rights issues
- Company warrants
- Units in Business Trusts
- Units in Real Estate Investment Trusts
- Debentures (other than asset-backed securities & structured notes)

3. Can I approach any broker after completing the “Customer Account Review” module and SGX Online Education on “Specified Investment Products”?

Yes, you may approach any SGX broking firm or your current broking firm.

4. Who are the approved brokers? How long will it take for the brokers to respond to me?

You may approach any SGX broking firm or your current broking firm. The time taken for the broking firm to respond to you depends on its internal assessment.

5. Is there any cost attached to the “Customer Account Review” module and SGX Online Education on “Specified Investment Products”?

There is no cost to you to complete both.

6. Can I go through SGX Online Education on “Specified Investment Product” even if I do not wish to invest or if my broker has assessed that I can already trade in Specified Investment Products?

Yes, you can.

7. When is the SGX Online Education available?

The SGX Online Education on “Specified Investment Products” is available from 29 July 2011 at www.sgx.com/onlineeducation/specifiedinvestmentproducts

8. Who can I approach if I have further questions on “Customer Account Review” module and SGX Online Education?

You can approach any SGX Broking firm or your current broking firm.

Ask Before You Invest

- How can the product help you achieve your investment objective?
- How well do you understand the features and the risks? What are the potential returns? What can happen in the worst case scenario?
- Do you want professional advice on what products are suitable for you? You can seek advice from financial advisers regulated by the Monetary Authority of Singapore (MAS).

Check the Financial Institutions Directory on the MAS website (www.mas.gov.sg) for a list of licensed or exempt financial advisers.

Check the MAS Register of Representatives on the MAS website to verify if the individual advising you is an authorised representative and the type of regulated activities he/she can provide.