

Painful memory

Initial valuation date: **June 12, 2015**

Final valuation date: **Dec 28, 2015**

Maturity date: **Jan 5, 2016**

Principal: **S\$200,000**

Convert to US dollar @ 1.4078 = **US\$142,060***

Obligated to buy Oracle shares at initial valuation price of **US\$44.34** a share

$US\$142,060 / US\$44.34 = 3,204$ shares

Share price on maturity = **US\$35.64**

Oracle holdings on maturity = $3,204 \times US\$35.64 = US\$114,190$

Translate to local currency @ 1.425 = **S\$162,721****

Coupons received: **S\$8,010**

Oracle holdings + coupons = $S\$162,721 + S\$8,010 = S\$170,731$

Loss of principal = $S\$200,000 - S\$170,731 = S\$29,269$

Percentage loss = $S\$29,269 / S\$200,000 = 14.6\%$

* US\$/S\$ exchange rate on final valuation date

** US\$/S\$ exchange rate on maturity date