

# COMMODITY-LINKED STRUCTURED INVESTMENT LINKED TO A SINGLE UNDERLYING COMMODITY (“INVESTMENT”)

## Product Features

- Bank: Standard Chartered Bank (acting through one of its branches or subsidiary entities) (“SCB”).
- Each Investment:
  - is a principal-at-risk commodity-linked structured investment, under which the returns are determined with reference to the price of the relevant underlying commodity; and
  - involves a commodity-linked option, which (depending on the applicable circumstances) confers on the Bank the right to settle the Investment at maturity by (i) paying a cash amount (which is denominated in the relevant currency) or (ii) delivering a quantity of the underlying commodity to you.

Please see the “How does it work” section below for more information.

- Part or all of the coupon earned on the Investment represents the premium on the commodity-linked option. As a result, the Investment gives you an opportunity to earn a return that is higher than that which would be payable under a traditional bank deposit.
- The commodity underlying the Investment that you invest in (“**Underlying Commodity**”) could either be unallocated gold (“**XAU**”) or unallocated silver (“**XAG**”). You should note that the Underlying Commodity is not the physical form of the relevant precious metal, and it will take the form of a paper-entry in the commodity account (“**Commodity Account**”) that you maintain with SCB instead.
- You should note that the Bank is required to physically-settle this Investment in certain circumstances. Where physical-settlement applies, you are likely to suffer a loss on your investment. For more information on the circumstances in which the Investment will be physically-settled and how physical-settlement is effected by the Bank, please see “Physical Settlement” in the “How does it work” section below.

***In the event that the Investment is terminated prior to its stated maturity date by you (allowed only with the Bank’s consent) or by the Bank (allowed under the Product Documentation (see below) in certain circumstances), the Bank is entitled to factor in the costs of terminating the related hedging and funding arrangements and other costs relating to the Investment when determining the early termination amount that is payable to you - this may result in an early termination amount that is substantially lower than the amount of your initial investment amount. Please refer to “Early Termination Risk (by the investor)” and “Early Termination Risk (by the Bank)” in the “Key Risks” section below for more information.***

***This document must be read together with the relevant Product Documentation, which contains detailed information relating to the Investment (including the applicable definitions and terms and conditions).***

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**WARNING:** This is not a deposit. This is a structured product which involves derivatives. Do not invest in it unless you fully understand and are willing to assume the risks associated with it. If you are in any doubt about the risks involved in this structured product, you may clarify with the intermediary or seek independent professional advice. The investment decision is yours and you are advised to exercise caution in making any investment decision, including understanding the extent of your exposure to loss of your initial investment with regards to your financial situation, investment experience and investment objectives. This document contains a brief summary of some (and NOT ALL) of the structured product terms, features and risk disclosures and is not meant to be an exhaustive summary. You should refer to the relevant Product Documentation for complete details of the structured product, including meanings of the capitalised terms not defined here. The terms of any transaction will be set out in a post-confirmation notice that Standard Chartered Bank sends to you. The contents of this document have not been reviewed by any regulatory authority. If English is not your preferred language, please check with your Relationship Manager if this document and other Product Documentation relating to this structured product is available in your preferred language. Some Product Documentation is available only in English. If this is the case and you do not understand the contents of either this document or any other Product Documentation relating to this structured product, you should not invest in this structured product.

## Investor's profile

- You would like to invest in a commodity-linked structured investment.
- You would like to have the opportunity to earn a higher rate of return on your investment funds (as compared to a traditional bank deposit).
- In return, you are willing to accept that:
  - your initial investment amount will only be repaid to you in full at maturity (provided that the relevant conditions are satisfied);
  - fluctuations in the price of the Underlying Commodity may have an adverse effect on your investment;
  - the relevant Investment may be physically-settled at maturity; and
  - you may lose part or all of your initial investment amount in certain circumstances.

## Investor's view

- You are of the view that the coupon payable under the relevant Investment is adequate compensation for assuming the risk that you may suffer a loss on your investment, even if you maintain the Investment to maturity.
- Each Investment is a structured product and it WILL NOT be a suitable investment for you if:
  - you do not understand how such Investment works;
  - you are not in a position to commit to assuming credit exposure to the Bank for the tenor of the Investment;
  - you do not have a holding period that is equal to the tenor of the Investment, with limited or no liquidity;
  - you do not have sufficient knowledge of or experience in investing in structured products and/or derivatives;
  - you are not willing to accept the risk that the relevant Investment may be physically-settled at maturity; or
  - you do not wish to risk losing any part of your initial investment amount.

## How does it work?

### **General**

- You should note that the available currencies (with reference to which the Underlying Commodity is quoted), minimum size and tenor of Investments may vary depending on the location of your account with the Bank. Please consult your Relationship Manager for further details.

### **Coupon Payments**

- Assuming that (i) an early termination event does not occur during the tenor of the relevant Investment and (ii) you maintain the Investment to maturity, such Investment is structured to pay a coupon amount to you upon its maturity. You should note that if the Bank is required to physically-settle the Investment upon its maturity, such coupon amount (and your initial investment amount) will be converted into a quantity of the Underlying Commodity at the applicable strike price (target conversion rate), and credited into the Commodity Account that you maintain with SCB.
- The applicable coupon rate will be lower if the strike price (target conversion rate) that is agreed between you and the Bank is substantially higher or lower than the initial price of the Underlying Commodity.

### **Settlement at Maturity**

- Assuming that (i) an early termination event does not occur during the tenor of the relevant Investment and (ii) you maintain the Investment to maturity, the Bank will be required to settle such Investment on the stated maturity date.
- The method by which the Bank is required to settle the relevant Investment on the maturity date is dependent on, amongst other things, the price quoting convention relating to the Underlying Commodity and the price of the Underlying Commodity on the relevant valuation date.
- The Bank will be required to cash-settle the relevant Investment (by returning your initial investment amount and paying any accrued and unpaid coupon amount to you) in the following circumstances:
  - (a) where the quoting convention is expressed as one unit of the base currency/Underlying Commodity equals to X units of the alternate currency/Underlying Commodity, if the Relevant Price (as defined in the Product Documentation) is lower than the applicable strike price (target conversion rate); or
  - (b) where the quoting convention is expressed as X units of the base currency/Underlying Commodity equal to one unit of the alternate currency/Underlying Commodity, if the Relevant Price is greater than the applicable strike price (target conversion rate).
- The Bank will be required to physically-settle the relevant Investment in the following circumstances:
  - (a) where the quoting convention is expressed as one unit of the base currency/Underlying Commodity equals to X units of the alternate currency/Underlying Commodity, if the Relevant Price is equal to or greater than the applicable strike price (target conversion rate); or
  - (b) where the quoting convention is expressed as X units of the base currency/Underlying Commodity equal to one unit of the alternate currency/Underlying Commodity, if the Relevant Price is lower than or equal to the applicable strike price (target conversion rate).
- **You should note that if the Bank is required to physically-settle the relevant Investment upon its maturity, the then value of the relevant Underlying Commodity that is delivered to you is likely to be lower than your initial investment amount. In such circumstances, you will suffer a loss on your investment.**

### **Physical Settlement**

- You must open a Commodity Account with SCB in order to invest in an Investment.

- In the event that the Bank is required to physically-settle the relevant Investment upon its maturity, the Bank will only be required to credit your Commodity Account with the relevant quantity of the relevant Underlying Commodity.
- **You should note that (i) the Bank will not be required to deliver the physical form of the relevant Underlying Commodity to you under any circumstances and (ii) you may only withdraw the Underlying Commodity(ies) that you hold in your Commodity Account (if any) by selling such holding to the Bank at a price that will be determined by the Bank.**

## Worst case scenario

The Investment is **NOT A DEPOSIT**, and is not protected under any government or private protection or compensation scheme. Hence, you may not receive any of the expected coupon payments and/or you may lose some or all of your initial investment amount if:

- the Bank is required to physically-settle such Investment upon its maturity;
- the Bank defaults on its payment or (as the case may be) delivery obligations under the Investment (whether due to insolvency or otherwise); or
- certain events which subject the Investment to an early termination occur (please refer to the “Early Termination Risk (by the Bank)” risk factor below).

## Scenario Analyses

The following terms are assumed for the purposes of the scenario analyses below:

Initial Investment Amount	:	USD 148,500.00	Initial price of XAU (quoted as X units of USD equal to one unit of the Underlying Commodity)	:	1,537.50
Base Currency	:	USD	Strike Price (Target Conversion Rate)	:	1,500.00
Underlying Commodity	:	XAU	Coupon Rate	:	12% per annum
Tenor	:	1 Month			

The Relevant Price of XAU (relative to the Strike Price (Target Conversion Rate)) will determine whether the Bank is required to cash-settle or physically-settle the relevant Investment upon its maturity.

<b>Scenario 1</b>  <b>(Relevant Price of XAU is greater than the Strike Price (Target Conversion Rate))</b>	Assume that USD weakens against XAU such that the Relevant Price of XAU is 1,540.00.  As the Relevant Price is greater than the Strike Price (Target Conversion Rate), the Bank will be required to pay a cash amount, which is comprised of the initial investment amount in USD and a coupon amount in USD) to the investor on the maturity date. Such cash amount shall be calculated as follows:
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	<p>USD 148,500.00 + (1/12 x 12% x USD 148,500.00) = approximately USD 149,985.00.</p> <p>In this scenario, the investor will make a profit of approximately USD 1,485.00 from his/her investment.</p>
<p><b>Scenario 2</b></p> <p><b>(Relevant Price of XAU is lower than the Strike Price (Target Conversion Rate))</b></p>	<p>Assume that USD strengthens against XAU such that the Relevant Price of XAU is 1,475.00.</p> <p>As the Relevant Price is lower than the Strike Price (Target Conversion Rate), the Bank will be required to physically-settle the Investment by delivering a quantity of XAU to the investor's Commodity Account. Such quantity of XAU represents the investor's initial investment and the relevant coupon amount (each converted from USD to XAU at the Strike Price (Target Conversion Rate)), and will be calculated as follows:</p> <p><math>[USD\ 148,500.00 + (1/12 \times 12\% \times USD\ 148,500.00)] \div 1,500.00 = USD\ 149,985.00 \div 1,500.00 = \text{approximately } 99.99 \text{ troy ounces of XAU.}</math></p> <p>Assuming that the price of XAU on the maturity date of the Investment is USD 1,475.00 per troy ounce, the value of 99.99 troy ounces of XAU would be approximately equal to USD 147,485.00. In this scenario, the investor will suffer a loss of approximately USD 1,015.00.</p>
<p><b>Scenario 3</b></p> <p><b>(Relevant Price of XAU is equal to the Strike Price (Target Conversion Rate))</b></p>	<p>Assume that USD strengthens against XAU such that the Relevant Price of XAU is 1,500.00.</p> <p>As the Relevant Price is equal to the Strike Price (Target Conversion Rate), the Bank will be required to physically-settle the Investment by delivering a quantity of XAU to the investor's Commodity Account. Such quantity of XAU represents the investor's initial investment and the relevant coupon amount (each converted from USD to XAU at the Strike Price (Target Conversion Rate)), and will be calculated as follows:</p> <p><math>[USD\ 148,500.00 + (1/12 \times 12\% \times USD\ 148,500.00)] \div 1,500.00 = USD\ 149,985.00 \div 1,500.00 = \text{approximately } 99.99 \text{ troy ounces of XAU.}</math></p> <p>Assuming that the price of XAU on the maturity date of the Investment is USD 1,500.00 per troy ounce, the value of 99.99 troy ounces of XAU would be approximately equal to USD 149,985.00. In this scenario, investor will make a profit of USD 1,485.00 from his/her investment.</p>

**The scenario analyses above are strictly for illustration purposes only and they do not represent actual performance of any Investment.**

*Any scenario analysis included in this document is illustrative and represents hypothetical outcomes only. Such scenario analyses do not represent (a) the actual terms on which any Investment might be purchased or terminated or sold in the secondary market or (b) the calculation or estimate of an amount that would actually be payable under the terms of any Investment. SCB expressly disclaims any responsibility for (i) the accuracy of the models or estimates used in deriving the scenario analyses, (ii) any errors or omissions in computing or disseminating such scenario analyses, and (iii) any uses to which the scenario analyses are put. SCB is not making any prediction of the actual performance of any Investment, or of future market conditions, rates, levels or prices by virtue of providing the scenario analyses.*

## Product Documentation and Trade Terms

The Issuer's confirmation and applicable terms governing the Structured Investment. These will be made available to you upon request. Please note that the equivalent terms used in the relevant Product Documentation may differ from those in this document.

## Fees and Charges

SCB will make trading revenue from the Investment.

## Key Risks

**The risk profile of the Investment that you invest in may change over its tenor. The risks listed below are representative of the key risks, although you should note that this document and the Product Documentation cannot disclose all possible risks relating to such Investment. References to "structured product" below shall be deemed to be references to the relevant Investment that you invest in, and references to "Reference Asset(s)" below shall be deemed to be references to the relevant Underlying Commodity.**

<p><b>Commodities Risk</b></p>	<p>Commodities comprise both (i) "physical" commodities (which involve the storage and transportation of the physical commodities) and (ii) commodity contracts (which are agreements either to (a) buy or sell a set amount of an underlying physical commodity at a predetermined price and delivery period, or to (b) make and receive a cash payment based on changes in the price of the underlying physical commodity. Commodity contracts may be traded on regulated specialised futures exchanges (as futures contracts) or traded directly between parties ("over-the-counter" or "OTC" trades).</p> <p>Commodities markets are inherently volatile and are influenced by numerous factors including changing supply and demand relationships, weather, governmental, agricultural, commercial and trade programmes and policies designed to influence commodity prices, world political and economic events, and changes in interest rates. You should regard commodity linked investments as high risk.</p>
<p><b>Market Risk</b></p>	<p>The value of the structured product is based on various market factors such as the price or level of the Reference Asset(s), the level of interest rates, volatility and time remaining until maturity. Structured products are volatile instruments and their values may fall as rapidly as they may rise. Past performance is not a reliable indicator of future performance.</p>

<b>Reference Asset Risk</b>	<p>The payments (if any) that you receive under the structured product are dependent on the performance of the Reference Asset(s) during the investment period and/or on certain valuation date(s), so it is important that the Reference Asset(s) is/are capable of being properly valued. Accordingly, when proper valuation of the Reference Asset(s) is prevented, the valuation period and/or valuation date(s) may be postponed to a subsequent period and/or day. In addition, you have no claim, interest or rights of ownership in relation to the Reference Asset(s) and investing in the structured product is not the same as a direct investment in the Reference Asset(s) and hence, the market value, early repurchase or early termination price or maturity value of the structured product may not reflect movements in the price or level of the Reference Asset(s). Finally, there is no assurance that the performance of the Reference Asset(s) will be at the desired levels in order to produce returns corresponding to the particular investment strategy applicable to the structured product.</p>
<b>Principal at Risk</b>	<p>This structured product is a principal-at-risk product. You may lose some or all of your initial investment amount. There is no assurance from the Bank (or otherwise) that at maturity, you will receive repayment of your entire initial investment amount. You may suffer a loss on your investment if the structured product is physically-settled at maturity.</p>
<b>Under-performance Risk</b>	<p>This is not a deposit. There is no assurance from the Bank (or otherwise) that at maturity, the return on the structured product will be equal to or greater than any potential return that you may have earned from a direct investment in the Reference Asset(s), in a bank deposit or non-structured fixed coupon bond. As the payment mechanics and terms of the structured product are not variable, you should note that even if your view of the direction of the Reference Asset(s)' performance is correct, you will not gain more than the amount specified under such payment mechanics and terms.</p>
<b>Credit and Counterparty Risk</b>	<p>You assume the full credit risk of the Bank. The structured product constitutes direct, unsecured and unsubordinated general obligations of the Bank. Hence, if the Bank becomes insolvent or defaults on its payment and other obligations or fails in any other way, you may not receive any payments due to you under the structured product, including your initial investment amount. A credit rating is not a recommendation or assurance as to the Bank's creditworthiness or the risks, returns or suitability of the structured product.</p>
<b>Events Adjustment Risk</b>	<p>The Bank or (where applicable) Calculation Agent has the discretion to make adjustments to the terms of the structured product if it determines that certain adjustment or extraordinary events have occurred (including, but not limited to, market disruption, changes in taxation law and other economic, political or social conditions). The exercise of such discretion may have an unforeseen and adverse impact on the payments that you receive under the structured product.</p>
<b>Liquidity Risk</b>	<p>Structured products are not liquid instruments and are not designed to be short-term trading instruments. You must be prepared to hold the structured product until the scheduled maturity as it is not transferable and there is no market for this structured product, which means that you will not be able to sell it. You will also not be able to terminate this structured product or make any withdrawals before the stated maturity date without the Bank's consent.</p>
<b>Early Termination Risk (by the investor)</b>	<p>Prior to maturity, the Bank may agree to you terminating the structured product but the Bank is under no obligation to do so. Early termination is at the sole and absolute discretion of the Bank and will incur a cost that may result in the loss of substantially all or part of your initial investment amount. In calculating the applicable early termination amount, the Bank will factor in the costs of terminating any related hedging and funding</p>

	arrangements and other costs relating to the structured product, which may result in an early termination amount that is substantially lower than your initial investment amount.
<b>Early Termination Risk (by the Bank)</b>	The Bank has the sole and absolute discretion to early terminate the structured product upon the occurrence of certain events, including (but not limited to) a Change in Law, Force Majeure, Hedging Disruption, Increased Cost of Hedging, Tax Event or any Disruption Event (each as defined in the relevant Product Documentation). For example, if there has been any change in the laws or regulations applicable to the structured product such that it is no longer legal or practical for the Bank to maintain its hedging arrangements under the structured product, the Bank may exercise its discretion to early terminate the structured product. In calculating the sum payable to you, the Bank will factor in the costs of terminating any related hedging and funding arrangements relating to the structured product. This may reduce the early termination amount payable to you and may result in the loss of all or part of your initial investment amount. Please refer to the relevant Product Documentation for more details on the events that may lead to an early termination and the factors that the Bank may take into account when determining any early termination amount that is payable to you.
<b>Reinvestment Risk</b>	Where the structured product is terminated prior to maturity for whatever reason, you may not be able to reinvest the amounts received at the same rate or for the same return or linked to the same Reference Asset(s) at that point in time.
<b>Exchange Rate and Control Risk</b>	Where the structured product is denominated in a non-local currency, you face the risk of exchange rate fluctuations and controls (where applicable) that may (i) affect the applicable exchange rate and result in the receipt of reduced coupon(s), cash settlement amounts and/or a loss of principal when converted to your local currency and (ii) make it impossible or impracticable for the Bank to pay you in the original settlement currency. Exchange controls may also be applicable to the currencies your investment is linked to. Exchange controls or other monetary controls may be imposed by a government, sometimes with little or no warning. Such measures may have a significant effect on the convertibility or transferability of a currency and may have unexpected consequences for the structured product. You may suffer a loss on your investment as a result of such exchange rate fluctuations and/or controls.
<b>Interest Rate Risk</b>	The market value of the structured product is exposed to the movement of interest rates during the tenor of the structured product and whenever it is terminated or sold prior to maturity.
<b>Tax Risk</b>	The Bank recommends that you take independent tax advice before committing to purchase this structured product. The Bank does not provide tax advice and therefore you have full responsibility for any tax implication of investing in this product. Any tax treatment depends on your individual circumstances and may be subject to change in the future.
<b>Leverage Risk</b>	If you have used leverage to purchase the structured product or if there is leverage embedded in the terms of the structured product, a relatively small movement in market or Reference Asset levels or prices will have a significantly larger impact on the structured product and your returns under such structured product. This may work for you as well as against you.
<b>Conflicts of Interest</b>	You should understand and accept that the Bank plays a variety of roles in relation to the structured product, including acting as your counterparty and the Calculation Agent. The Bank has various discretionary powers (for example, the power to terminate or adjust terms of the structured product in certain circumstances) which may have a material impact on the value and performance of the structured product. In performing

	<p>these duties, the economic interests of the Bank are potentially adverse to your interests as an investor in the structured product.</p> <p>The Bank may from time to time engage in transactions involving the Reference Asset(s) (or derivatives or other products linked to the Reference Asset(s)) for its proprietary and other accounts. Such trading may influence the value of the Reference Asset(s) and therefore the value of the structured product in a manner that is potentially adverse to your interests as an investor in the structured product.</p>
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## Disclaimers

### General disclaimer

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The indicative terms are neither complete nor final and are subject to further discussion and negotiation. The terms of the transaction entered into are subject to and will be recorded in the applicable Product Documentation. You must seek your own independent advice regarding the appropriateness of investing in any securities, financial instruments or investment strategies referred to in this document. In the event that you choose not to seek your own independent advice, you should carefully consider whether the product or service is suitable for you. SCB has no fiduciary duty towards you and (unless it is required to do so under any applicable law or regulation) it does not assume any responsibility to advise on, or make any representation as to the possible consequences of, the prospective transaction. You are advised to exercise your own independent judgment with respect to any matter contained herein.

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A structured product is not a protected deposit for the purposes of Brunei Darussalam’s Deposit Protection Order 2011.

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