



DBS has launched the third Structured Deposit in its POSB Invest Equity Series, which is now far less complicated than its predecessor.

By using the stock prices of three Singapore blue-chip companies to determine the rate of return, the POSB Invest Equity Series 3 (PIES3) is very similar in essence to [PIES1](#) and [PIES2](#).

Yield

PIES3 yields an annual return of 1.48% (paid yearly) over 4 years 11 months. A bonus of 2.5% of the principal will be paid at the end of the period if the prices of all 3 stocks linked to the deposit rise 20% or more compared to the prices on the fixing date. The principal is also repaid fully at maturity.

Therefore, the rules are much simpler compared to PIES2, in that there is only one single condition for receiving a bonus and there are no early redemption triggers.

UOB currently has a similar structured product (Growth Deposit Series 5) which pays a

minimum of 1.24% per annum over the same tenure, but with a higher 9% potential bonus.

Risk

As a structured product, PIES carries more risk than regular fixed deposits, but the investor loses everything only if the bank becomes insolvent.

Verdict

With simpler bonus payout terms and a higher baseline yield than PIES2 (1.48% versus 0.8%). PIES3 is a reasonably attractive alternative to fixed deposits for conservative investors. Investors who are slightly more risk-inclined may also want to consider UOB's product.

[Glossary](#) | [Forum](#) | [Disclaimer](#)