

INVESTOR SUITABILITY ASSESSMENT FORM – INDIVIDUAL



This Investor Suitability Assessment Form will guide you in choosing the unlisted capital market products that suits your investment objectives, risk tolerance, financial profile and investment experience. The information you provide will form the basis of our recommendation. It is important to provide accurate and complete information to ensure that suitable unlisted capital market products are recommended according to your investment needs and objectives.

SECTION A: INVESTOR'S DETAILS

<input type="checkbox"/> New Account	<input type="checkbox"/> Review	Account no.: _____		
	Principal Holder	Joint Holder 1 (if applicable)	Joint Holder 2 (if applicable)	
Account Holder's Name				
NRIC/Passport No.				
Age				
Investment Objective				

SECTION B: RISK PROFILE QUESTIONNAIRE TO BE COMPLETED BY PRINCIPAL HOLDER (Please circle your answer)

1	How many dependents do you have?		2	What is your expected duration to retire?		3	What percentage of total investable saving or wealth is allocated for this investment?	
A)	More than 5	1	A)	Below 5 years	1	A)	0%	1
B)	3 to less than 5	2	B)	5 to 10 years	2	B)	Up to 10%	2
C)	2	3	C)	More than 10 years	3	C)	10 to 25%	3
D)	1	4				D)	25 to 50%	4
E)	None	5				E)	Over 50%	5
4	Purpose/Needs of fund		5	Investment experience and knowledge		6	How comfortable are you investing in listed shares	
A)	Near term funding needs	1	A)	Little (eg: only deposits)	1	A)	Not at all	1
B)	Savings/ Standby fund	2	B)	Some (eg: bond funds)	2	B)	Somewhat	2
C)	Long term financial target /returns	3	C)	Average (eg: equity funds)	3	C)	Comfortable in Blue Chips only	3
D)	Excess Wealth	4	D)	Seasoned (eg: stocks and shares)	4	D)	Comfortable in general	4
E)	Future generation	5	E)	Vast (eg: Derivatives or futures)	5	E)	Very comfortable	5
7	How much potential fluctuation of capital are you willing to tolerate?		8	What is your investment objective		Score:		
A)	Less than 2%	1	A)	Preserve savings and generate income at minimal risk	1	Score	Investor Risk Category	Weighted Risk Score
B)	3-5%	2	B)	Seek regular income and incidental capital gain	2	7-13	Very low	1-6
C)	5% - 10%	3	C)	Seek a balance of regular income and capital appreciation	3	14-20	Low	6-11
D)	10%-20%	4	D)	Seek high capital gain with incidental income	4	21-27	Moderate	11-16
E)	More than 20%	5	E)	Maximum returns over the long-term	5	28-34	High	16-21
						35-38	Very High	21-25

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RECOMMENDATION						
Funds (Fund Risk Scale)	G1 (1)	G2 (4)	G3 (9)	G4 (16)	G5 (25)	Weighted Risk Score
Investment/ Portfolio (%)						
Basis of Recommendation(s) (Multiple answers allowed)	<input type="checkbox"/> Suitable to investor's risk profile and in line with the investor's investment objective					
	<input type="checkbox"/> Complements investor's portfolio of products to meet his/her financial goal					
	<input type="checkbox"/> Others: (please specify)					

Recommendation of Funds should be made according to the Weighted Risk Scale system. This system enable investors to fully diversify their investment and achieve their investment objective effectively. The basic calculation for the Weighted Risk Score is derived from **multiplying the "Fund Risk Scale" with the Percentage of investment** in the fund. The result should not exceed the Weighted Risk Score stipulated in the Customer Risk Profile score.

Examples:

Investor A that falls into a "Low Risk" category with an objective for regular income is suitable to invests in Group 1 and Group 2 Funds and may not be suitable for Group 3 and above funds which the risks ranges from "moderate" to "very high" risk. If the Investor wish to diversify the investment to achieve a higher yield, the type of investment and portion can be determined through the Weighted Risk Score formula.

Illustration: Calculation for the allocation of funds with Weighted Risk Score	
a "Low Risk" investor may invest 80% in G1 fund, 10% in G2 and 10% in G3 and the calculation is as such:	
$(G1 \times 80\%) + (G2 \times 10\%) + (G3 \times 10\%)$	= X
$(1 \times 80\%) + (4 \times 10\%) + (9 \times 10\%)$	= 0.8 + 0.4 + 0.9
	= 1.38 (Weighted Risk Score)

SECTION C: INVESTOR RISK PROFILE CATEGORY AND FUND RISK CLASSIFICATION

INVESTOR RISK PROFILE AND WEIGHTED RISK SCORE

- The Company has categorized the Risk Profile of the investor into five (5) categories

Score	Risk Category	Weighted Risk Score
7-13	Very low	1-6
14-20	Low	6-11
21-27	Moderate	11-16
28-34	High	16-21
35-38	Very High	21-25

- Investor Risk Profile for the five (5) categories are define as:

Risk Category
<p><u>"very low" risk investor</u></p> <ul style="list-style-type: none"> - A careful/conservative/secure investor who is unwilling to take any risk in their investment, prefer a more liquid and short term investment. The returns are likely to be based on prevailing interest rate. A small percentage of higher risk funds can be recommended to improve the returns against the effect of inflation.
<p><u>"low" risk investor</u></p> <ul style="list-style-type: none"> - An investor who has low ability to accept risk, has a medium to long term (3 to above 5 years) investment plan to realized returns which is higher than fixed deposit which may outperform inflation rate. To achieve a better returns, a portion of investment may be invested in equity funds for capital gains.
<p><u>"moderate" risk investor</u></p> <ul style="list-style-type: none"> - An investor who appreciate steady long term (above 5 years) return with moderate fluctuation. A neutral allocation of funds in equity and money market funds can me suggested to achieve steady growth and stable income.

<p><u>“high” risk investor</u></p> <ul style="list-style-type: none"> - An investor who understand risk in investment and accept short to long term fluctuation to achieve a high return and capital gain. Capital values can fluctuate and may fall under original investment capital, lower risk fund may be recommended to mitigate the risk during economy downturn.
<p><u>“very high” risk investor</u></p> <ul style="list-style-type: none"> - An investor who seek for “high risk high return” investment, able to accept short to long term fluctuation to earn very high returns.

FUNDS’ RISK CLASSIFICATION

➤ The Company has categorized the Funds into five (5) categories:

Fund Risk Scale	Risk Category	Group of Funds
1	Very low	Group 1 (G1)
4	Low	Group 2 (G2)
9	Moderate	Group 3 (G3)
16	High	Group 4 (G4)
25	Very High	Group 5 (G5)

➤ All the funds distributed by Areca have been categorized into 5 groups, based on the criteria set by the company.

Group of Funds
<p><u>Group 1: Suitable for “very low” risk investor</u></p> <ul style="list-style-type: none"> - A low risk fund ideal for investor who seek liquid investment that delivers a regular income and/or maximum capital protection. Most stability with higher than bank deposits and short term investment. The fund may invest up to 30% in government/corporate bonds and the balance in money market placements.
<p><u>Group 2: Suitable for “low” risk investor</u></p> <ul style="list-style-type: none"> - A fund that is ideal for investor who seek a low initial income in return for inflation-matching growth in investment over time. The fund predominantly invest in local government/corporate bonds/fixed income securities. To achieve better yield, the fund may invest not more than 30% in foreign government/corporate bond/fixed income securities.
<p><u>Group 3: Suitable for “moderate” risk investor</u></p> <ul style="list-style-type: none"> - A fund that is ideal for investor who seek moderate long-term growth and has an average ability and willingness to take risk. The Fund would adopt a neutral allocation of 50% in equities and 50% in fixed income securities. To achieve the fund objective, the fund may invest a maximum of 30% in foreign equity and more than 30% exposure in foreign fixed income securities.
<p><u>Group 4: Suitable for “high” risk investor</u></p> <ul style="list-style-type: none"> - A higher risk fund that predominantly invest in equities, offering investor with long-term capital growth. A maximum of 30% can be invested in foreign equities to maximize growth. On the other hand, the fund may invest up to 30% in foreign or local fixed securities to mitigate the downside risk of the fund during equity markets downturn.
<p><u>Group 5: Suitable for “very high” risk investor</u></p> <p>A fund that offers to investor who demonstrates a very high ability and willingness to take risk, able to accept dramatic and long term volatile and fluctuation in equity market. The fund has the potential to deliver higher long term returns. The fund may:</p> <ul style="list-style-type: none"> - Invest more than 30% in foreign equities; - Invest in derivatives other than for hedging purpose; - Invest in structured products; - With high concentration risk (up to 50% exposure in single issuer); - Leverage funds;

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SECTION D: ACKNOWLEDGEMENT (PLEASE TICK ✓ THE BOX TO ACKNOWLEDGE THE APPROPRIATE STATEMENT(S))

1. The Authorised Unit Trust Scheme Consultant has explained and I/we have understood the features and nature of the products recommended its associated risks, terms and conditions.							
2. I/We confirm that the information disclosed is true, complete and accurate.							
3. I/We acknowledge receipt of a copy of Product Highlight Sheet and the relevant Disclosure Document which have been given to me/us.							
IF APPLICABLE							
4. I/We do not wish to provide any personal information for completion of the suitability assessment. I/We will make all of our present and future investment decisions based on our judgement and independent advice as I/we consider appropriate. I/We acknowledge that the Authorised Unit Trust Scheme Consultant has explained to me/us clearly the purpose of this suitability assessment, which I/we understand would help me/us to understand and assess my/our risk tolerance for investment in unit trust funds and the products range that would be suitable for me/us.							
5. I/We have decided to purchase other unit trust fund(s) that is not recommended by the Authorised Unit Trust Scheme Consultant. Name of Fund(s) that I/we wish to purchase: <table style="width:100%; border: none;"> <tr> <td style="width:50%; border: none;">1. _____</td> <td style="width:50%; border: none;">4. _____</td> </tr> <tr> <td style="border: none;">2. _____</td> <td style="border: none;">5. _____</td> </tr> <tr> <td style="border: none;">3. _____</td> <td style="border: none;">6. _____</td> </tr> </table>	1. _____	4. _____	2. _____	5. _____	3. _____	6. _____	Initial: _____
1. _____	4. _____						
2. _____	5. _____						
3. _____	6. _____						

Principal Holder
Name:
Date:

Joint Holder 1 (if applicable)
Name:
Date:

Joint Holder 2 (if applicable)
Name:
Date:

Authorised Unit Trust Scheme Consultant's Signature:
Name:
FIMM UTS Consultant's Code:
Date:

WARNING :

1. THE RECOMMENDATION IS MADE BASED ON INFORMATION OBTAINED FROM THE PRINCIPAL HOLDER'S SUITABILITY ASSESSMENT.

2. THE RISK CATEGORY OF THE ACCOUNT SHALL BE DETERMINED BASED ON THE SUITABILITY ASSESSMENT OF THE PRINCIPAL HOLDER ONLY. INVESTORS ARE ADVISED TO EXERCISE JUDGMENT IN MAKING AN INFORMED DECISION IN RELATION TO THE UNLISTED CAPITAL MARKET PRODUCT.