

These limits help in managing the inherent volatility and risks associated with equity investments, ensuring that they remain a manageable portion of the insurers' overall investment portfolio.



Based on the detailed content from the FINMA Circular 2016/5 regarding limits set for investments in equities and equity securities, here are the evaluations for the two answers provided:

Answer 1 Evaluation:

Relevance: The answer discusses limits on alternative investments, which include equities and equity securities under specific conditions, but it primarily focuses on alternative investments as a category.

Accuracy: It correctly states the limits for alternative investments but does not directly answer the question about specific limits for equities and equity securities, as it conflates these with broader categories.

Completeness: While providing correct information regarding alternative investments, it lacks the specifics on equity investments that are directly addressed in the document.

Clarity: The explanation is clear regarding alternative investments but may confuse readers by not distinguishing between general equities and alternative investment vehicles.

Score: 5/10 - The answer provides some relevant information but does not address the specific limits for equities and equity securities directly.

Answer 2 Evaluation:

Relevance: Directly addresses the question, focusing on the specific limits for equities and equity securities as outlined in the circular.

Accuracy: Accurately details the limits for equity investments, including the maximum percentage

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