

A CONTRIBUTION TO FINANCIAL LITERACY IN SINGAPORE

A short introduction for Junior College, Polytechnic and ITE
students by the Singapore Actuarial Society

What is presented here is a general overview as at January 2023 which may not be suitable for your individual circumstances. You should **perform research** and **ask questions of knowledgeable** people before making any investment or buying insurance. What is right for your friend may not be right for you.

BANKS

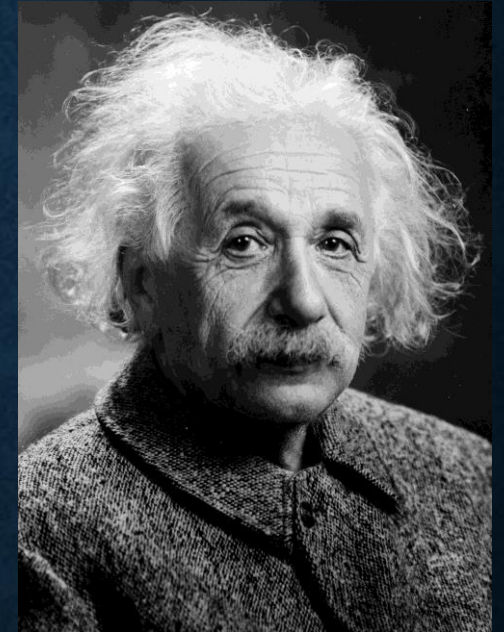
- You have earned some money or a rich aunt has given you a large amount in the ang pow. What will you do with it?
- You decide to save it – you could put it under your bed.
- Or put in a bank and earn interest on the sum.
- So if you put S\$1,000 in bank the bank might give back S\$1,050 after one year – you earned 5%.
- The bank invests your money, along with other people's money, to earn say 10% and they then give you 5%.
- Some banks in Singapore are DBS, OCBC, Maybank, etc.

THE POWER OF COMPOUND INTEREST

- What if you invested for 2 years at 5% interest rate instead?
 - After the 1st year, S\$1000 becomes \$1050
 - If reinvested for another year, S\$1050 becomes S\$1102.50
- The interest earned in the 1st year earned **extra interest!**
- If invested for 5 years, sum grows as follows

	amount invest	Interest earned @5%	total end of year
start of year 1	1000.0	50.0	1050.0
start of year 2	1050.0	52.5	1102.5
start of year 3	1102.50	55.13	1157.63
start of year 4	1157.63	57.88	1215.51
start of year 5	1215.51	60.78	1276.28

- This is the power of **compound interest.**
- Einstein is supposed to have said that compound interest is the eighth wonder of the world.
- In effect, **money makes money.**



WHICH BANK SHOULD I PUT MY MONEY IN?

- Need to do some research, some questions to consider:
 - Is the bank likely to become bankrupt so you lose your money?
 - Are terms good (e.g. access money when you want)?
 - If period you cannot access money do you get extra interest?
- Companies called rating agencies (e.g. S&P or Moody's) assess this and give a rating e.g. AAA very good, or D very bad. e.g. DBS in Jan 2023 was AA-



WHAT IF THE BANK GOES BANKRUPT?

(HOPEFULLY NOT!)

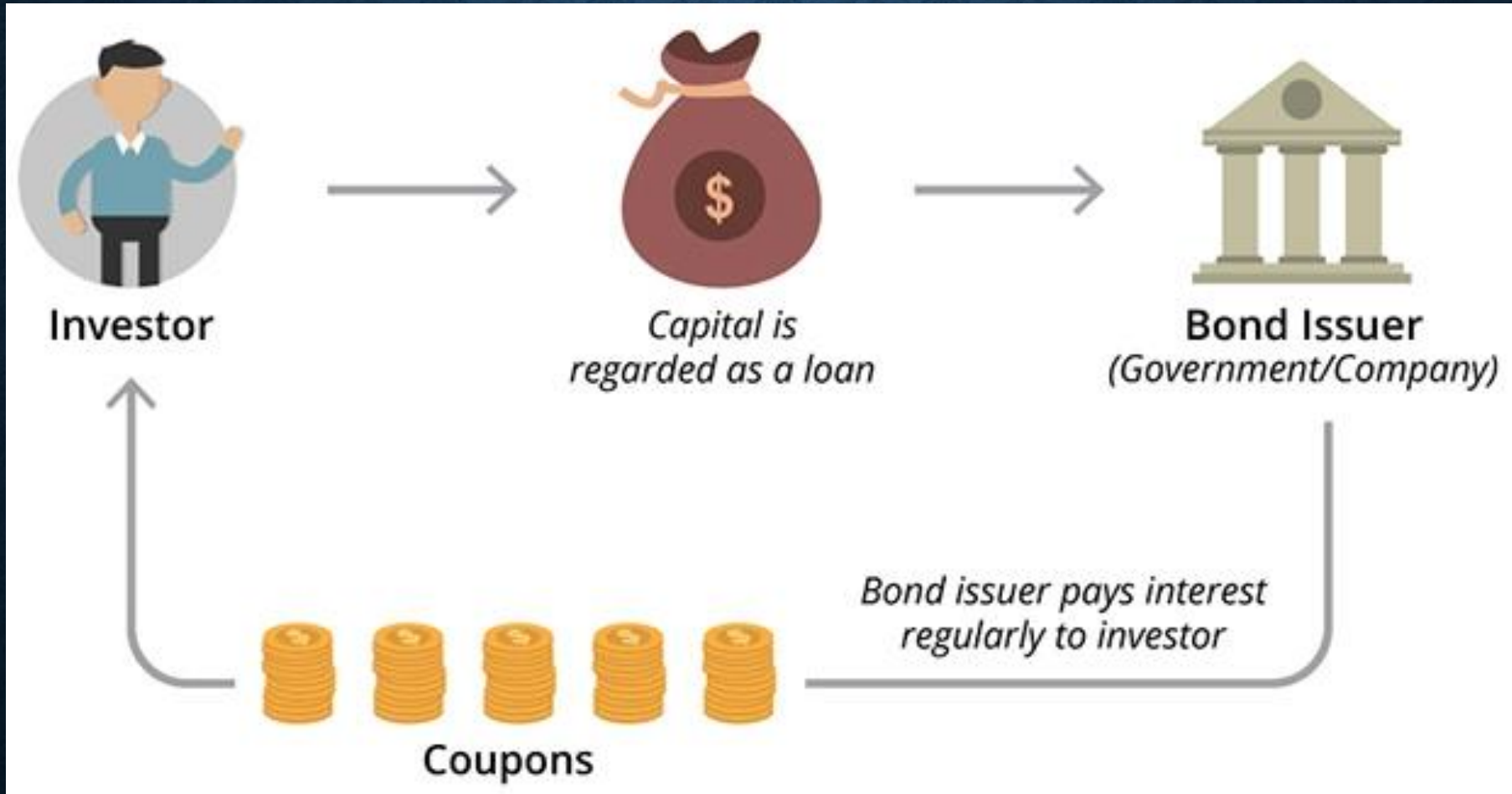
- In Singapore, if the bank is covered by the Deposit Insurance (DI) Scheme all of your insured deposits with that bank are aggregated and insured up to S\$75,000 by the Singapore Deposit Insurance Corporation Limited (SDIC)
 - Even if the bank is insolvent(cannot pay its debts) you will get **all your money below S\$75,000** back (but with some delay perhaps)
- Banks rarely go bankrupt in Singapore given Monetary Authority of Singapore (MAS) supervision but they have in other countries e.g. Barings in London, Lehman Brothers in the United States, many banks in Indonesia in the Asian Financial Crisis of 1997.

GOVERNMENT BOND

- A government sometimes needs to borrow money (e.g. to invest in roads or hospitals or schools)
- It thus issues a bond with say a face amount of \$100.
- Effectively the government says give it \$100 and after say five years it will return the \$100 at maturity of the bond. During the 5 years it will pay an interest (coupon) of say 3% to you every year.
- The government repays you from charges it might make on the road (e.g. ECP) or money it raises via selling land or raising taxes.
- The Singapore government is safer than a Singapore bank.
- Some other governments are much less safe than the Singapore government.
- Generally – the **more risk** of you losing your money the **higher the expected return** should be.
- Singapore government bonds can be bought at DBS, OCBC and UOB branches and the Singapore Exchange(SGX).

SINGAPORE SAVINGS BOND

- The Singapore government also has Singapore Savings Bond which is a fixed deposit with the government.
- The Savings Bond can be cashed-in at any time without penalty.
- The Savings Bond differs from a Singapore Government bond as the latter can be bought and sold on SGX and its value may go up or down before maturity of the government bond.
- If you cash-in the Singapore Savings Bond you deal with the government and get the initial investment and interest earned to date.
- If you sell the Singapore Government bond on the stock exchange (SGX) then you sell to another investor and get the value of the bond on that date which may be **more or less** than the amount you invested.
- If you hold the Singapore Government bond until the end of its term (maturity) you get the face amount of the bond and the regular interest payments along the way.



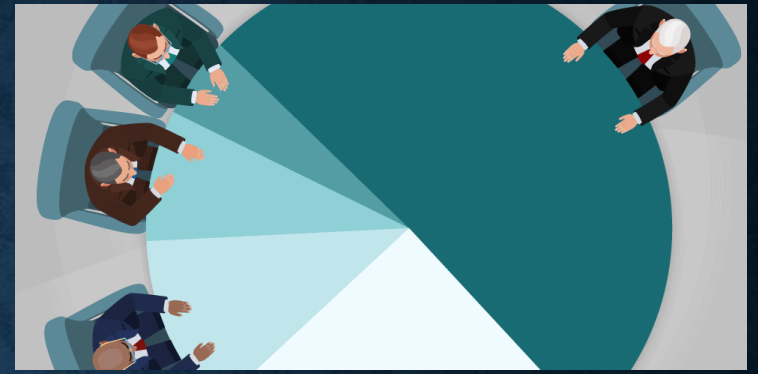
CORPORATE BOND

- Companies sometimes need to borrow money e.g. to build a factory or ship
- They can borrow money from a bank or they could issue a bond
- Effectively the company says give it \$100 and after say five years it will return the \$100. In the interim it will pay an interest rate of say 7% to you every year.
- Companies are **less safe** than the Singapore government and **less safe** than a Singapore bank.
- Hence, the interest rate they promise to pay is **higher**.
- It is a promise – they **may break their promise!**
- This is the **credit risk** that you have with the bond – similarly there can be credit risk on gift receipts e.g. mall vouchers or book tokens.
- Generally for all investments – the **more risk** of you losing your money the **higher the expected return** should be.
- Also converse is true, the **higher the return** the **more likely you will lose your money.**

BUYING A FLAT - MORTGAGE

- At some point you may wish to buy a flat for say S\$500,000
- You might go to a bank to borrow the money – take out a mortgage.
- The bank lends you the money, to buy the flat say S\$375,000 – but not the full amount – you need to pay the remaining S\$125,000 from your savings.
- You will pay interest to the bank of say 10% each year on the mortgage until you repay the loan.
- This is how the bank earns the 10% mentioned earlier of which it gives 5% to the people who deposit money with it.
- The bank believes people buying flats are a large risk – so they ask for collateral – if you do not make the payment, they evict you from your flat and sell the flat to recover their money.
- Banks also lend money for large purchases (e.g. cars).
- A credit card is a type of loan which it is best to pay off totally every month otherwise interest charges are applicable.
- Banks also lend to companies as well similarly – but sometimes without the collateral.

SHARES

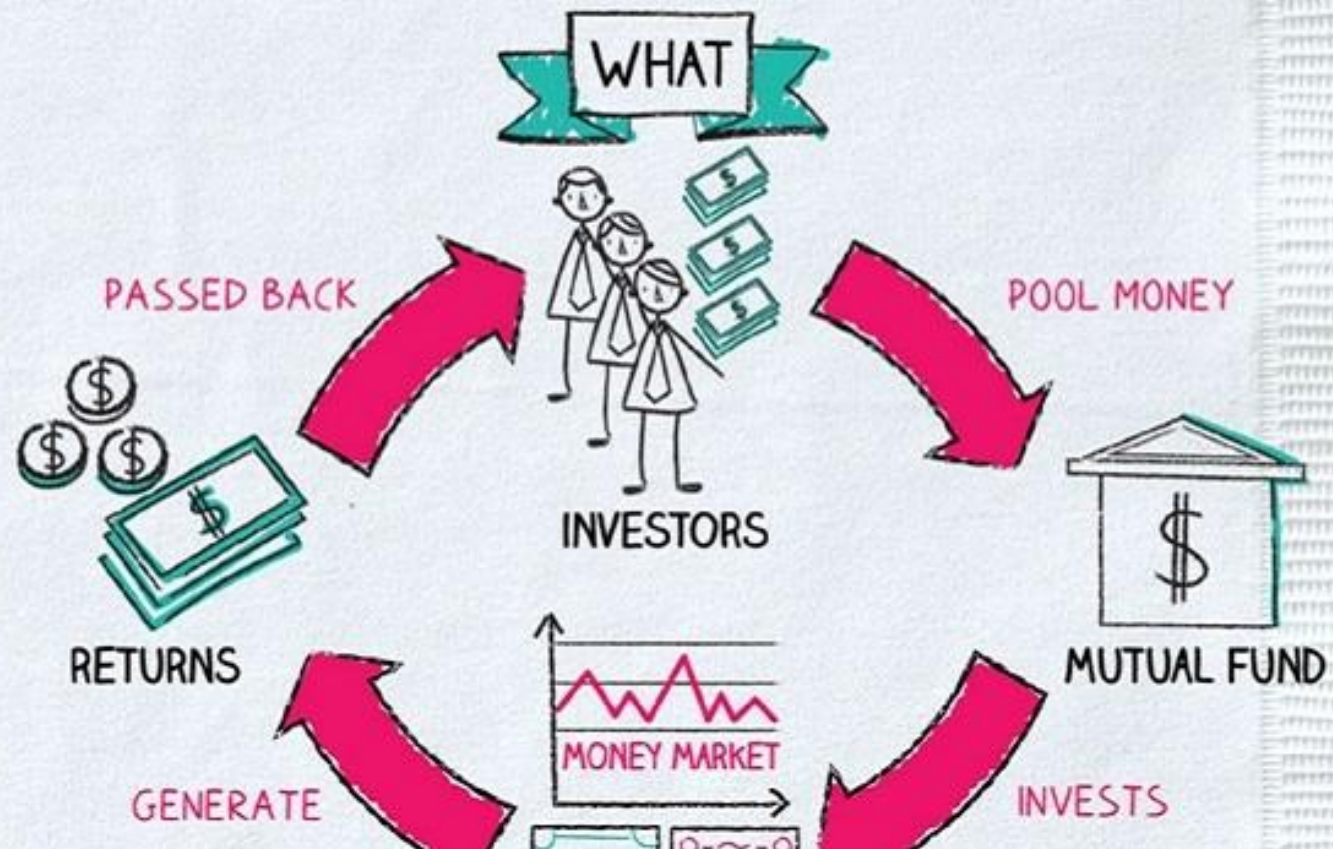


- Who owns companies?
- Companies are owned by people or other companies.
- To show that they own a share of the company, historically, they were given a piece of paper (share certificate) stating how many parts of the company they owned (electronic format mostly now of course).
- A company might have one million shares issued and a person might own 100 shares.
- Singapore shares can be bought on the Singapore Stock Exchange but e.g. shares of US companies might only be bought say on the New York Stock Exchange.
 - Some countries have more than one stock exchange and some companies allow you to buy their shares on different stock exchanges in different countries.
- Historically, in England in 1800s each major town had its own stock exchange – and a share of a company could be sold at different places at different prices – there were no smartphones to check the best price.
- Nowadays with modern communications one share of a company should trade at the same price everywhere – called **no arbitrage principle** – but not always exactly true.
- Companies can become bankrupt and you might lose **all** your money e.g. Hin Leong oil trading firm in Singapore in 2020 became bankrupt.

MUTUAL FUNDS

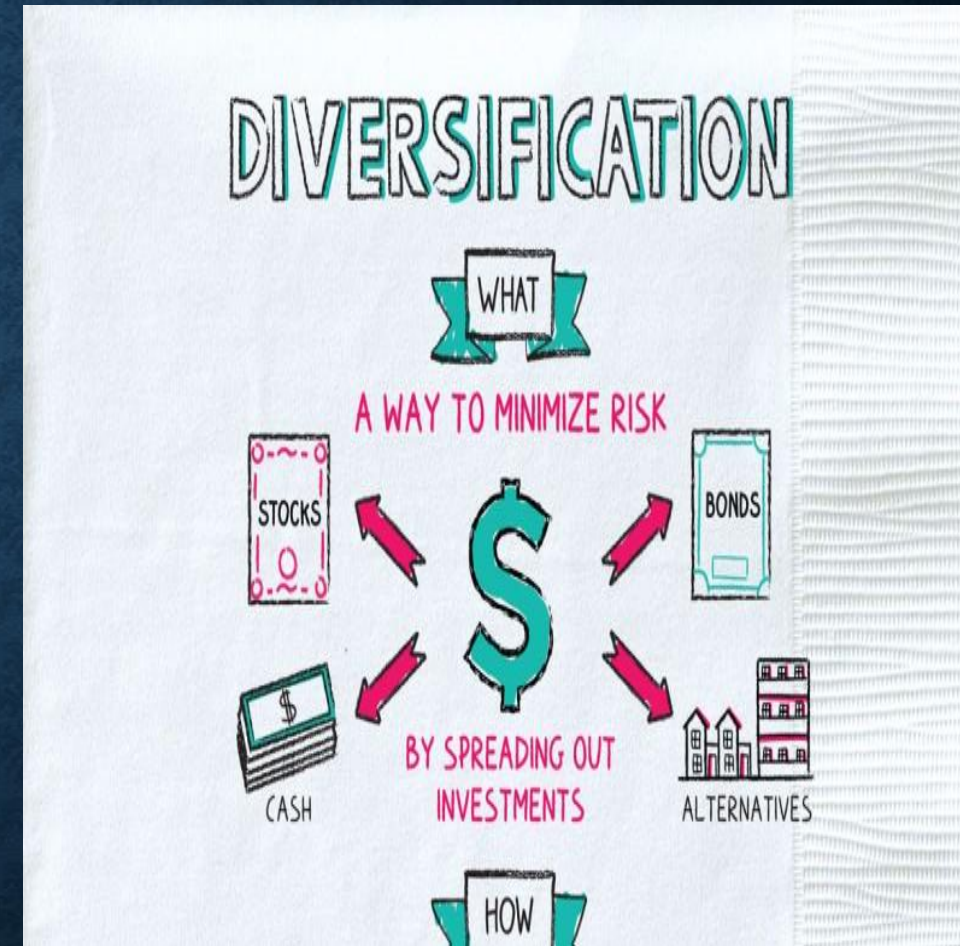
- So how do you decide which bonds to buy and which shares and how to balance the risks?
- It takes **a lot of time and research.**
- Alternative is to buy a share in a mutual fund and let professional investment managers make these buy and sell decisions on your behalf.
- With many investors investing in the mutual fund – there is economies of scale – the professional investment team can do the research work on behalf of the thousands of people who invest in the mutual fund, rather than each of the thousands of people doing the work themselves.
- Of course professionals charge a fee for doing this work and sometimes more than one fee (e.g. bid/offer spread, monthly fee, fund management charge...)

MUTUAL FUNDS



MUTUAL FUNDS AND DIVERSIFICATION

- Investing S\$10,000 on your own might buy shares in one company. But invest in a mutual fund along with 100 other investors means the fund can invest in say 100 companies. It is unlikely all companies will become bankrupt at same time and so this reduces your risk – called **diversification** – not putting all your eggs in one basket.
- Different mutual funds have different risks associated with them and so different expected returns – but **no guarantees** of performance – **you can lose money**. You need to decide how adventurous you are and how much you can afford to lose if things go wrong. Agents and brokers can guide you to determine your tolerance to risk or risk appetite.



INSURANCE – TRAVEL/MOTOR/HOUSE ETC

- If you are going on holiday to say Thailand and you are in a serious accident who will pay the medical bills at the hospital?
- Many people therefore buy travel insurance from an insurer to cover the hospital costs if such an accident occurs. In some countries travel insurance is a **legal requirement** for tourists.
- Similarly in Singapore if you drive a car you need to buy motor insurance from an insurer in case you have an accident and injury someone and then they sue you for damages. This is **required by law**.
- Buildings can be insured under buildings insurance and your property in a flat from accidental damage or theft under house contents insurance.
- Others have bought insurance in case they lose their smart phones.
- Make sure you **understand what you are buying** though - there can be scenarios where certain losses are not covered.

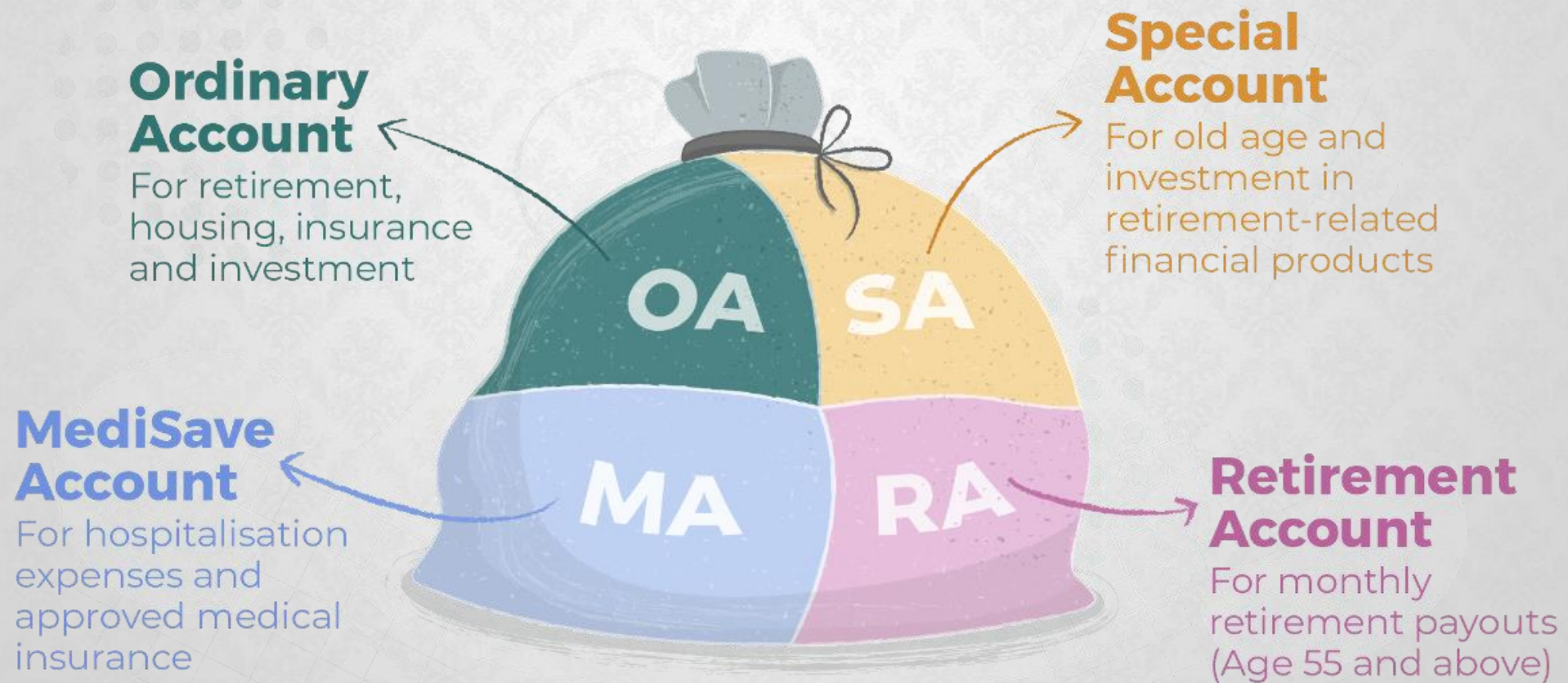
INSURANCE – CRITICAL ILLNESS, DEATH, SAVINGS

- It is also possible to buy insurance that pays a lump sum if you are diagnosed with a serious illness e.g. cancer or heart attack.
- Also if you take out a mortgage, the bank will likely require you to buy insurance so that if you should die, a lump sum is paid to repay the loan you borrowed.
- Parents with young families might also buy insurance which pays out on death of a parent so that their families can be provided for in the event of such an unfortunate event occurring.
- It is also possible to save your money with an insurance company e.g. they sell unit linked funds which are similar to mutual funds, and also other products where they guarantee a certain return to the buyer.
- Insurance companies sell these products via banks, agents and directly.
- As well as being a regulator of banks , MAS is also a regulator of insurance companies in Singapore.
- The Policy Owners' Protection (PPF) Scheme protects insurance policy owners in the event a life insurer which is a PPF Scheme member becoming insolvent. It provides **100% protection** for the guaranteed benefits of your life insurance policies, **up to certain limits.**

RETIREMENT – CENTRAL PROVIDENT FUND (CPF)

- The below is a somewhat simplified explanation of CPF scheme.
- When you earn a wage or salary **you** pay a percentage of that wage/salary into your CPF account. Your **employer** also pays a percentage based on your salary.
- The government also supplements this under the Workfare Income Supplement for those on lower wages.
- The percentage **varies with age**.
- Part of this money is invested to provide money for you to live on when you retire – a pension.
- The money is allocated to three accounts: Ordinary Account (savings for retirement , housing, dependent insurance and education), Special Account and MediSave Account (for hospitalisation expenses and certain medical insurance e.g. MediShield Life).
- The Ordinary Account savings for retirement can be invested in unit trusts – a form of mutual fund – via the Endowus platform.

See https://www.cpf.gov.sg/Assets/members/Documents/RetirementPlanningBooklet_Eng.pdf for more details



Source: <https://www.cpf.gov.sg/member/cpf-overview>

RETIREMENT – CENTRAL PROVIDENT FUND (CPF) - MORE

- The Special Account is more like a bank account deposit which earns interest until age 55. It then transfers into the Retirement Account.
- Potentially some or all of the money in the Ordinary Account will be transferred into the Retirement Account so that the Retirement Account has, as a default, up to an amount called the Full Retirement Sum.
- This amount is then used to provide payments for life (a life annuity) from the CPF Life. You have to choose between an annuity with level payments (Standard Plan) or an annuity with payments which increase with time (Escalating Plan), or the Basic Plan.
- If you choose the Escalating Plan the initial payments are lower than the level payments of the Standard Plan, but will increase over time to exceed the payments on the Standard Plan (assuming individual survives).
- It is possible to enhance the Full Retirement Sum to the Enhanced Retirement Sum and so obtain a larger pension or in certain cases reduce it to the Basic Retirement Sum with lower pension.
- Cash top-ups into the CPF are possible to enhance the Retirement Account amount.

At Age 55



Savings from your Special Account (SA) and Ordinary Account (OA), in that order, up to the Full Retirement Sum (FRS), will be transferred into your new Retirement Account (RA).

In 2021..

Basic Retirement Sum (BRS) : \$93,000

Full Retirement Sum (FRS) : \$186,000

Enhanced Retirement Sum (ERS) : \$279,000



*The Basic Plan monthly payouts will get progressively lower when your combined CPF balances fall below \$60,000. This is due to less extra interest earned.

Note: For all CPF LIFE plans, payouts may be adjusted to account for long-term changes in interest rates or life expectancy. Such adjustments (if any) are expected to be small and gradual.

HOW MUCH CPF LIFE PAYOUTS WILL YOU GET?

RETIREMENT ACCOUNT SAVINGS AT 55 IN 2022	MONTHLY PAYOUTS FROM AGE 65 ONWARD		
	BASIC PLAN <i>Progressively lower payouts</i>	STANDARD PLAN <i>Level payouts</i>	ESCALATING PLAN <i>Payouts ↑ by 2% yearly for life</i>
BASIC RETIREMENT SUM (BRS): \$96,000	\$750 (Age 65) \$750 (Age 85) \$680 (Age 95)	\$830	\$650 (Age 65) \$970 (Age 85) \$1,190 (Age 95)
FULL RETIREMENT SUM (FRS): \$192,000	\$1,420 (Age 65) \$1,420 (Age 85) \$1,340 (Age 95)	\$1,550	\$1,230 (Age 65) \$1,820 (Age 85) \$2,220 (Age 95)
ENHANCED RETIREMENT SUM (ERS): \$288,000	\$2,080 (Age 65) \$2,080 (Age 85) \$2,010 (Age 95)	\$2,280	\$1,800 (Age 65) \$2,680 (Age 85) \$3,260 (Age 95)



and more... find out how to calculate how much CPF LIFE payouts you can get!

Seedly Reads

Source: <https://blog.seedly.sg/cpf-life-monthly-payouts/>

INFLATION

- What is the price of chicken rice at hawker centre today compared to 2014?
- 2014 = S\$3.13
- 2022 = S\$4.06

- This is **inflation** – generally prices increase over time

(<https://www.ceicdata.com/en/singapore/average-retail-prices-2019100/retail-prices-chicken-rice-per-plate>)

- Some countries have suffered from hyper inflation e.g. Germany in 1923 (41% per day in Oct 1923) and Zimbabwe in 2007 (> 24,000%)
- A loaf of bread in Berlin that cost around 160 Marks at the end of 1922 cost 200,000,000,000 Marks by late 1923

(https://en.wikipedia.org/wiki/Hyperinflation_in_the_Weimar_Republic)

- Japan had negative inflation in 2009 of -2.7%pa

SINGAPORE RETIREMENT SCHEME (SRS)

- This is an additional scheme to encourage savings for retirement.
- Allowed payments into the scheme obtain tax relief.
- Investment returns are tax free
- 50% of withdrawals are taxable at retirement but with some allowances/exemptions
- You can choose investments to invest in e.g. unit trusts, bonds, shares, fixed deposit.
- Can open at DBS, OCBC, UOB



Mr Tan
(Singapore Citizen/
SPR)



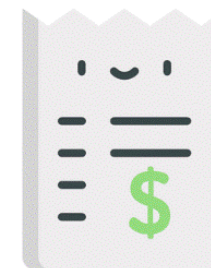
He made a
contribution of
\$12,000 in the year



Yearly maximum
SRS contribution is
\$15,300



SRS operator will
provide contribution
details to IRAS



Tax relief of \$12,000
will be included in the
following Year of
Assessment



Personal income
tax relief cap of
\$80,000 applies

HOUSES

- People live in flats/houses which they rent or own.
- Many properties for purchase in Singapore are leasehold purchases – purchase of property means using the property until the expiry of the lease. For example, generally HDB leases are 99 years from original issue.
- Other properties are **freehold** – meaning that if you buy it the **property belongs to you and your inheritors.**
- If you own your home, then in retirement do not need to pay rent but need to pay maintenance expenses of the property.
- With smaller families, in some countries retired people whose children have left the home, sell their larger home and buy a smaller home (downsizing) and so obtain extra money to spend.

Condominium tenures in Singapore



99-year Leasehold

Building interest and ownership reverts back to the state once the tenure expires.



999-year Leasehold

Largely considered freehold properties due to the similarity in value of freehold and 999-year leasehold land.



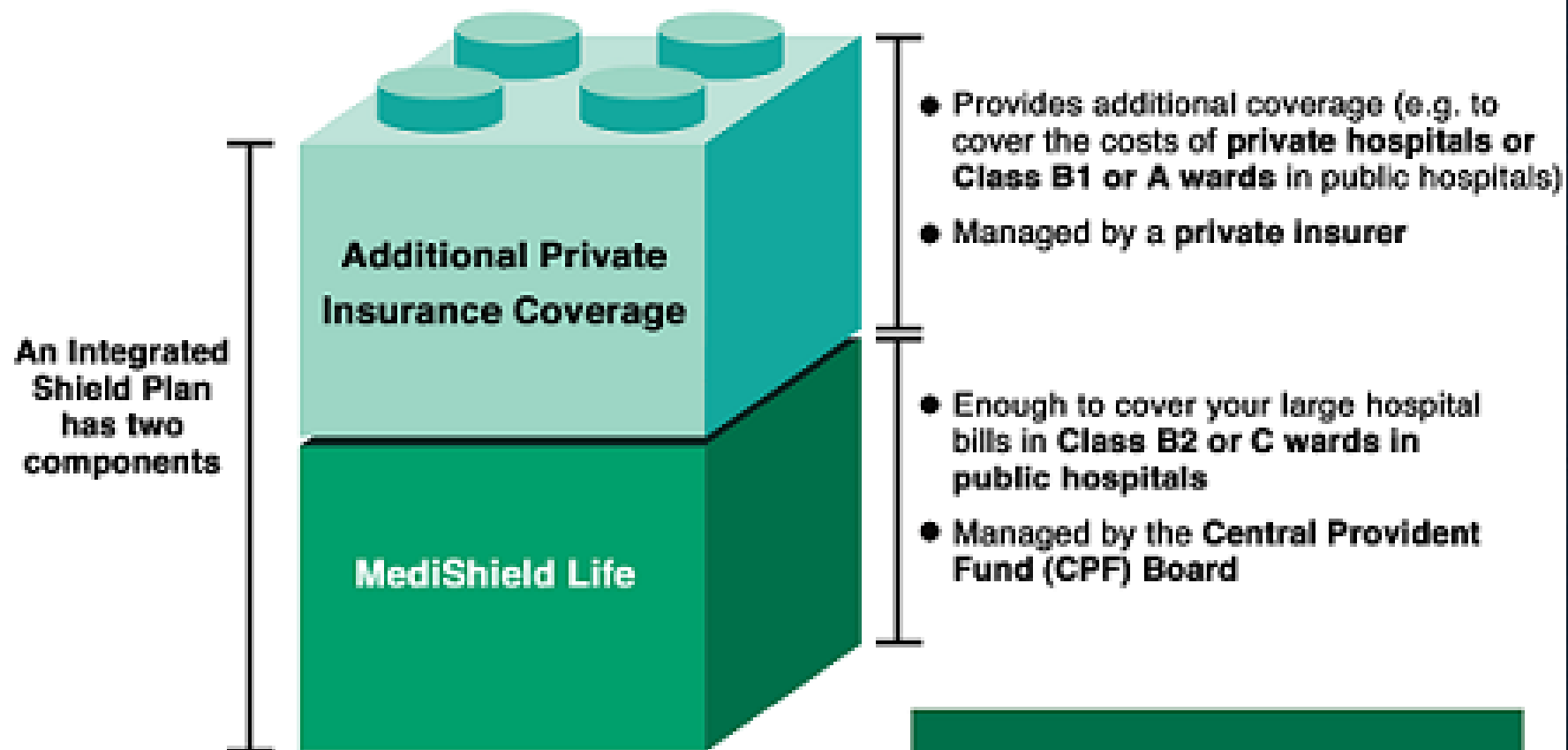
Freehold

Buildings indefinitely owned by the owner - until he decides to sell it.

Source: <https://www.propertylimbrothers.com/99-year-leasehold-vs-freehold-property-tenure-which-should-you-buy/>

MEDISHIELD AND INTEGRATED SHIELD PLAN

- Medishield - Basic health insurance scheme to protect against large hospital bills and some costly outpatient treatment.
- Administered by CPF.
- Paid from MediSave Account arising from CPF contributions.
- Private insurer premiums up to a certain amount can be paid from the MediSave Account.
- Integrated Shield Plan – provide additional medical benefits from a private insurer in Singapore
- Private insurers are AIA, Singlife, Great Eastern, Income, Prudential, Raffles Health Insurance, AXA Singapore (part of HSBC group)



*Diagram is not drawn to scale

If you have an Integrated Shield Plan, you already have MediShield Life. There is no duplicate coverage, and there is no double premium payment.

CARESHIELD

- Long-term care insurance scheme providing basic financial support should you become disabled, during your working life or old age, and need personal or medical care for an extended period.
- Automatic cover from age 30.
- Premiums are paid from Medisave Account
- Administered by CPF and the Agency for Integrated Care
- Builds on older Eldersshield scheme
- Can also buy enhanced benefits (Careshield Supplementary) from private insurers – Singlife, GE, Income
- Careshield Supplementary premiums up to a certain amount can be paid from the MediSave Account

Assuming Adam, Betty and Carl are all enrolled into
CareShield Life at age 30 in 2020...

Adam becomes severely disabled and makes a successful claim in 2020, at age 30



- He makes 1 premium payment and stops paying premiums thereafter
- **\$600/month** payout for as long as he remains severely disabled

Betty becomes severely disabled and makes a successful claim in 2021, at age 31



- She stops paying premiums in 2021
- **\$612/month** payout for as long as she remains severely disabled

Carl becomes severely disabled and makes a successful claim in or after 2057, at age 67 or older



- Premium payment ends at age 67
- **\$1200/month*** payout for as long as he remains severely disabled

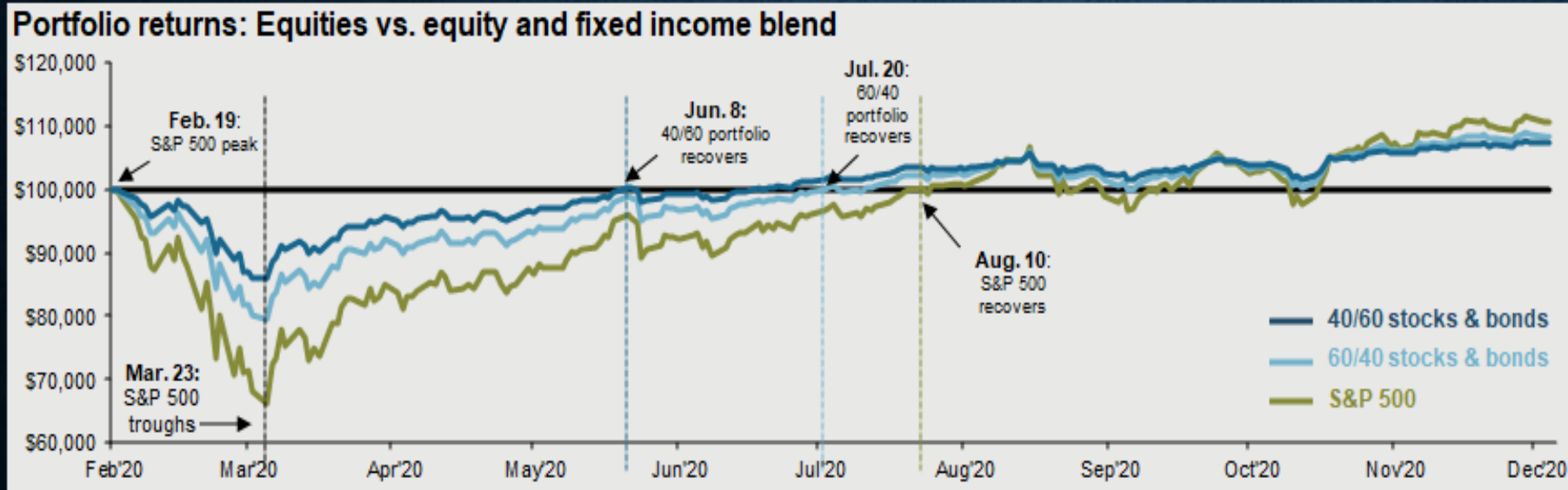
* The payout is estimated. The illustration assumes payouts continue to increase at 2% a year after 2025. Actual future payouts will vary depending on the regular adjustments.

INVESTMENT RULES OF THUMB

- Generally, it is best to pay off your debts before investing
 - Interest rate charges on debt are usually higher than the return you can earn from an investment.
- Some people believe that when younger, you should invest more in equities and less in bonds, as in the long term, though more volatile, equities give a larger return
- Higher risk (volatility) is expected to give higher returns over the long term
- Over short terms they can give considerably less return!

INVESTMENT RULES OF THUMB

- Equity returns are more volatile than bond returns generally, but are expected to return more over the long-term. Diagram below shows equities (stocks) falling more than a fund which is invested in both bonds and stocks. However, from March 2020 the 100% equity fund grows faster in value.
- When you get older then the proportion invested in equity should decrease and proportion in bonds increase.
- Really it depends on your risk tolerance and the amount of money you have – a very rich person can withstand significant fall in the value of their investments and still have sufficient money for food and rent!

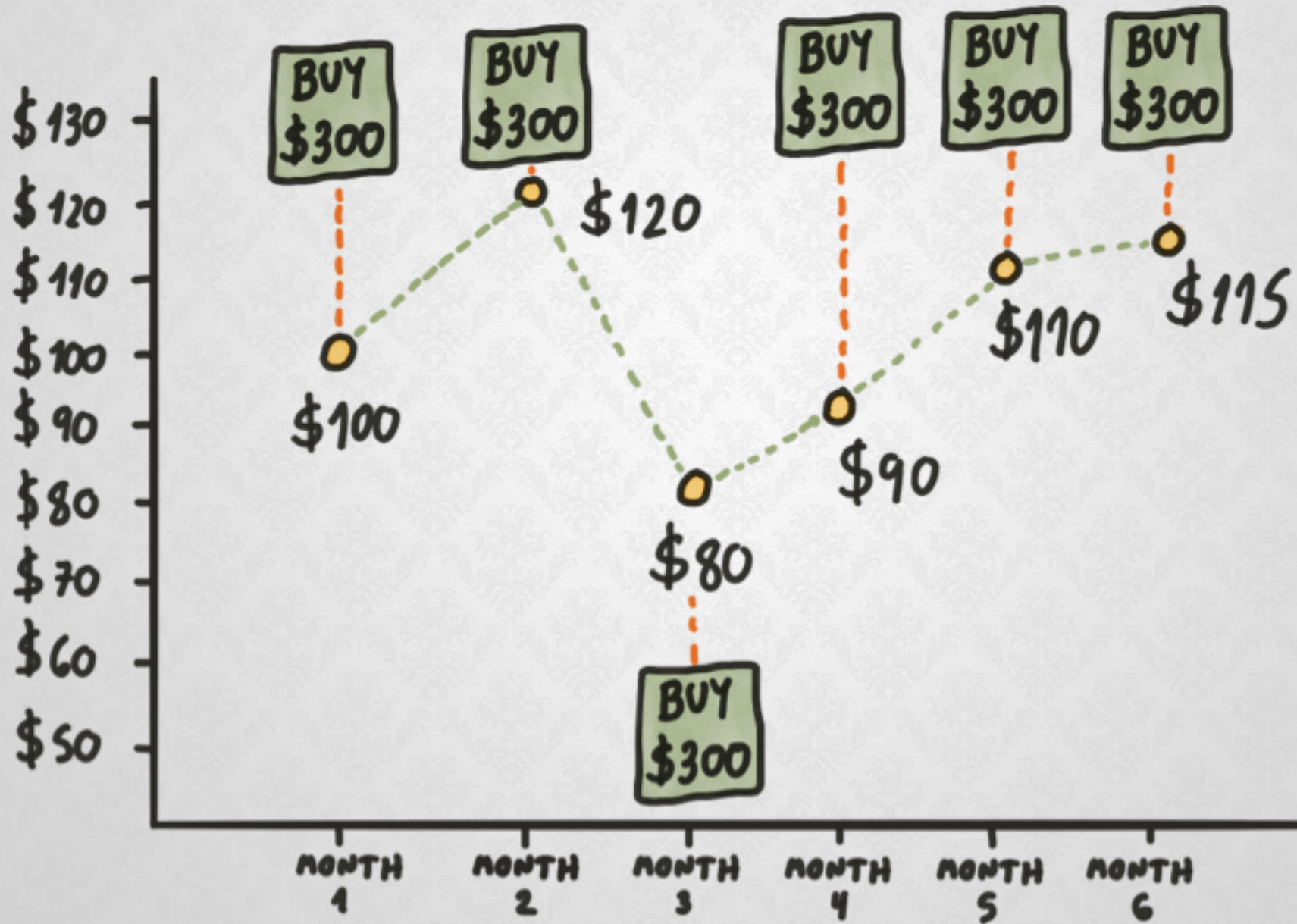


Source: J.P. Morgan. 60/40: A balanced portfolio with 60% invested in S&P 500 Index and 40% invested in high-quality U.S. fixed income, represented by the Bloomberg Barclays U.S. Aggregate Index. Portfolio rebalancing is done annually. U.S. Data are as of December 22, 2020.

<https://darrowwealthmanagement.com/blog/stocks-vs-bonds-different-risks-returns/>

INVESTMENT RULES OF THUMB

- Dollar Cost Averaging
 - Given equity markets move up and down daily when is a good time to buy shares? Some investors use dollar cost averaging - investing a fixed amount of money at regular intervals into a particular investment
 - e.g. if wish to invest S\$50,000 then invest S\$10,000 in equities each month for five months. This reduces impact of investing the money in equities just before there is a significant fall in their value e.g. at March 2020.



Source: <https://thetradingbible.com/dollar-cost-averaging>

INVESTMENT RULES OF THUMB

- Picking good shares
 - Picking good shares is **difficult even for professionals**, so some say should invest only in index tracker mutual funds e.g. Singapore Straits Index, FTSE 100 index. Index tracker fees tend to have lower charges as well.
- Asset allocation
 - Many professionals believe that asset allocation is the most important aspect of investing – investing in USA equity or emerging markets bonds and knowing when to switch sector is important. They might switch between a USA equity index tracker to an emerging market bond index tracker so less exposed to picking good stocks/bonds.
- Investing in cash in bank is also a risk, if inflation increases dramatically.
- Some advisers indicate that you should hold an emergency fund of say 6 months expenditure in bank accounts with minimal penalty on withdrawal e.g. in case you lose your job.
- **Golden Rule – historical performance is not indicative of future results.**

TAX AND WHAT IT IS USED FOR

- The government of Singapore collects taxes from companies' profits, residents' income, GST, stamp duty on shares/property transactions, motor vehicles etc..
- Individuals have a personal allowance amount of salary which is not taxed, and above that salary a percentage of the salary is taxed.
- The percentage varies by different salary bands – so higher bands have a higher percentage of tax levied. An example of such a calculation is on the next slide.
- The government collects that money to spend on Education, Health, Defence, law courts, emergency services, training of workers etc. – the necessary functions that make a state sustainable.

<https://www.mof.gov.sg/docs/librariesprovider3/budget2022/download/pdf/revenue-and-expenditure-estimates-for-fy2022-fy2023.pdf>

				Employment Income	90,000
Illustrative Income tax calculation				tax eligible donation	- 250
				assessable income	89,750
				earned income relief	- 1,000
				child relief	- 4,000
				Employee CPF relief	- 8,000
				chargeable income	76750
Salary band limits		amount of salary band used	remaining to be allocated to salary band	tax rate applicable	tax from salary band
tax on salary band 0 to	20,000	20,000	56,750	0%	0
tax on salary band 20,000 to	30,000	10,000	46,750	2%	200
tax on salary band 30,000 to	40,000	10,000	36,750	3.50%	350
tax on salary band 40,000 to	80,000	36,750	0	7%	2,572.50
				total tax payable	3,122.50

BUYING FOREIGN CURRENCY

- Going on holiday overseas, need to buy foreign currency
 - Cannot buy things in Thailand with Singapore dollar, need Thai Baht!
- Person who sells you foreign currency has to make a profit
 - even if they do not make an explicit charge, the conversion rate can be poor.

the levels prior to the referendum. One pound currently buys around \$1.30 on the foreign exchange markets.

US Dollar exchange rate league table*				
Best value	Airport	Bureau	US Dollar rate	£1000 buys
1	Heathrow	ICE	1.19	\$1,190.00
2	Luton	ICE	1.1256	\$1,125.60
3	Stanstead	MoneyCorp	1.1206	\$1,120.60
4	Glasgow	Travelex	1.1575	\$1,157.50
5	Manchester	Travelex	1.1442	\$1,144.20
6	London City	Travelex	1.1372	\$1,137.20
7	East Midlands	Travelex	1.1311	\$1,131.10
8	Edinburgh	ICE	1.1127	\$1,112.70
9	Gatwick	ICE	1.10	\$1,100.00
10	Bristol	MoneyCorp	1.0546	\$1,054.60

▲ Source: Caxton FX

Rupert Lee Browne, CEO of Caxton FX, said: “Currency exchange bureaux at the airport have a captive audience, so they can offer outrageously poor rates and are still confident that people will purchase foreign currency from them.”

WILLS

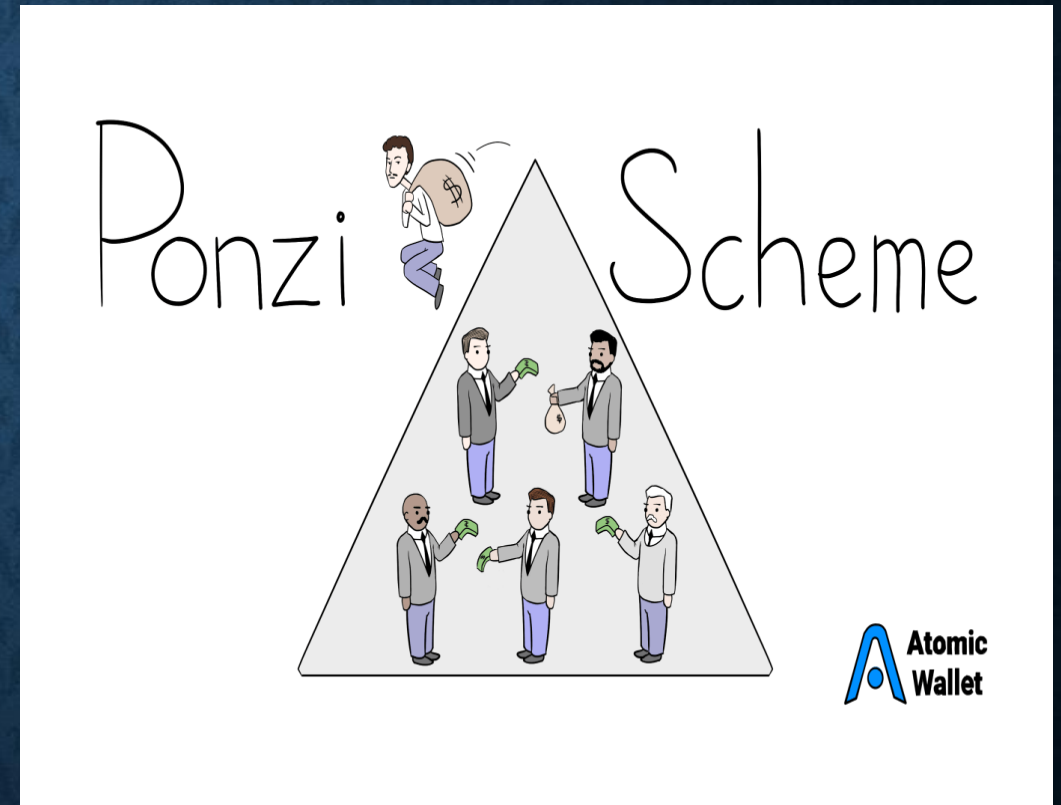
- A will is a document which states that when you die what happens to your assets and who will be the executor (administrator) of the will. Many people make wills once they are married and/or have children.
- This can reduce confusion at what is a stressful time for your family.
- If you have assets in multiple countries you should have a will for each country.
- Solicitors/Lawyers can prepare wills though if your assets are relatively simple that may not be necessary as templates are available on-line which may be sufficient.
- If you do not prepare a will then when you die the Singapore Intestate Succession Act is applicable for your assets in Singapore and this act would share assets between family members in certain proportions.
- Similarly nominating beneficiaries on CPF funds and insurance policies is recommended.
- On death, bank accounts are temporarily frozen until the associated legal process (probate) is completed **which can take many months in some countries**. This can cause problems if a couple only has a joint bank account. Hence, spouses should also have separate bank accounts.

BITCOIN, PYRAMID SCHEMES, TOO GOOD TO BE TRUE SCHEMES

- Bitcoin/Cryptocurrency
 - These are very volatile investments and whilst there can be legitimate reasons to have them and some people benefit, they are associated with many frauds which catch out professional investors.
 - As such, it is not a good idea to put a large proportion of your wealth in such investments.

BITCOIN, PYRAMID SCHEMES, TOO GOOD TO BE TRUE SCHEMES

- A Pyramid (Ponzi) Scheme - a person invests say 100 in a scheme and then recruits say two more people to join scheme who each pay 100. The first person then receives 50 from the scheme – and thinks that this is a good investment and recruits more people as do the new joiners. However, the 50 is paid from the 2 new joiners (and the individual organising the scheme takes 150). Eventually, it is not possible to find more people to recruit and the scheme crashes and money is lost. In Singapore, the Multi-level Marketing and Pyramid Selling (Prohibition) Act regulates this activity (<https://www.mti.gov.sg/Resources/Legislation/Multi-level-Marketing-and-Pyramid-Selling>).
- If a reputable bank offers you a one- year return of 3% and someone else offers you a guaranteed return of 20% over one year – the latter is likely a “too good to be true” scheme – and is best avoided.

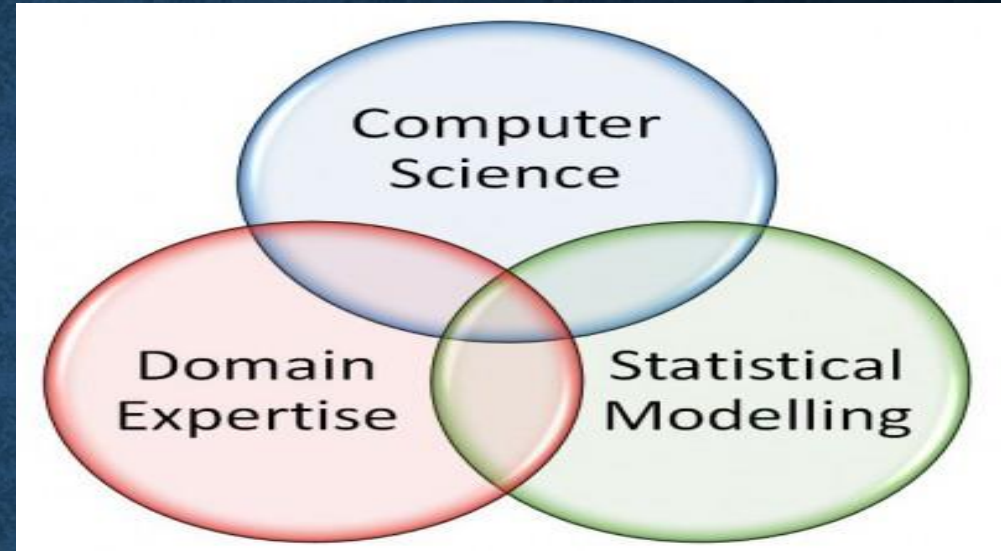


Source: <https://atomicwallet.io/academy/ponzi-scheme>

SINGAPORE ACTUARIAL SOCIETY

(ACTUARIAL??)

- Actuary?
 - An actuary is a professional that combines mathematical, statistical, and financial analysis to measure and manage risk – in insurers, but also in banks, pension funds, government departments, and investment companies.



Source: <https://www.actuaries.digital/2015/05/14/its-official-being-an-actuary-is-the-best-job/>

- The Singapore Actuarial Society aims to be the recognized representative body of the actuarial profession in Singapore, having the final authority in setting professional standards.
- A key objective is to serve the public interest by promoting the study, discussion, publication and research into the application of actuarial, economic, financial and statistical principles to practical problems related to insurance, retirement benefits, finance and investment, risk management and other fields where such principles can be applied, with particular reference to Singapore and the ASEAN region
- With advancements in technology and climate change, actuaries have ventured into new areas such as Environmental Finance and Data Analytics.
- Find out more at <https://www.actuaries.org.sg/about-actuaries>