

This Investor Suitability Assessment Form will guide you in choosing the unlisted capital market products that suit 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.

## INVESTOR SUITABILITY ASSESSMENT FORM

Date : \_\_\_\_\_ Adviser's Name : \_\_\_\_\_

Product Name : \_\_\_\_\_

Product Category : \_\_\_\_\_ Review Date : \_\_\_\_\_

### A. KNOW YOUR INVESTOR PROCESS

#### A.1 Investor's Details

Type of Holding :  Single Application     Joint Application     Corporation

Name of Investor/  
Corporation : \_\_\_\_\_

NRIC/ID/Passport : \_\_\_\_\_ Age at time of :  
No/Buss. Reg. No. recommendation \_\_\_\_\_

For company, : \_\_\_\_\_ Date of :  
nature of business Incorporation \_\_\_\_\_

Address : \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Telephone No. : \_\_\_\_\_ Fax No. : \_\_\_\_\_

Direct Line : \_\_\_\_\_ H/P No. : \_\_\_\_\_

Website : \_\_\_\_\_ e-mail : \_\_\_\_\_

#### **WARNING** :

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**A.2 Type of Profession/Business**

**Individual Client**

Profession :  Private Sector  
please specify: \_\_\_\_\_  Professional  
please specify : \_\_\_\_\_

Housewife  Student  Retiree

Self-Owned Business  Others  
please specify: \_\_\_\_\_ please specify : \_\_\_\_\_

**Corporate/Organization/Institution**

Type of Business :  Limited  Private Limited  Co-operative

Government Linked Companies  Statutory Body

Government Owned Companies  License Financial Institution

Others : \_\_\_\_\_

**A.3 Income & Source of Income for Individual/Corporate/Organization/Institution**

Annual Gross Income :

Individual Client : \_\_\_\_\_ Corporate/Organization :  
/Institution : \_\_\_\_\_

Investment Amount : \_\_\_\_\_

Reason for Investment : \_\_\_\_\_

Is capital protection important to you ?  Yes  No

Expected/Actual Retirement Age : \_\_\_\_\_ Category of Investor : \_\_\_\_\_

Remarks : \_\_\_\_\_

**B. INVESTOR’S NEEDS ANALYSIS**

**B.1 Investor’s Investment Objectives**

How long do you wish to invest in this product ? :  short term < 2 years       medium term 3 – 5 years       long term > 5 years

Why do you choose this product ? : \_\_\_\_\_

What do you expect To achieve from your Investment ? :  Income Distribution       Capital Appreciation  
 Capital Protection       Tax Benefit

<u>Purpose of Investment</u>		Remarks
Saving for specific purpose	Priority <input type="checkbox"/> Yes <input type="checkbox"/> No	_____
Supplementing income in retirement	Priority <input type="checkbox"/> Yes <input type="checkbox"/> No	_____
General lump sum investment for growth	Priority <input type="checkbox"/> Yes <input type="checkbox"/> No	_____
General lump sum investment for income	Priority <input type="checkbox"/> Yes <input type="checkbox"/> No	_____
Others : State in common box	Priority <input type="checkbox"/> Yes <input type="checkbox"/> No	_____
Investors refuses to provide sufficient information	<input type="checkbox"/> Yes <input type="checkbox"/> No	_____

**B.2 Investor’s Financial Situation - Network**

Personal Network			
Assets	RM	Liabilities	RM
Value of primary home		Housing Loan	
Value of second home		Car/Vehicle Loan	
Car/Motor Vehicle		Personal Loan	
Insurance		Credit Card	
EPF/PRS		Student Loan	
Stock/Stock Fund		Other Loans	
Bond/Bond Fund			
Cash/Savings/FD			
Other Assets			
<b>Total Assets</b>		<b>Total Liabilities</b>	
<b>Personal Network (Total Assets – Total Liabilities)</b>			



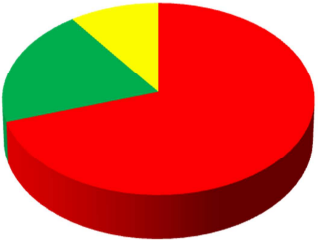
**B.3 Investor’s Financial Situation – Cash Flow**

Personal Cash Flow			
Income	RM	Expenditure	RM
Gross Income		Housing Loan Installment	
Business Income		Vehicle Loan Installment	
Rental Income		Personal Loan Installment	
Bonus		Credit Card Payment	
Dividend		Student Loan Installment	
Royalty/Copyright		Other Loan Installments	
Director’s Fee		Insurance Premium	
Other Income		EPF/Socso Deduction	
		Tax Deduction	
		Zakat Deduction	
		Tabung Haji Deduction	
		Savings/Investment	
		Other Deductions	
<b>Total Income</b>		<b>Total Expenditures</b>	
<b>Surplus/Shortfall (Total Income – Total Expenditures)</b>			

**B.4 Investor’s Risk Tolerance/Risk Profile**

The risk of loss of capital that investor is willing to bear : \_\_\_\_\_

Risk Profile Questionnaire	
1) When you hear unexpected adverse or bad financial news, you	<input type="checkbox"/> A. never overreact <input type="checkbox"/> B. rarely overreact <input type="checkbox"/> C. always overreact
2) Would you borrow money or go on margin trading to make an investment that might double your money ?	<input type="checkbox"/> A. Yes <input type="checkbox"/> B. Maybe <input type="checkbox"/> C. No
3) Do you believe luck is important in making your investment decisions ?	<input type="checkbox"/> A. Yes <input type="checkbox"/> B. Sometimes <input type="checkbox"/> C. No
4) What percentage of your household income (after tax) is spent each month paying off credit card bills, car payment and rental/ mortgage payment ?	<input type="checkbox"/> A. More than 50% <input type="checkbox"/> B. Between 25% to 50% <input type="checkbox"/> C. Less than 25%

Risk Profile Questionnaire	
5) In case of an emergency, you would have available savings to pay for how many month's living expenses ?	<input type="checkbox"/> A. less than 3 months <input type="checkbox"/> B. 3 – 12 months <input type="checkbox"/> C. more than 12 months
6) If you have invested in a stock that rose 30% within 6 months after you bought it, you would	<input type="checkbox"/> A. do nothing or buy more shares <input type="checkbox"/> B. sell some shares <input type="checkbox"/> C. sell all your shares
7) Between a new position offering greater job security with small pay rise, an another, with a high pay rise but less job security, which would you select ?	<input type="checkbox"/> A. probably higher pay rise <input type="checkbox"/> B. not sure <input type="checkbox"/> C. probably greater job security
8) Would you invest in a stock based on a friend's tip ?	<input type="checkbox"/> A. Yes <input type="checkbox"/> B. Maybe <input type="checkbox"/> C. No
9) Do you expect your future earnings over the next five years to	<input type="checkbox"/> A. increase <input type="checkbox"/> B. stay the same <input type="checkbox"/> C. decrease
10) Would you invest in equity (either individual stocks or stock-based unit trust) ?	<input type="checkbox"/> A. Yes <input type="checkbox"/> B. Maybe <input type="checkbox"/> C. No
<b>Scoring</b> - If you answer mostly A, you are Aggressive Investor If you answer mostly B, you are Moderate Investor If you answer mostly C, you are Conservative Investor	
<b>General Asset Allocation :</b>	
<div style="display: flex; justify-content: space-around; text-align: center;"> <div> <p><b>Conservative</b></p>  <p> <input type="checkbox"/> 20% Equity  <input type="checkbox"/> 40% Bond  <input type="checkbox"/> 40% Money Market           </p> </div> <div> <p><b>Moderate</b></p>  <p> <input type="checkbox"/> 50% Equity  <input type="checkbox"/> 30% Bond  <input type="checkbox"/> 20% Money Market           </p> </div> <div> <p><b>Aggressive</b></p>  <p> <input type="checkbox"/> 70% Equity  <input type="checkbox"/> 20% Bond  <input type="checkbox"/> 10% Money Market           </p> </div> </div>	

**B.5 Investor's Current Portfolio**

Please indicate your holding percentage in the following assets if you currently hold an investment portfolio :

Equity	____%	Commodity	____%
Bond	____%	Cash/FD	____%
Property	____%		

Are you satisfied with the performance of your portfolio(s) ? :  Yes  No

Please relate your expectation :

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**C. INVESTOR'S INVESTMENT KNOWLEDGE ASSESSMENT**

- 1) Is this your first time investing ? :  Yes  No
  
- 2) If you buy a company's stock ... :
  - A. You own a part of the company
  - B. You have lent money to the company
  - C. You are liable for the company's debts
  - D. The company will return your original investment to you with interest
  - E. Don't know/Not sure
  
- 3) If you buy a company's bond ... :
  - A. You own a part of the company
  - B. You have lent money to the company
  - C. You are liable for the company's debts
  - D. The company will return your original investment to you with interest
  - E. Don't know/Not sure
  
- 4) In general, if interest rates go down, then bond prices ... :
  - A. Go down
  - B. Go up
  - C. Are not affected
  - D. Don't know/Not sure
  
- 5) Which of the following best describe a "junk bond" ? :
  - A. A bond that is rated as "below investment-grade" by rating agencies
  - B. A bond that declined drastically in value
  - C. A bond that has defaulted
  - D. A bond that is not regulated
  - E. Don't know/Not sure
  
- 6) A "no-load" unit trust fund is one that ... :
  - A. Carries no fees
  - B. Carries no sales charge
  - C. Does not contain high-risk securities
  - D. Has no limits on the period of time in which it can be bought or sold
  - E. Don't know/Not sure

**D. RECOMMENDATIONS SECTION**

The product is recommended by staff/advisor of ARIM  Yes  No

Basis of recommendation :

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If product is not recommended by staff/advisor of ARIM, state the reasons for non-recommendation :

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Remarks :

Date of recommendation : \_\_\_\_\_

**Acknowledgement :**

Reasons product is not recommended : \_\_\_\_\_

Remarks	Please tick (✓)
ARIM's staff/advisor has explained and I have understood the features and risks of the product.	
All information disclosed is true, complete and accurate.	
I decline to provide certain information required for product suitability assessment and that this may adversely affect my suitability assessment.	
I acknowledge receipt of a copy of PHS and the relevant disclosure document which have been given to me.	
I have decided to purchase another unlisted capital market product that is not recommended by ARIM's staff/advisor.	

<b>Investor's Signature</b>	<b>ARIM's Staff/Advisor</b>
<b>Name :</b>	<b>Name :</b>
<b>Date :</b>	<b>Date :</b>

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## RISK PROFILE INDICATOR

### **Aggressive Investor**

As an Aggressive Investor, you are very comfortable with high-risk investments in your portfolio. You have no qualms about taking risk and in fact, you seek the greatest reward for every ringgit invested. You know that there will be potential for gains but also know that there will be potential for loss as well. You will have no problem with investing a major portion of your assets in equity funds, and a minor portion of your assets in balanced and bond funds.

### **Moderate Investor**

As a Moderate Investor, you are most comfortable with a combination of low and high-risk investments in your portfolio. Bear in mind that you will need to take some degree of risk to receive greater reward. You will require an investment strategy that will cope with the effects of inflation. Most of all, you will not worry excessively about your investments when the market drops because you know that the potential for long-term capital growths means riding out the dips. Your allocation of your assets should be equally distributed among equity, balanced and bond funds.

### **Conservative Investor**

As a Conservative Investor, you are most comfortable with low-risk investments in your portfolio. You will only take the risk if your principal amount of investment is protected and earning recurring income such interest or dividend. But bear in mind that your investments may not outpace inflation as the returns are considerably lower. Your best bet would be investing a majority of your assets in bond funds and consider allocating a small percentage to both balanced and equity funds.

## INVESTMENT KNOWLEDGE ASSESSMENT

- 2. The correct answer is a:** Stocks are known as “equities” because each stock share represents a small percentage of ownership in the company, entitling the shareholder to vote in the election of directors and on other matters taken up at shareholder meetings or by proxy.
- 3. The correct answer is b:** Bonds are loans that investors make to a corporation or a government body in exchange for regular interest payments and the return of principal at a future date. Companies issue corporate bonds to raise money for expenditures, operations and acquisitions. But unlike stockholders, bondholders do not receive ownership rights in the corporation.
- 4. The correct answer is b:** The cardinal rule of bonds – when interest rates fall, bond prices rise, and when interest rates rise, bond prices fall. This is because as interest rates go up, newer bonds come to market paying higher interest yields than older bonds already in the hands of investors, making the older bonds worth less.
- 5. The correct answer is a:** “Junk or “high yield” bonds are issued by companies with poor credit ratings, meaning that compared with better-rated “investment-grade” bonds, the risk is greater that these companies will default on their interest payments or even go bankrupt and be unable to redeem their bonds when they mature. To attract investors, “junk” bonds pay higher yields than higher-graded corporate bonds.
- 6. The correct answer is b:** Not all unit trust funds charge sales loads. No-load funds do not charge a front-end sales charge. No-load funds can be purchased directly from a unit trust company, but you won’t receive the assistance of investment professional. For those wanting professional advice, no-load funds also may be purchased through investment adviser or fund supermarket but you will typically pay a fee for this advice. This means you will be paying a fee on top of the underlying unit trust fund expenses.