

IMPORTANT – PLEASE READ CAREFULLY

This Risk Disclosure Schedule sets out the risks associated with the AutoWealth Plus+ products marketed by AutoWealth and the risks associated with overseas-listed investment products. Based on our analysis of your investment objectives, financial situation, needs and investing preferences, AW+ is assessed to be not suitable to you. If you still wish to proceed investing using AW+ despite our assessment, you will be required to acknowledge that in such case it will be your responsibility to ensure the suitability of the AW+ products selected by you.

REALISTIC APPROACH AND GENERAL FINANCIAL PRODUCT RISK

Financial products always involve risks. No financial product can be 100% profitable all the time. As a general guide, you should only make an informed decision after you fully understand the financial products and the risks associated.

SUITABILITY OF AUTOWEALTH'S INVESTMENT PORTFOLIOS

AutoWealth's investment portfolios are intended to generate market returns over the medium to long-term and are not suitable for short-term speculation.

PROJECTIONS ARE NO GUARANTEE OF FUTURE RESULTS

Performance and risk projections are based on robust financial modelling and past performance of the financial products, and their corresponding market benchmarks where applicable. While such projections are grounded on sound financial concepts, you should not assume the projections will necessarily correspond to the future or likely performance of your investments.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS

Any references to past performance is not necessarily indicative of and is no guarantee of future or likely performance of your investments.

STOCK MARKET RISK

Stock markets tend to move in cycles, with periods of rising prices and periods of declining prices. The market value of your assets and monies may fluctuate and result in economic gains and/or losses.

The financial products marketed by AutoWealth are listed and transacted on stock exchanges at market prices. Although it is expected that the market price of such investment products will typically approximate its net asset value, it is possible that there may be periods when the market price may deviate from its net asset value.

LIQUIDITY RISK

Although the financial products marketed by AutoWealth are selected through a rigorous selection process based on factors including liquidity, cost, fund size and reputation of the financial product provider amongst others, it is possible that there may be periods when an active liquid market may not necessarily be maintained for these financial products.

INDUSTRY/COUNTRY/REGION RISK

Although AutoWealth's investment portfolios generally provide good diversification effect in mitigating industry/country/region risks, world events including without limitation, political upheaval, financial troubles or natural disasters may still adversely affect the market value of your assets and monies.

FOREIGN EXCHANGE RISK

The financial products marketed by AutoWealth may be denominated in different currencies other than the Singapore Dollar including without limitation, the U.S. Dollar. Your assets and monies may therefore be subject to foreign exchange risk.

AW+ CONCENTRATION RISK

To generate higher returns, AW+ portfolios may be industry/geographic/investment style-focused and it is possible for the portfolio assets to fluctuate in an unfavourable direction.

RISK WARNING FOR OVERSEAS-LISTED INVESTMENT PRODUCTS

An overseas-listed investment product* is subject to the laws and regulations of the jurisdiction it is listed in. Before you trade in an overseas-listed investment product or authorise someone else to trade for you, you should be aware of:

- The level of investor protection and safeguards that you are afforded in the relevant foreign jurisdiction as the overseas-listed investment product would operate under a different regulatory regime.
- The differences between the legal systems in the foreign jurisdiction and Singapore that may affect your ability to recover your funds.
- The tax implications, currency risks, and additional transaction costs that you may have to incur.
- The counterparty and correspondent broker risks that you are exposed to.
- The political, economic and social developments that influence the overseas markets you are investing in.

These and other risks may affect the value of your investment. You should not invest in the product if you do not understand or are not comfortable with such risks.

*An “overseas-listed investment product” in this statement refers to a capital markets product that is approved in-principle for listing and quotation only on, or listed for quotation or quoted only on, one or more overseas exchanges.

1. This statement is provided to you in accordance with paragraph 29D of the Notice on the Sale of Investment Products [SFA04-N12].
2. This statement does not disclose all the risks and other significant aspects of trading in an overseas-listed investment product. You should undertake such transactions only if you understand and are comfortable with the extent of your exposure to the risks.
3. You should carefully consider whether such trading is suitable for you in light of your experience, objectives, risk appetite, financial resources and other relevant circumstances. In considering whether to trade or to authorise someone else to trade for you, you should be aware of the following:

DIFFERENCES IN REGULATORY REGIMES

- (a) Overseas markets may be subject to different regulations, and may operate differently from approved exchanges in Singapore. For example, there may be different rules providing for the safekeeping of securities and monies held by custodian banks or depositories. This may affect the level of safeguards in place to ensure proper segregation and safekeeping of your investment products or monies held overseas. There is also the risk of your investment products or monies not being protected if the custodian has credit problems or fails. Overseas markets may also have different periods for clearing and settling transactions. These may affect the information available to you regarding transaction prices and the time you have to settle your trade on such overseas markets.
- (b) Overseas markets may be subject to rules which may offer different investor protection as compared to Singapore. Before you start to trade, you should be fully aware of the types of redress available to you in Singapore and other relevant jurisdictions, if any.
- (c) Overseas-listed investment products may not be subject to the same disclosure standards that apply to investment products listed for quotation or quoted on an approved exchange in Singapore. Where disclosure is made, differences in accounting, auditing and financial reporting standards may also affect the quality and comparability of information provided. It may also be more difficult to locate up-to-date information, and the information published may only be available in a foreign language.

DIFFERENCES IN LEGAL SYSTEMS

- (d) In some countries, legal concepts which are practiced in mature legal systems may not be in place or may have yet to be tested in courts. This would make it more difficult to predict with a degree of certainty the outcome of judicial proceedings or even the quantum of damages which may be awarded following a successful claim.
- (e) The Monetary Authority of Singapore will be unable to compel the enforcement of the rules of the regulatory authorities or markets in other jurisdictions where your transactions will be effected.

- (f) The laws of some jurisdictions may prohibit or restrict the repatriation of funds from such jurisdictions including capital, divestment proceeds, profits, dividends and interest arising from investment in such countries. Therefore, there is no guarantee that the funds you have invested and the funds arising from your investment will be capable of being remitted.
- (g) Some jurisdictions may also restrict the amount or type of investment products that foreign investors may trade. This can affect the liquidity and prices of the overseas-listed investment products that you invest in.

DIFFERENT COSTS INVOLVED

- (h) There may be tax implications of investing in an overseas-listed investment product. For example, sale proceeds or the receipt of any dividends and other income may be subject to tax levies, duties or charges in the foreign country, in Singapore, or in both countries.
- (i) Your investment returns on foreign currency-denominated investment products will be affected by exchange rate fluctuations where there is a need to convert from the currency of denomination of the investment products to another currency, or may be affected by exchange controls.
- (j) You may have to pay additional costs such as fees and broker's commissions for transactions in overseas exchanges. In some jurisdictions, you may also have to pay a premium to trade certain listed investment products. Therefore, before you begin to trade, you should obtain a clear explanation of all commissions, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.

COUNTERPARTY AND CORRESPONDENT BROKER RISKS

- (k) Transactions on overseas exchanges or overseas markets are generally effected by your Singapore broker through the use of foreign brokers who have trading and/or clearing rights on those exchanges. All transactions that are executed upon your instructions with such counterparties and correspondent brokers are dependent on their respective due performance of their obligations. The insolvency or default of such counterparties and correspondent brokers may lead to positions being liquidated or closed out without your consent and/or may result in difficulties in recovering your monies and assets held overseas.

POLITICAL, ECONOMIC AND SOCIAL DEVELOPMENTS

- (l) Overseas markets are influenced by the political, economic and social developments in the foreign jurisdiction, which may be uncertain and may increase the risk of investing in overseas-listed investment products.

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