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# SGX Online Test

## 1. Introduction

Many investors are keen to invest in the Straits Times Index ETF as the backbone of their long term investment strategy.

The advantages of investing in this index fund are:

- It is a diversified fund and is invested in the 30 largest companies listed in the Singapore Exchange
- The invested companies are mostly blue chip companies
- It has a low management fee, of only 0.3% per annum
- It saves the hassle of deciding on which stocks to pick and the timing of the purchase
- The fund manager takes care of collecting the dividends and subscribing for rights issues and other corporate actions
- It pays out dividend two times a year, and amounts to a yield of about 2.5% (but this may vary from time to time).
- This is a cash-based fund and does not have any leverage or derivatives

## 2. Regulation

The current regulation from the Monetary Authority of Singapore requires the investor to pass an online test conducted by SGX. For most investors, the online test is challenging and daunting.

The MAS is reviewing the regulations to see if was possible to waive the online test for people who invest in the index fund. However, they have not made any announcement about the results of the review, and the timing of the announcement is still uncertain.

For investors who do not wish to wait any longer, here is a possible solution.

## 3. Coaching by TKL Associates

Tan Kin Lian & Associates is willing to provide coaching for investors to pass the online test, as follows:

- The coaching will be conducted in the office of TKL Associates at 24 Sin Ming Lane #02-107, Midview City, Singapore 573970, Telephone 66599611.
- The coaching will be in small groups and will be for one hour).
- At the end of the coaching, the investor will take the SGX online test.
- The investor can repeat the test until they have passed it.
- The fee for this coaching session is $50 (FISCA members) and $70 (non-members). The fee is payable on the spot.

If you are interested, send an e-mail to inbox@tankinlian.com

Tan Kin Lian

2 January 2013