

## FREQUENTLY ASKED QUESTIONS

**1) What is a risk rating?**

A risk rating is a risk assessment conducted on each fund. This assessment reviews the risk of each fund and takes into account its volatility over time, the underlying investments that the fund makes and its scope of diversification.

Each fund will receive a risk rating from one (1) to five (5), with one (1) given to the most conservative and five (5) to the most aggressive.

**2) What does it do for me as an investor?**

In order to understand our clients better, our clients undergo a financial needs analysis and risk profile assessment to identify their needs and risk profile.

The risk profile is a starting point of discussion between you and your Wealth Manager. It helps your Wealth Manager to draft a suitable investment recommendation using the funds that are risk rated in line with your time horizon, risk attitude and risk tolerance.

**3) Why does Singlife Financial Advisers want to change the risk rating of the Funds?**

SFA reviews our risk rating methodology periodically and as a result, we have enhanced the methodology. Please see explanation in the next question. As a result, some of the funds' risk ratings would be changed.

**4) How does the new risk rating methodology enhance the existing methodology?**

Our adoption of the new risk rating methodology will take an added consideration to the longer-term risks of the Fund's invested asset classes. This better reflect the risk of the underlying investment strategy over the longer-term horizon. Hence, with the new risk rating methodology, it allows for better alignment of your risk profile with funds of a similar risk profile.

**5) Are there any limitations to the new risk rating methodology?**

As with all investments, past performances and historical data are not indicative of future outcomes. The risk rating may be distorted in cases where the funds and/or asset classes do not have sufficient track record and/or historical data. Where this is the case, the risk rating may be a less reliable indicator for its future volatility. Inadvertent events could also cause disruptions to the investment markets and impact the risk of the fund/s and its asset classes.

**6) Does it impact my current investments?**

There are no changes to any of the Funds' investment strategy. But as the risk rating of your investment may have changed, you are encouraged to conduct a review of your investment portfolio with your wealth manager to ensure that your portfolio is in line with your risk profile.

**7) Do I need to do anything?**

If the risk rating of your existing investments has been changed, your Wealth Manager will be contacting you to revisit your investment portfolio and discuss some of options

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that are available to you. You will be able to decide if you would like to take any action or stay invested in your current holdings.

**8) Are there any charges if I should decide to switch to another fund?**

There are different type of accounts with different charges in place. Therefore, your Wealth Manager will be able to advise you accordingly.

**9) What are the other funds that I am able to switch to?**

Your Wealth Manager would need to sit down with you to review your risk profile and revisit your investment portfolio. He or She will be able to provide you with an investment recommendation that will be in line with your risk profile.

**10) I am aware that the new risk rating for the fund has changed. Can I choose not to do anything?**

Yes, should you decide not to take any action, you can hold on to your existing investments. However, we encourage you to speak to your Wealth Manager for a portfolio review before deciding on your next course of action.

In the event that you decide to explore other investment opportunities and/or to increase your allocation to the existing investment, your Wealth Manager would need to conduct a financial needs analysis and the risk profile questionnaire with you.

**11) I do not know who to contact. Is there anyone at Singlife Financial Advisers that can help me?**

Yes. You can call us at +65 6827 9980 (Mondays to Fridays excluding public holidays 9am to 6pm), or email us at [Contact\\_Us@singlife.com.sg](mailto:Contact_Us@singlife.com.sg).