

Structured Notes

Structured Notes (SNs) are a combination of fixed income product and derivatives with mostly a maturity less than 270 days. The coupon on structured notes depends on the underlying asset which can be individual stock, group of stocks, stock indexes, foreign exchange, etc. The return of principal can be money or physical underlying asset, depending on performance of the underlying asset.

Features

- The return of principal depends on value of underlying asset on the final fixing date.
- Structured Notes have strike price and trigger price that may make the return payment different from the consent on trade date date.
- Structured Notes have observation date(s) monthly, quarterly, and daily.
- Structured Notes have both autocallable and non autocallable features.
- Structured Notes are complex and high risk product because they have embedded options.

Types of Structured Notes

- ✓ Fixed Coupon Note (FCN)
- ✓ Equity Linked Note (ELN)
- ✓ Bonus Enhanced Note (BEN)
- ✓ Principal Protected Note (PPN)

Who are SNs Suitable for?

- ✓ For the investors who expect to receive coupon consistently payment and also can take risk if receive physical stocks
- ✓ For the investors who expect to receive stock at lower than market price.
- ✓ For the investors who expect to customize note best fit their investment purpose.

Related Risks

- Market Risk
- Credit Risk
- Liquidity Risk
- Currency Risk
- Other risks such as an unpredictable event of the underlying, a change of underlying's policy, a merger, a structural change that may affect a negative impact on the underlying's price, etc.











Minimum investing amount
of Structured Notes
is \$100,000

Fixed Coupon Notes (FCNs)

“Fixed Coupon Notes (FCNs)” is a type of structured notes that underlined on assets such as individual stock, stock indexes etc. Investing in FCNs, investors can invest between 1–6 months and get monthly coupon.

One of significant features of FCNs is an autocallable feature, a right for issuer to make early redemption.

Essential Words for FCNs

	Underlying Asset	A stock, group of stocks, stock index
	Initial Price	Spot price on trade date
	Strike Price	The right to buy/sell underlying asset in the future, dealing today
	Final Price	Close price on Final Fixing Date
	Coupon	Profits that issuer promise to pay
	Tenor	Period of investment
	Auto call	A right for issuer to make an early redemption
	Knock In	A trigger level that determine the return payment
	Observation date	Value date of the notes
	Maturity Date	Redemption date of the notes

Fixed Coupon Notes (FCNs)

“Fixed Coupon Notes (FCNs)” is a type of structured notes that underlined on assets such as individual stock, stock indexes etc. Investing in FCNs, investors can invest between 3–6 months and get monthly coupon.

One of significant features of FCNs is an autocallable feature, a right for issuer to make early redemption.

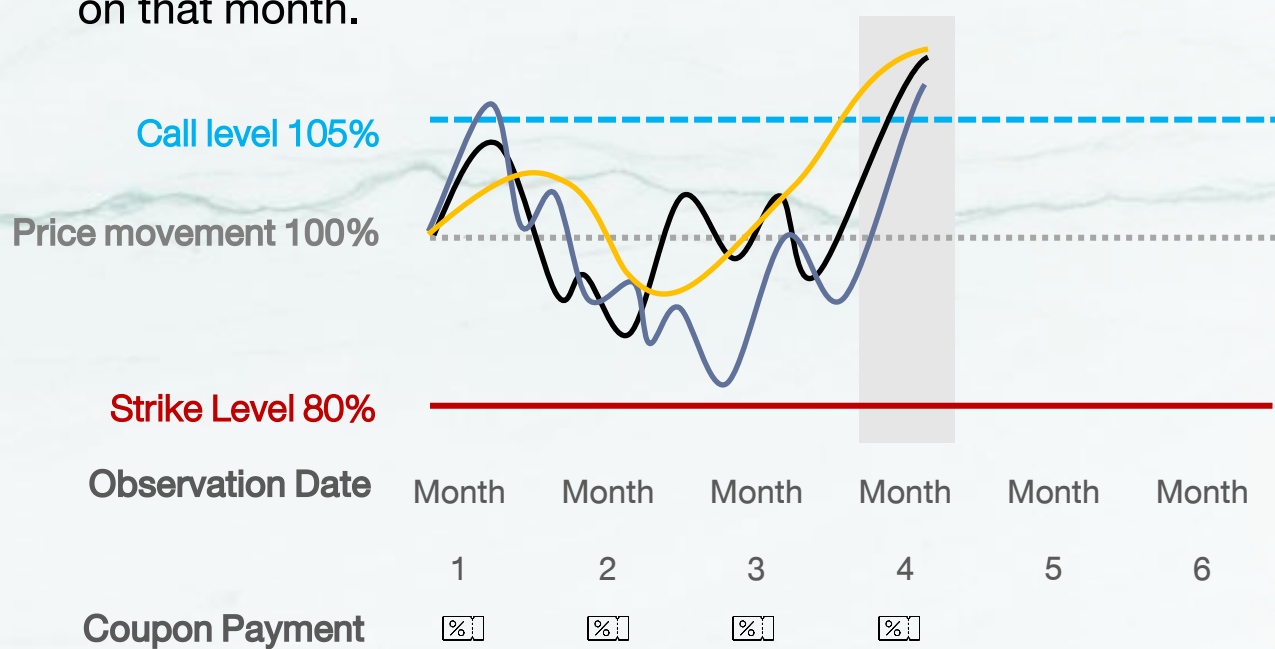
- structured notes that underlined on assets
- Period of investment: 1–6 months

- Expecting to receive monthly coupon payment as recurring income and to receive principle and coupon payment at maturity date

On fixing date

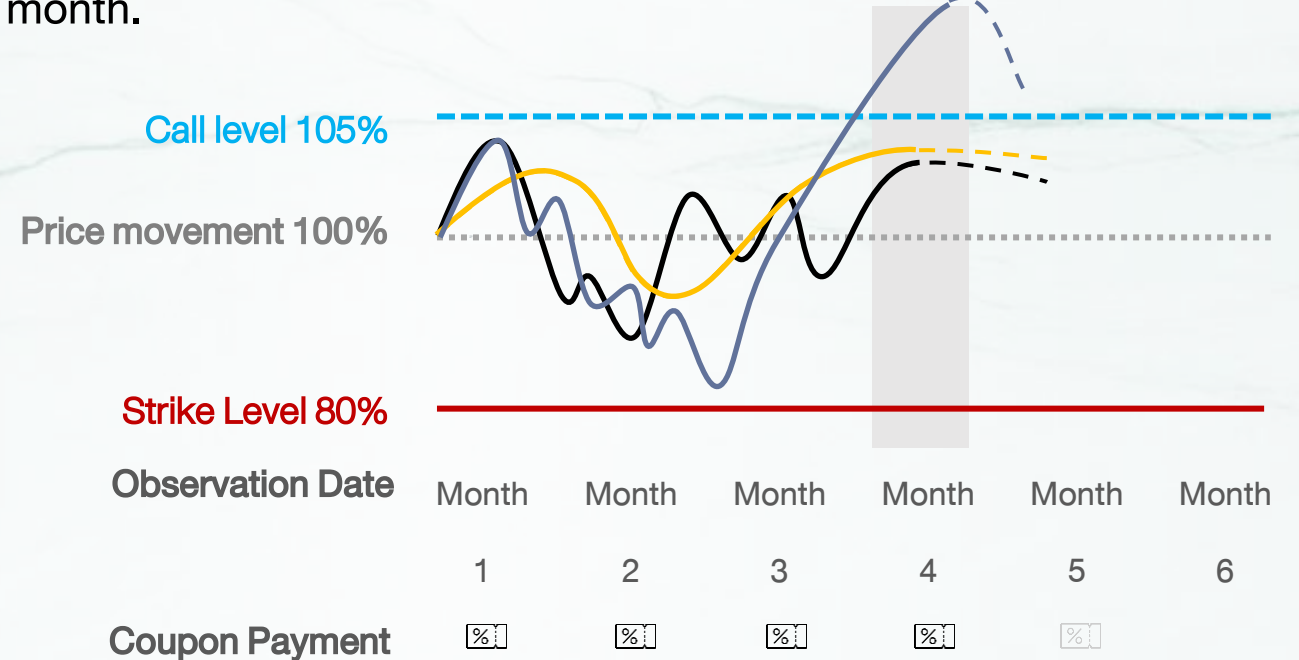
All stock price close at or above autocallable price

the notes will be called. Investors will get principal + coupon on that month.



One of stock price close at or above autocallable price

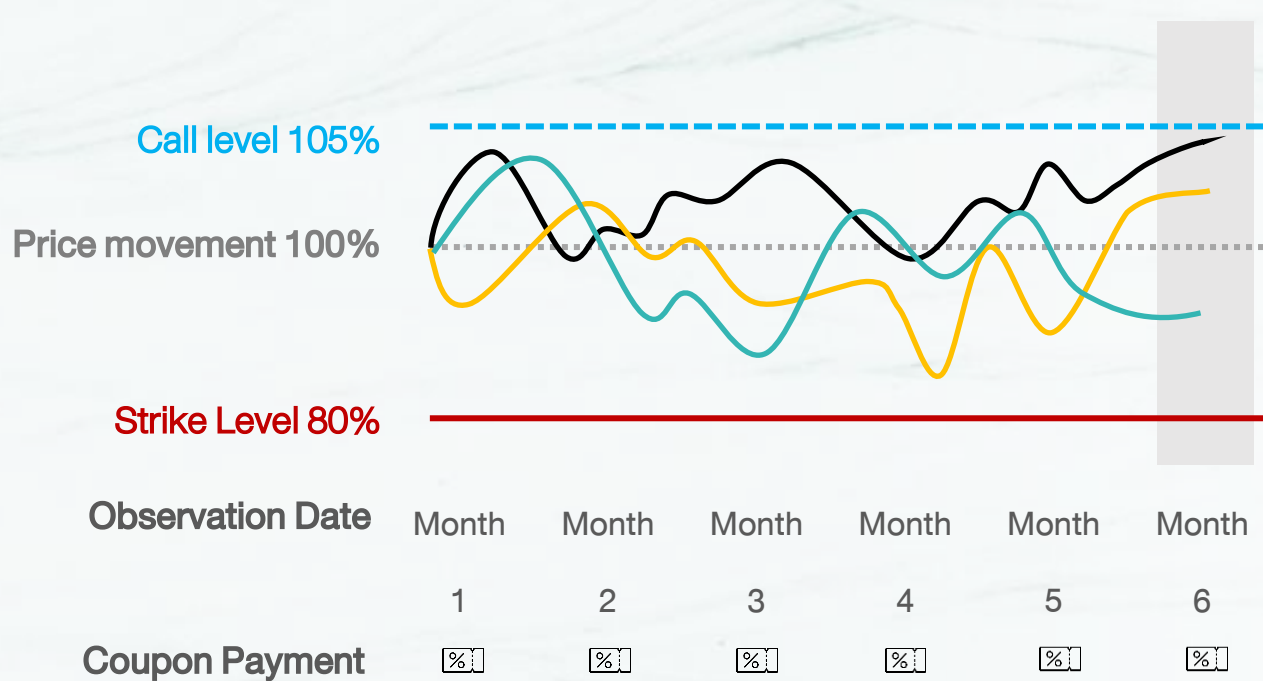
The note will not be called. Investors will get coupon on that month.



On observation date

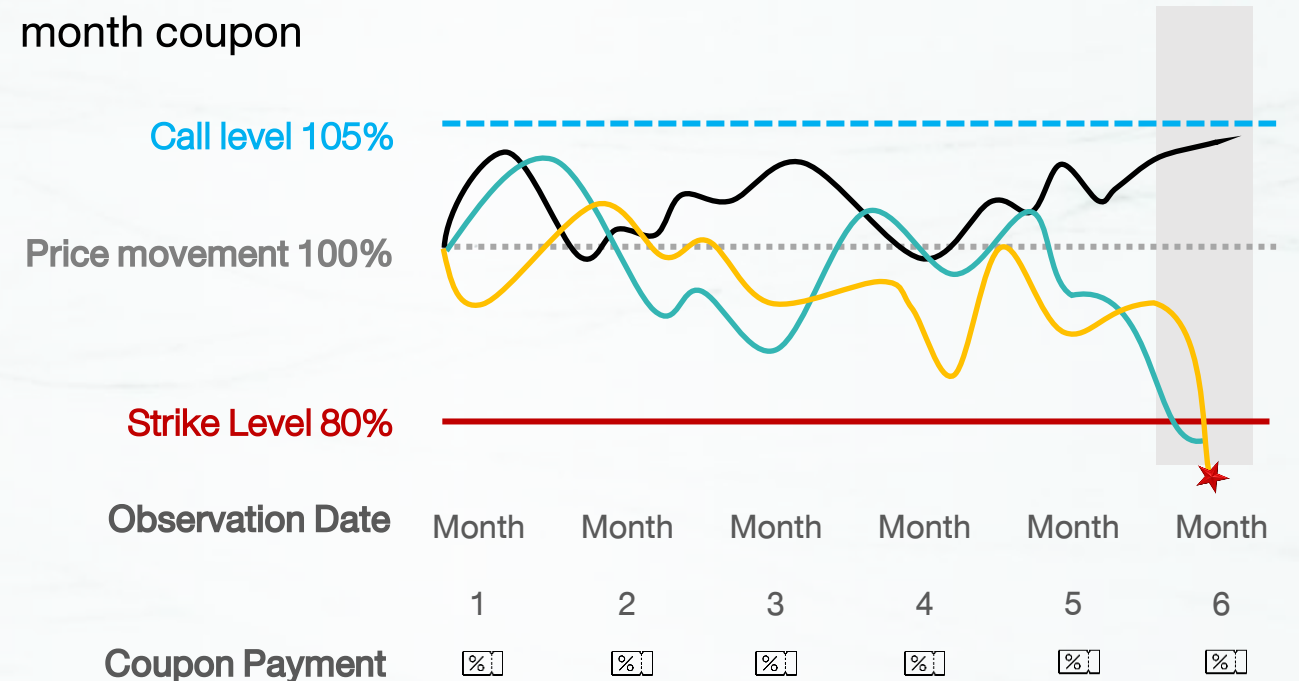
All stock price close > Strike level

Investors will get principal + coupon on the last month.



One of stock close ≤ Strike Level

Investors will get worst-off stock at strike price and received last month coupon



Who are suitable for FCNs ?

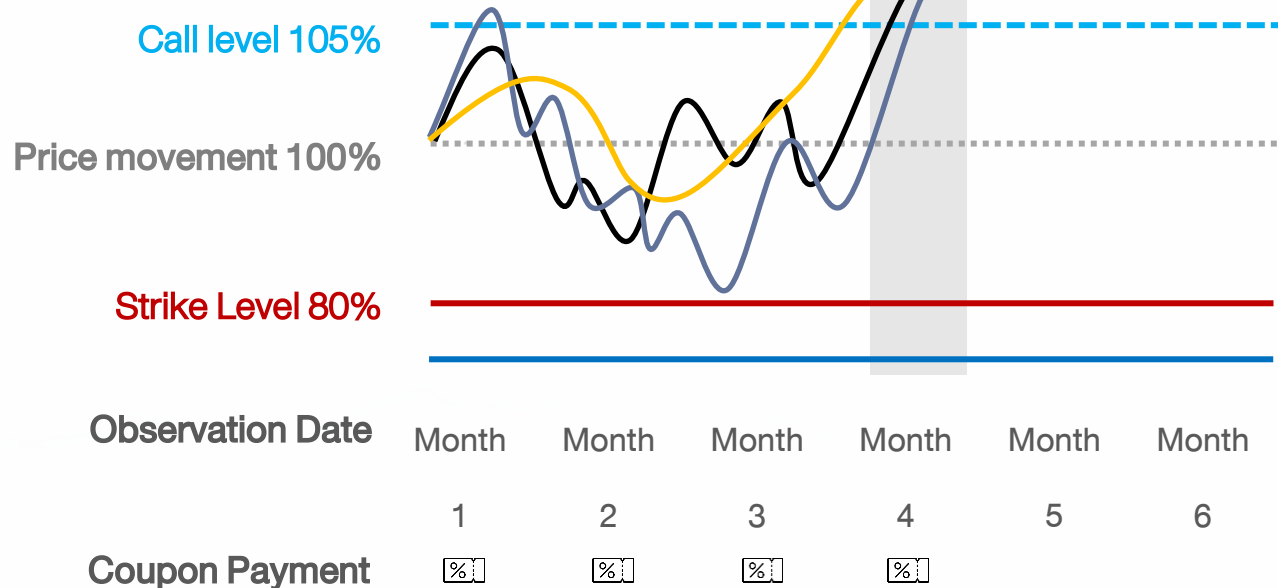
- ✓ Expecting to receive monthly coupon payment as recurring income
- ✓ Expecting higher yields than deposit rate or fixed income products
- ✓ Be able to take risk of physical underlying assets settlement
- ✓ Be able to invest on 3–6 months time horizon
- ✓ Diversification into offshore investment

Fixed Coupon Note With Knock-In (KIKO FCN)

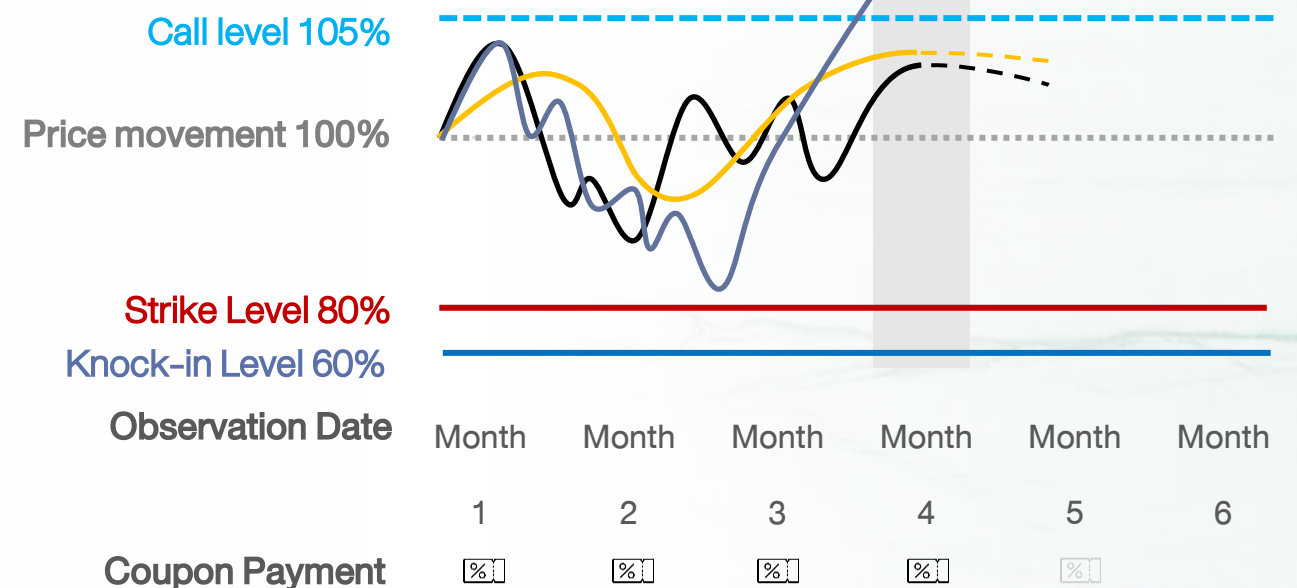
- structured notes that underlined on assets
- ..With Knock-in Level to reduce chance to get physical asset
- Expecting to receive monthly coupon payment as recurring income and to receive principle and coupon payment at maturity date
- ..otherwise, client will receive physical asset if the price is at or below strike price

On fixing date

All stock price close at or above autocallable price
the notes will be called. Investors will get principal + coupon on that month.

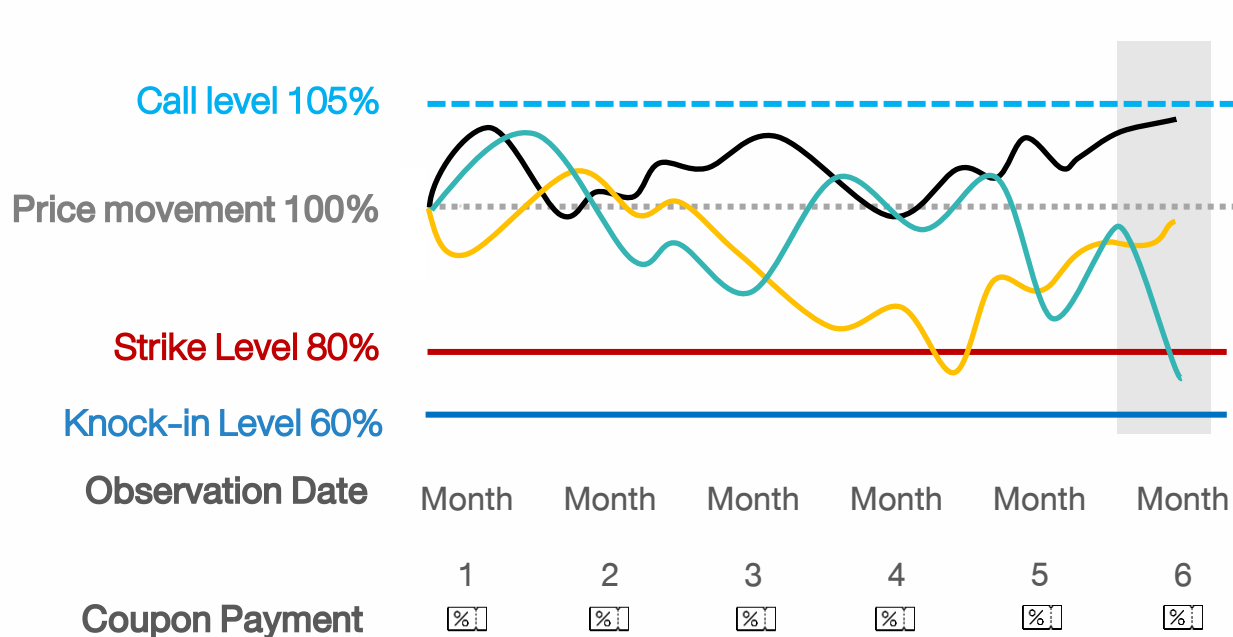


One of stock price close at or above autocallable price
The note will not be called. Investors will get coupon on that month.



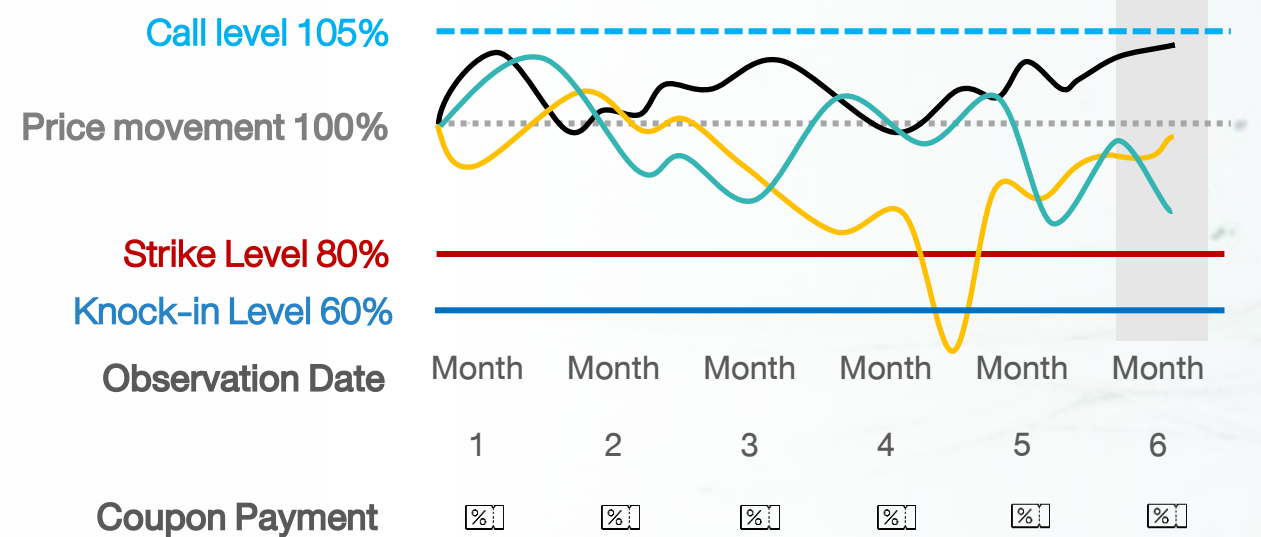
On observation date

Daily-on-close price never touch knock-in level
Investors will get principal + coupon on the last month.
Even stock price below strike price at maturity date.

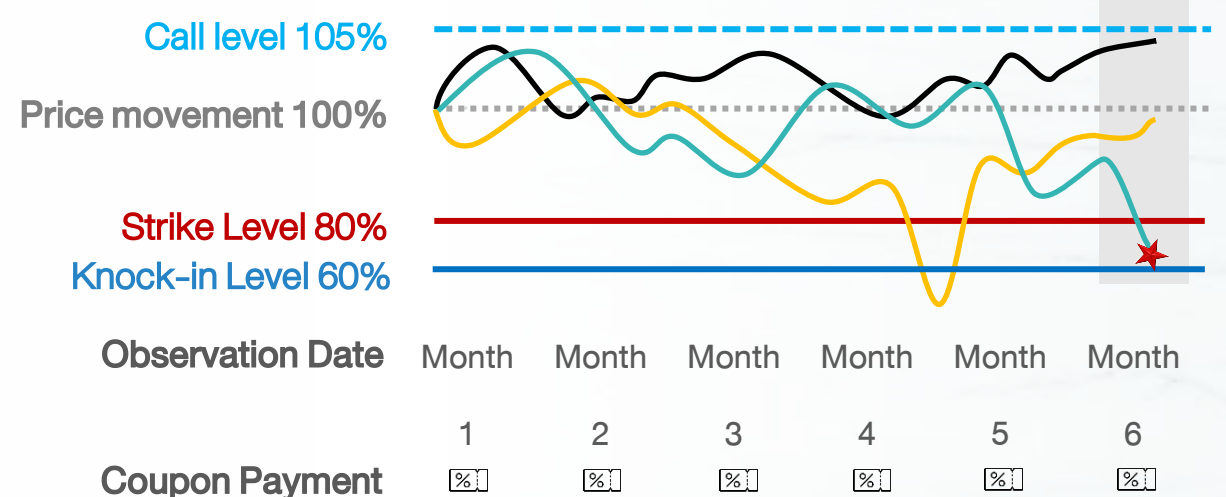


Daily-on-close price used to touch knock-in level, then strike price will be observed at maturity date

- **All stock price close > Strike level**
Investors will get principal + coupon on the last month



- **One of stock close ≤ Strike Level**
Investors will get worst-off stock at strike price and received last month coupon



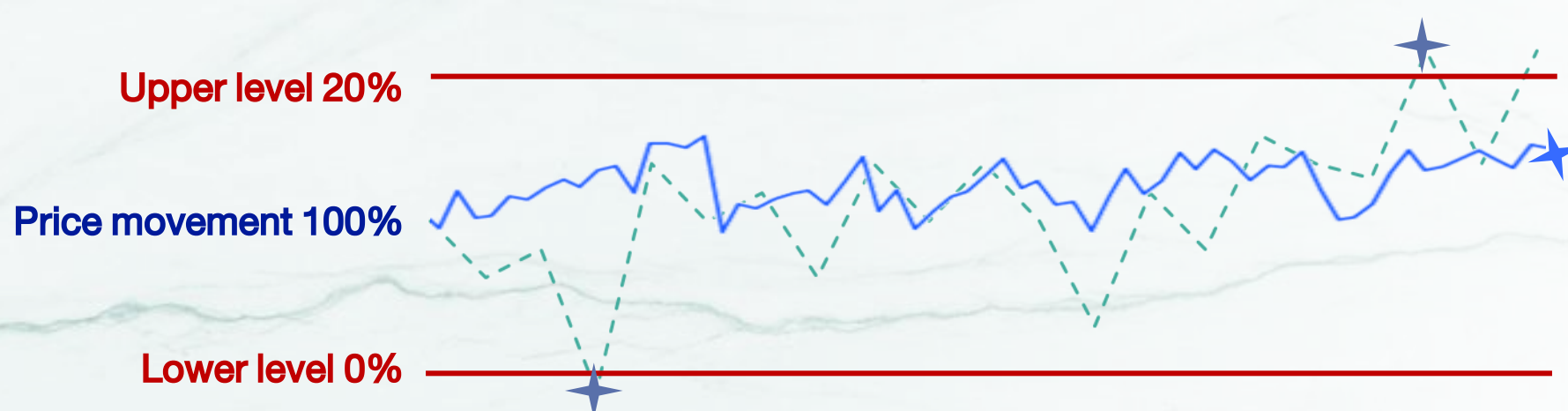
Who are suitable for FCNs ?

- ✓ Expecting to receive monthly coupon payment as recurring income
- ✓ Expecting higher yields than deposit rate or fixed income products
- ✓ Be able to take risk of physical underlying assets settlement
- ✓ Be able to invest on 3-6 months time horizon
- ✓ Diversification into offshore investment

Principal Protected Note (PPN)

“Twin-Win Note” is a type of structured notes with have principal protection depends on protection level. Moreover, invertor will have chance to earn extra income not only when the price of the underlying instrument increases, but also when it somehow decreases.

- structured notes that underlined on assets
- chance to earn extra income if stock price increase and decrease not more than Upper and Lower Level
- principal protection depends on protection level
- period of investment 12-24 months
- Receive principal and extra income in term of cash



 On maturity date

Type: Single Stock, Single Index
 Protection level: 100-104%
 Participation rate: 100%
 Upper Level (daily on close): 115-120%
 Lower Level (daily on close): 75-80%
 Rebate (at period end): 0-4%
 Tenor (Delayed 2 weeks): 12 months
 Currency: USD
 Minimum Size: \$50,000
 Issuer: Leonteq, Socgen, BNP, EFG, etc.
 Credit rating: A+ to BBB- depends on issuer

If daily-on-close price of underlying stock never touch Upper level and Lower level

Investor will get principal at protection level + extra return not more than upper level and lower level depends on return of stock price at maturity date

Example

If stock price is up 12% at maturity date, investor will get principal at Protection level 103.9% + Extra return at 12%

If stock price is down 12% at maturity date, investor will get principal at Protection level 103.9% + Extra return at 12%

If daily-on-close price of underlying stock touch Upper level and Lower level

Investor will get principal at protection level + Rebate (%)

Example

If stock price is above upper level → at maturity date, invertor will get principal at only Protection 103.9% + Rebate 0% (no extra return)

If stock price is below lower level → at maturity date, invertor will get principal at only Protection 103.9% + Rebate 0% (no extra return)

Who are suitable for PPN ?

- ✓ Who would like to protect principal at protection level
- ✓ Expecting higher yields than deposit rate or fixed income products
- ✓ Expecting to invest more than 9 months
- ✓ รับความเสี่ยงได้ต่ำเนื่องจากเป็น Feature ที่มีการคุ้มครองเงินต้นตามระดับ Protection Level
- ✓ กระจายความเสี่ยงโดยการลงทุนในตราสารต่างประเทศ
- ✓ ไม่ต้องการได้รับหุ้นอ้างอิง

Bonus Enhanced Note (BEN)

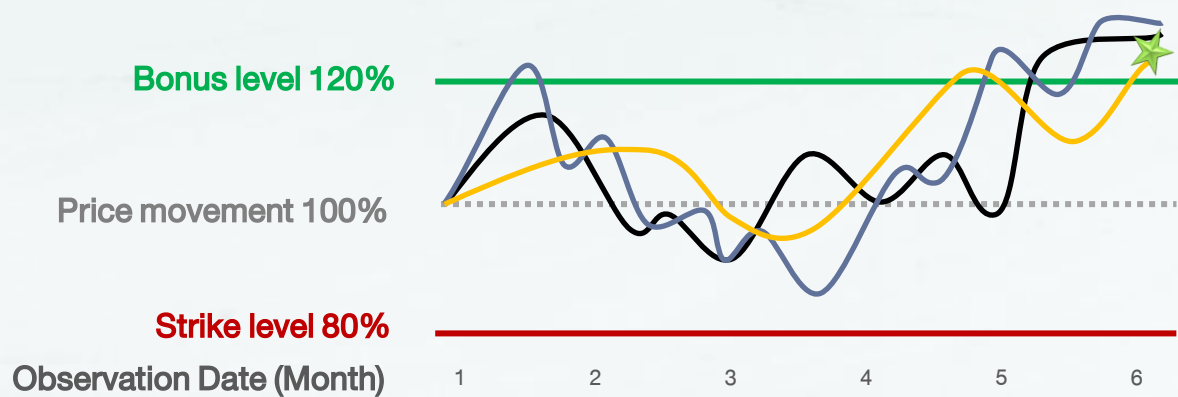
“Bonus Enhanced Note” is a type of structured notes that underlined on assets such as individual stock, stock indexes etc. Investors will have a chance to get extra return as a bonus coupon based on the underlying asset trading above a specified barrier level (bonus level)

- structured notes that underlined on assets
- Suitable for investors who believe that stock market is bottom already or going uptrend
- Expecting to get return rely on uptrend stock price
- Expecting to get principal and return at the end of maturity
- Period of investment: more than 3 months

On maturity date

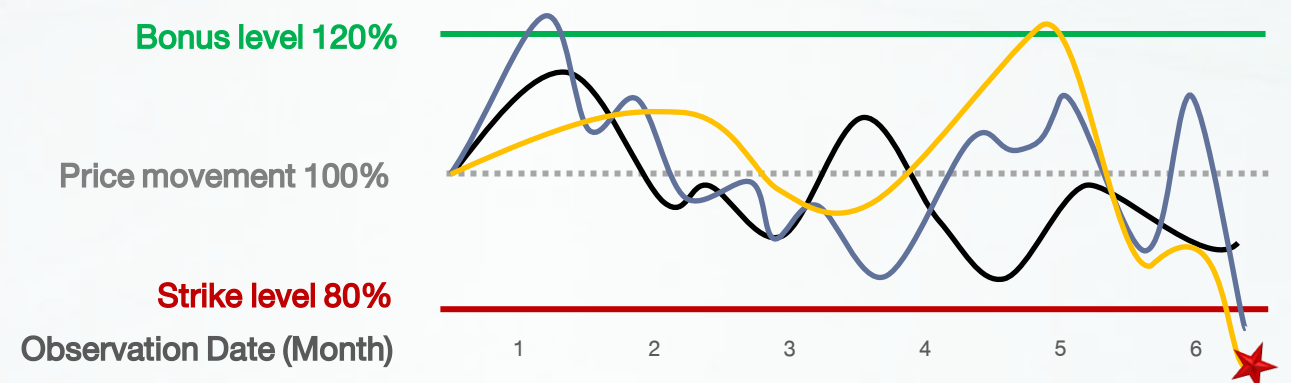
All stock price \geq Bonus Level

Investors will get principal + extra return that rely on one of worst-off stock



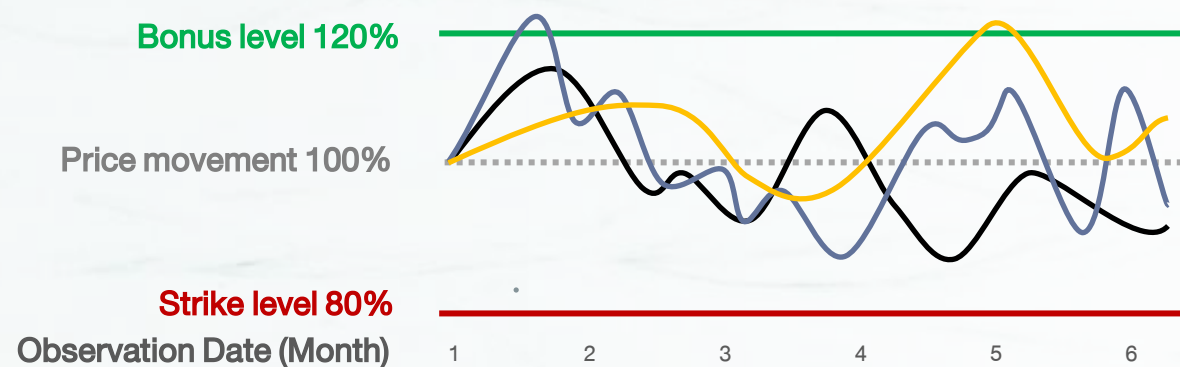
One of stock close \leq Strike Level

Investor will get one of worst-off stock at Strike Level



All stocks are between Bonus Level and Lower level

Investor will get principal + return at bonus level



Who are suitable for BEN ?

- ✓ Suitable for investors with a neutral or slightly positive view on the underlying equity
- ✓ Expecting higher yields than deposit rate or fixed income products
- ✓ Expect that underlying stock will not decrease below strike price
- ✓ Pay coupon at maturity date only together with principal if stock price above strike price