

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

### Answer 1 Evaluation

- Relevance:** This answer correctly identifies limits for equity investments, matching the basic regulatory framework outlined in the FINMA document.
- Accuracy:** It accurately reflects the general limit of 30% of the target amount of the tied assets for equity investments and 5% for a single equity security. These limits are in alignment with what is detailed in the document.
- Completeness:** The answer includes the rationale behind these limits, discussing risk management and diversification which are essential considerations in the regulatory guidelines.
- Clarity:** It is structured well, explaining the limits and their purposes clearly.

**Score: 8/10** - The answer provides a good summary of the limits with some minor gaps in detailing the conditions under which these limits can be exceeded or how they integrate with the overall regulatory framework.

### Answer 2 Evaluation



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