Investment Checklist

moneysense
money matters made simple

Before you buy an investment product in Singapore

A step-by-step guide on the questions to ask first



Understand the risks | Compare the costs | Evaluate the returns | Review the terms

STEP 1

Understand yourself

Before any investment, be clear about your goals, how much you can afford to invest, and your risk appetite

1 Goal

Am I trying to grow savings, protect them, or generate regular income?

2 Timeline

How much returns am I aiming for, and by when?

3 Budget

Can my savings cover expenses for at least 3-6 months? How much do I have to invest?

4 Risk Appetite

How much could I lose without disrupting my financial plans or daily life?

Know your situation before listening to a recommendation.

STEP 2

Check what you are buying

Do not commit until you understand the product features, risks, costs, and terms



Ask:

- Does this product meet my needs?
- Which benefits are guaranteed?
- Which benefits are only projections?
- What is a realistic potential return?
- What is the maximum I could lose?
- When will the investment pay out?
- Can I afford to stay invested for that period?

Guaranteed
Benefits that are contractually assured.

Projected
Estimates based on assumptions, not assured.

Using CPF savings?

Compare projected returns with CPF interest:

- OA minimum 2.5% p.a.
- SA minimum 4% p.a.

Any CPF-funded investment should justify the added risk.

Document Check
Read the prospectus, product summary, Product Highlights Sheet, warnings, exclusions, and full terms and conditions.

Never invest in something you do not fully understand.

STEP 3

Questions to ask your FA Representative

Any recommendation should be explained clearly and match your needs

1 Suitability & product fit

- Why is this product suitable for me specifically?
- What type of product is it?
- Is it mainly for savings, investment, or insurance protection?
- Are there comparable alternatives?
- How do they differ?

Understand why this product fits you.

2 Risk & underlying investments

- What does this product invest in?
- How risky are the underlying instruments?
- How was my risk profile determined?
- Does this product match my risk profile?
- Is it low, medium, or high risk?

Make sure the risk level matches your risk profile.

3 Costs, commitment & follow-up

- Is it a lump sum or regular payments?
- What happens if I cannot keep up with payments?
- What are all the fees and charges?
- How long must I stay invested?
- What reports will I receive?
- Is there a free-look or cancellation period?

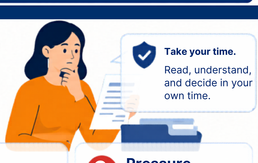
Know the costs, commitment, and your options.

Ask for clear answers before you commit. | **Get all important answers in writing, especially on returns, guarantees, fees, and penalties.**

WATCH OUT

Watch out before you sign

These are signs to pause and check before deciding



Take your time.
Read, understand, and decide in your own time.

Be alert to these red flags.

1 Unverified Credentials

Make sure your FA representative's name is on MAS' Financial Institution Representatives Register. Verify his identity in person at his firm's premises.

2 Verbal Promises

Do not rely on verbal promises of guaranteed or high returns. Only written guarantees in the product documents count.

3 Pressure to Sign

You are never obligated to buy immediately. Take the documents home, read them, and decide in your own time.

If you do not fully understand the product, do not invest.

NEXT STEPS

Your next steps before you buy

Follow these steps and take your time.
Make a confident decision that's right for you.



KEY TAKEAWAYS

- Know your goals, risk appetite, and affordability.
- Verify the FA representative's credentials and check the FA firm is regulated by MAS.
- Ask clear questions before committing.
- Get written confirmation of guarantees.
- Understand a product's features and risks before investing.

YOUR 5 NEXT STEPS

1. **Verify first**
   Verify the FA representative and FA firm at MAS' directories before proceeding.
2. **Write down your goals**
   List your top three financial goals and timelines.
3. **Prepare your questions**
   Use the checklists above before and during the meeting.
4. **Ask for written confirmation**
   Especially for returns and guarantees.
5. **Take the documents home**
   Read them before signing anything.

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