



Dual Currency Plus

A structured approach to acquiring foreign currency



What is Dual Currency Plus

HSBC's Dual Currency Plus helps you make the most of your overseas currency needs by allowing you to pair two currencies of your choice and making use of foreign exchange fluctuation to enhance your returns.

Dual Currency Plus can help you make the most out of many foreign currency transactions, such as:

Overseas Education

Growing your savings to fund your children's overseas education.

International Investments

Whether you are financing an overseas property or invested in foreign investment products, Dual Currency Plus can help you acquire foreign currencies at potentially better foreign exchange rates.

Remittance

Give your loved ones staying overseas a better quality of life by supplementing your remittance with returns from Dual Currency Plus.

Travel

Treat yourself to a room upgrade, or extra holiday cash with your returns from Dual Currency Plus.

Wealth Management

Grow your wealth by leveraging on currency fluctuation to receive greater returns.

In exchange for this return, you will give the Bank the right to repay your investment and return in either the base or linked currency at maturity depending on exchange rate movements in respect of the currency pair.

Choice of tenors

You can choose to invest in tenors ranging from 1-week to 3-month.

Wide array of currencies

US dollar, Singapore dollar, Hong Kong dollar, Australian dollar, New Zealand dollar, Canadian dollar, Euro, Sterling, Swiss franc, Chinese yuan (renminbi*), and Japanese yen.

Access to currency specialists

Our team of experienced currency specialists can provide you with up-to-date information on currency markets to help you make informed decisions and take advantage of any opportunities that may arise.

How Dual Currency Plus Works

If you need to set aside SGD100,000 for your child's education fees in Australia, you may choose to convert the amount on today's spot rate between AUD and SGD, or wait to convert it on an unknown spot price in the future.

Alternatively, if you are not in a hurry to exchange into the foreign currency, you can use the Dual Currency Plus to apply a structured approach to acquiring foreign currency and earn an attractive yield in the meantime. The following example shows how you can invest SGD100,000 in the Dual Currency Plus, and fix a conversion rate at a foreign exchange rate that is better than today's rate.

Base currency / Linked currency	Singapore Dollar / Australian Dollar
Investment amount	S\$100,000
Tenor	1-month
Start Date	25 May
Fixing Date (Two working days before maturity)	23 June
Maturity Date	25 June
Spot rate at start of investment (AUD/SGD)	0.8910
Chosen conversion rate at start of investment (AUD/SGD)	0.8830
Dual Currency Plus investment returns	5%pa

By setting your conversion rate at a rate that is better than the market rate, you will be able to exchange your funds (if converted), at a level that is better than today's foreign exchange rate.

Based on the example given, there are three possible scenarios:

Scenario 1: SGD weakens against AUD

On fixing day, if the conversion rate (0.8830) is lower than the prevailing spot rate (0.9100), this means that SGD has weakened against AUD and your funds will not be converted into the foreign currency.

With Dual Currency Plus

You will receive your proceeds (Principal + Returns) in SGD
 $\text{S\$}100,000 + (\text{S\$}100,000 \times 5.00\% \text{ p.a.}) = \text{S\$}100,479$ (based on 1 month tenor)

Gain of SGD479 with Dual Currency Plus

Scenario 2: AUD weakens against SGD

On fixing day, If the conversion rate (0.8830) is higher than the prevailing spot rate (0.8750), this means that AUD has weakened against SGD.

With Dual Currency Plus you will receive your proceeds (Principal + Returns) in AUD based on your conversion rate.
 $\text{SGD}100,479 / 0.8830 = \text{AUD}113,792.75$

This rate is preferable to the rate when you began the investment, but not as good as the rate at the end of the investment

Gain of AUD1,021.71 with Dual Currency Plus.

SGD100,000 converted to AUD at the start of the investment would have given you AUD112,233.45
By using the Dual Currency Plus account you would receive AUD113,791.75 and therefore a gain of AUD1,558.30 at the end of your one-month tenor.

(AUD542.47 of this gain comes from the proceeds of the investment,
AUD1,015.83 comes from the weakening of the AUD currency)

Scenario 3: AUD weakens drastically against SGD

On fixing day, If the conversion rate (0.8830) is significantly higher than the prevailing spot rate (0.8550), this means that AUD has weakened against SGD drastically.

You will receive your proceeds (Principal + Returns) in AUD based on your conversion rate
 $\text{SGD}100,479 / 0.8830 = \text{AUD}113,792.75$

Loss of SGD 3,290.54 with Dual Currency Plus

Against the prevailing spot rate of 0.8550, you will experience exchange loss of
 $[(\text{SGD}100,479 / 0.8550 - 113,792.75)] \times 0.8830 = \text{SGD } 3,290.54$.

Whilst the rate is preferable to the rate when you began the investment,
the exchange difference is elaborated due to the drastic depreciation of the Australian Dollar.

This rate is preferable to the rate when you began the investment,
but not as good as the rate at the end of the investment.

The above scenarios are for illustrative purposes only and are not indicative of actual returns. Actual foreign exchange rates offered may include a bank margin above the spot rate.

Dual Currency Plus is inherently speculative in nature and carries risks. In particular, foreign currency market movements are unpredictable.

If the proceeds at maturity are paid in the linked currency (as opposed to the base currency), there is a possibility that you will suffer a loss on your principal sum when compared with the amount of the base currency initially invested.

For more foreign exchange risk related info, please refer to the important notes section of this sheet.

Starting Dual Currency Plus is easy!

Minimum investment of S\$50,000

All you need a minimum of S\$50,000 (or its equivalent in other currencies) to start investment in Dual Currency Plus. Kindly note that there will be a minimum charge of S\$50.00 on branch transactions.

Flexibility to customise terms

You can customise Dual Currency Plus terms such as the tenor, currency pair and preferred conversion rate.

Speak to us today.

Call **1800-277 8889**

Click **www.hsbc.com.sg**

Visit **any HSBC branch**

* Renminbi (RMB) is considered a convertible foreign exchange and the conversion of RMB through selected banks in Singapore is subject to certain restrictions. Local RMB products are denominated and settled in RMB which is also known as offshore RMB which is different from that of the RMB deliverable in Mainland China. As such, RMB, aside from being subject to local rules on foreign outward telegraphic transfers or remittance, may be sent to a list of countries/ regions/ jurisdictions/ territories except Mainland China.

Important Notes

Dual Currency Plus is an investment product. With Dual Currency Plus, the principal sum and returns are repayable, as determined conclusively by the Bank, either in the currency in which the investment is made (“base currency”) or an alternative currency (“linked currency”) at maturity. Early withdrawal of Dual Currency Plus is not permitted.

The following terms and conditions apply to an investment in Dual Currency Plus: (i) the relevant Term Sheet; (ii) the Dual Currency Plus Terms and Conditions; (iii) Investment Terms governing investment accounts with the Bank; and (iv) the HSBC Account User Agreement (in particular, the section relating to “Foreign Currency Time Deposit”).

Dual Currency Plus is inherently speculative in nature and carries risks. In particular, foreign currency market movements are unpredictable. If the proceeds at maturity are paid in the linked currency (as opposed to the base currency), there is a possibility that you will suffer a loss on your principal sum when compared with the amount of the base currency initially invested.

As your investment is denominated in a foreign currency, you are advised to consider the impact of any foreign exchange risk on the net returns of your investment. Foreign exchange controls may be imposed by the country issuing the foreign currency from time to time and may delay or prevent the payment of the proceeds to you.

You should always find out from your financial advisor if there are foreign exchange restrictions applicable to the currencies chosen by you before you decide to invest in Dual Currency Plus.

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Please note that Dual Currency Plus is classified as an unlisted Specified Investment Product (SIP). SIPs are derivatives or products which may contain derivatives. They are complex products and cannot generally be sold without advice. In particular, if you have limited knowledge on investment products, you are encouraged to seek advice from a financial adviser. If you choose not to seek advice from a financial adviser, you should carefully consider whether the investment is suitable. Any transaction you decide to make will be of your own choice and at your own risk.

Unlisted SIPs are those that are not listed on an exchange.

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