

FREQUENTLY ASKED QUESTIONS

1) **What's a risk rating?**

A risk rating is derived after conducting a risk assessment on a particular fund. This involves a thorough review of the risks of the fund, and takes into account its volatility over time, the underlying investments that the fund makes and its scope of diversification.

The fund then receives a risk rating from one (1) to five (5), with one (1) being most conservative and five (5) being most aggressive.

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

Risk profiles are what your Wealth Manager looks at before recommending suitable funds that match your time horizon, risk attitude and risk tolerance.

Your risk profile and needs are identified through a financial needs analysis, which our Wealth Managers perform for every client.

3) **Why has Aviva Financial Advisers changed the risk rating framework for funds?**

Our enhanced risk rating methodology takes into consideration the longer-term risks of each fund's invested asset classes to better reflect the risk of the underlying investment strategy over the longer-term horizon. As a result, the risk rating for some funds has changed.

This review of our risk valuation process for funds is part of our continuous efforts towards financial advisory excellence while staying abreast of changes in the investment market.

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

No. There are no changes to the investment strategy for any of the funds and there is no impact to your existing holdings.

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

You may contact your Wealth Manager about revisiting your investment portfolio and to discuss some options available to you. You'll then be in a better position to decide if you'd like to make any changes to your current holdings or stay invested in them.

6) **Will there be any charges should I decide to switch to another fund?**

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

7) What are the other funds I can switch to?

Your Wealth Manager will be able to make an investment recommendation that's in line with your current risk profile. This will be done after conducting a review of your current risk profile and revisiting your investment portfolio.

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

8) I'm aware that the new risk rating framework has changed. Can I choose not to do anything?

Yes. You can hold on to your existing investments without taking any action.

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

9) 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 where there is insufficient track record and/or historical data on the funds and/or asset classes.

In such cases, the risk rating may be a less reliable indicator of the fund's future volatility. Inadvertent events could also cause disruptions to investment markets and impact the risk of the fund/s and its asset classes.

10) I have more questions. Can someone at Aviva Financial Advisers help me?

Yes. You can call us at 6827 9980 (9am to 6pm, Mondays to Fridays, excluding public holidays), or email Contact_Us@avivafa.com.sg.