

INVESTOR SUITABILITY ASSESSMENT FORM (INDIVIDUAL)

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

**The Controller refers to the individual on whom the account's risk profile and suitability assessment are based. This individual must be either the Principal Holder or Joint Holder of the account.*

SECTION A: CONTROLLER'S DETAILS

☐ New Account

☐ Existing Account

Account Number: _____

Controller's* Name	
NRIC/Passport No./Other Identification No.	
Age	
Purpose (i.e., retirement, education, etc.)	

SECTION B: RISK PROFILE QUESTIONNAIRE TO BE COMPLETED BY CONTROLLER *(Please circle your answer.)*

1 How many dependents do you have? A) 4 and above 1 B) 3 2 C) 2 3 D) 1 4 E) None 5	2 What is your expected duration until retirement? (Estimated retirement age is 60 years old) A) Already retired 1 B) Less than 5 years 2 C) Between 5 to 10 years 3 D) Between 10 to 15 years 4 E) More than 15 years 5	3 What percentage of total investable savings or wealth is allocated for this investment? A) More than 80% 1 B) 60 to 80% 2 C) 40 to 60% 3 D) 20 to 40% 4 E) Less than 20% 5																		
4 What is your investment horizon? A) Less than 1 year 1 B) 1 to 2 years 2 C) 3 to 5 years 3 D) Above 5 years 4 E) Indefinite 5	5 What is your level of knowledge and experience in investment? A) Little (i.e., only deposits) 1 B) Some (i.e., bond funds) 2 C) Average (i.e., equity funds) 3 D) Seasoned (i.e., stocks and shares) 4 E) Vast (i.e., derivatives or futures) 5	6 What is your perceived risk tolerance? A) Very low 1 B) Low 2 C) Moderate 3 D) High 4 E) Very high 5																		
7 How much potential fluctuation in capital are you willing to tolerate? A) Less than 3% 1 B) 3 to 5% 2 C) 5% to 10% 3 D) 10% to 20% 4 E) More than 20% 5	8 What is your investment objective? A) Preserve capital and generate income at minimal risk 1 B) Seek regular income and incidental capital gains 2 C) Seek a balance of regular income and capital appreciation 3 D) Seek a high capital gain with incidental income 4 E) Maximum returns over the long term 5	Score: <table border="1"> <thead> <tr> <th>Score</th> <th>Investor Risk Category</th> <th>Portfolio Risk Score</th> </tr> </thead> <tbody> <tr> <td>8 - 10</td> <td>Very low</td> <td>1 - 5</td> </tr> <tr> <td>11 - 16</td> <td>Low</td> <td>6 - 10</td> </tr> <tr> <td>17 - 22</td> <td>Moderate</td> <td>11 - 15</td> </tr> <tr> <td>23 - 28</td> <td>High</td> <td>16 - 20</td> </tr> <tr> <td>29 - 40</td> <td>Very High</td> <td>21 - 25</td> </tr> </tbody> </table>	Score	Investor Risk Category	Portfolio Risk Score	8 - 10	Very low	1 - 5	11 - 16	Low	6 - 10	17 - 22	Moderate	11 - 15	23 - 28	High	16 - 20	29 - 40	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 enables investors to fully diversify their investments and achieve their investment objectives 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 Investor Risk Profile score.

Example:

Investor A that falls into a "Low Risk" category with an objective for regular income is suitable to invest in Group 1 and Group 2 Funds and may not be suitable for Group 3 and above Funds which the risk ranges from "Moderate" to "Very High" risk. If the Investor wishes 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
<p>A "Low" Risk Investor may invest 70% in G2 fund, 20% in G4 and 10% in G5 and the calculation is as such:</p> $(G2 \times 70\%) + (G4 \times 20\%) + (G5 \times 10\%) = X$ $(4 \times 70\%) + (16 \times 20\%) + (25 \times 10\%) = 2.8 + 3.2 + 2.5$ $= 8.5, \text{ to be rounded up to } 9 \text{ (Weighted Risk Score)}$

Note: Weighted Risk Score will be rounded up to the closest number.

SECTION C: INVESTOR RISK PROFILE CATEGORY AND FUND RISK CLASSIFICATION

1. INVESTOR RISK PROFILE AND WEIGHTED RISK SCORE

Areca Capital Sdn. Bhd. ("ACSB") has categorised the Risk Profile of the investor into 5 categories.

Score	Investor Risk Category	Portfolio Risk Score
8 - 10	Very Low	1 - 5
11 - 16	Low	6 - 10
17 - 22	Moderate	11 - 15
23 - 28	High	16 - 20
29 - 40	Very High	21 - 25

Investor Risk Profile for the 5 categories is defined as:

Investor Risk Category	Description
Very Low	A careful/conservative/secure investor who is unwilling to take any risk in their investment, prefers a more liquid and short-term investment. The returns are likely to be based on the prevailing interest rate. A small percentage of higher risk Funds can be recommended to improve the returns against the effect of inflation.
Low	An investor who has low ability to accept risk, has a medium to long term (3 to above 5 years) investment plan to achieve returns which is higher than fixed deposit, which may outperform inflation rate. To achieve better returns, a portion of the investment may be invested in equity funds for capital gains.

Moderate	An investor who prefers steady long-term (above 5 years) returns with moderate fluctuation. A neutral allocation of Funds in equity and money market funds can be suggested to achieve steady growth and stable income.
High	An investor who understands risk in investment and accepts short to long-term fluctuations to achieve high returns and capital gain. Capital values can fluctuate and may fall under original investment capital, lower risk Funds may be recommended to mitigate the risk during economy downturn.
Very High	An investor who seeks for “high-risk high-returns” investment, able to accept short to long-term fluctuations to earn very high returns.

2. FUNDS’ RISK CLASSIFICATION

Areca Capital Sdn. Bhd. (“ACSB”) has categorised the Funds into 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 ACSB have been categorised into 5 groups based on the criteria set by the company.

Fund Risk Category	Description
Group 1: Very Low	A low risk fund ideal for investors who seeks liquid investments that deliver a regular income and/or maximum capital protection. It has the most stability with higher returns than bank deposits and short-term investments. The fund may invest up to 30% in government/corporate bonds and the balance in money market placements.
Group 2: Low	A fund that is ideal for investors who seek a low initial income in return for inflation-matching growth in investment over time. The fund predominantly invests in local government/corporate bonds/fixed income securities. To achieve a better yield, the fund may invest more than 30% in foreign government/corporate bonds/fixed income securities.
Group 3: Moderate	A fund that is ideal for investors who seek moderate long-term growth and have 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 equities and more than 30% exposure in foreign fixed income securities.
Group 4: High	A higher risk fund predominantly invests in equities, offering investors long-term capital growth. A maximum of 30% can be invested in foreign equities to maximise 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 an equity market downturn.
Group 5: Very High	A fund that is suitable for investors who demonstrate a very high ability and willingness to take risk, able to accept dramatic and long-term volatility and fluctuation in the equity market. The fund has the potential to deliver higher long-term returns. The fund may: <ul style="list-style-type: none"> i) invest more than 30% in foreign equities; ii) invest in derivatives other than for hedging purposes; iii) invest in structured products; iv) have high concentration risk (up to 50% exposure in single issuer); v) invest in leverage funds

SECTION D: ACKNOWLEDGEMENT

No.	Please tick (✓) to acknowledge the appropriate statement(s)	Tick (✓)						
1	The Unit Trust Scheme Consultant ("UTSC") has explained and I/we understand 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 the Product Highlight Sheet and the relevant Disclosure Document, which have been given to me/us.							
No.	IF APPLICABLE	Initial						
4a	I/We do not wish to provide any personal information for the completion of the suitability assessment. I/We will make all of our present and future investment decisions based on our own judgement and independent advice I/we consider appropriate. I/We acknowledge that the UTSC 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 fund(s) and the product range that would be suitable for me/us.							
OR								
4b	<p>I/We have decided to purchase other unit trust fund(s) that is/are not recommended by the UTSC.</p> <p>Name of the Fund(s) that I/we wish to purchase:</p> <table border="0"> <tr> <td>1. _____</td> <td>4. _____</td> </tr> <tr> <td>2. _____</td> <td>5. _____</td> </tr> <tr> <td>3. _____</td> <td>6. _____</td> </tr> </table>	1. _____	4. _____	2. _____	5. _____	3. _____	6. _____	
1. _____	4. _____							
2. _____	5. _____							
3. _____	6. _____							

Please do not pre-sign or sign an incomplete form.

Controller
Name: _____
Date: _____

WARNING:

- THE RECOMMENDATION IS MADE BASED ON INFORMATION OBTAINED FROM THE CONTROLLER'S SUITABILITY ASSESSMENT. INVESTORS ARE ADVISED TO EXERCISE JUDGEMENT IN MAKING AN INFORMED DECISION IN RELATION TO THE UNLISTED CAPITAL MARKET PRODUCT.
- THE RISK CATEGORY OF THE ACCOUNT SHALL BE DETERMINED BASED ON THE SUITABILITY ASSESSMENT OF THE CONTROLLER ONLY.

FOR ARECA AUTHORISED UTSC USE ONLY

ARECA AUTHORISED UTSC DETAILS		
Signature:	Name:	FIMM Code:
MEETING NOTES		
Date:	Time:	Location:
Other Information:		