

Investment Risk Profiler

Personal Information

Listed below is a summary of your personal contact details and brief investment information. Please check that these are accurate.

Name

Address

**Home
Telephone
Work
Telephone**

Email

Date of Birth

Total Investment

Liquidity Requirement

Net Investment

Currency

Investment Period (Yrs)

1. Questions

Please take the time to study these questions carefully as they will form the basis upon which our investment recommendations are made. We will discuss the risk profile output with you and your answers can then be altered if appropriate.

2.1 About You

To start this process we need to ask some basic questions about you as an investor. In this way we can begin the process of identifying what investments would be appropriate.

- 1 The source from which this investment capital has become available is:
 - A. Cash Deposits
 - B. Maturing Investments
 - C. Reinvested Assets
 - D. Existing Pension Funds
 - E. Savings from Income

- 2 I would describe my knowledge of investments as:
 - A. Minimal
 - B. Low
 - C. Average
 - D. Above Average
 - E. Sophisticated

- 3 I have in the past taken an active part in the management of my investments:
 - A. Strongly agree
 - B. Agree
 - C. No opinion
 - D. Disagree
 - E. Strongly disagree

- 4 Going forward, I would like to take an active part in the management of my portfolio assets:
 - A. Strongly agree
 - B. Agree
 - C. No opinion
 - D. Disagree
 - E. Strongly disagree

- 5 The purpose of this exercise is to put forward investment recommendations in respect of:
 - A. My total wealth
 - B. My total liquid assets
 - C. This investment in isolation
 - D. My pension fund(s)
 - E. My future savings

2.2 Your Needs

The following questions will help underline your investment needs.

- 1 I would prefer to invest in Collective funds, in preference to a direct investment in the stock markets, in an effort to reduce my investment risk and increase the spread of my investments:
 - A. Strongly agree
 - B. Agree
 - C. No opinion
 - D. Disagree
 - E. Strongly disagree

- 2 The time horizon for this investment is:
 - A. Less than one year
 - B. One to three years
 - C. Three to five years
 - D. Five to ten years
 - E. More than ten years

- 3 My income requirement from this portfolio as a percentage of the amount of capital under consideration is:
 - A. Nil - i.e. capital growth only
 - B. 1% - 3%
 - C. 3% - 5%
 - D. 5% - 10%
 - E. More than 10%

- 4 The proposed investment represents the following proportion of my current liquid assets:
 - A. Less than 25%
 - B. Between 25% and 50%
 - C. Between 50% and 75%
 - D. Between 75% and 100%
 - E. 100%

2.3 Investment Risk

This section will start the process of identifying the level of investment risk you would be willing to accept. The results will then determine your tolerance to investment risk and help your adviser to construct a recommended portfolio that best fits your risk profile. It will be important to consider each question in the light of your overall objectives when selecting the most appropriate answer.

Where applicable, joint applicants should select the answer that best meets their joint objectives.

1 I am willing to accept that, once invested, my investments will fluctuate and could fall below their original value:

- A. Strongly agree
- B. Agree
- C. Unhappy, but agree
- D. Disagree
- E. Strongly disagree

2 If my portfolio fell in value by more than (say) 10% in a twelve month period, I would be very unhappy:

- A. Strongly agree
- B. Agree
- C. Slightly agree
- D. Disagree
- E. Strongly disagree

3 I accept that investments can fall in value and take time to recover. However, given my time constraints and return objectives, I would expect these losses could be fully recovered within:

- A. 3 to 6 months
- B. 6 to 12 months
- C. 12 to 24 months
- D. 24 to 36 months
- E. Within 5 years

4 If one fund within my portfolio were to fall sharply in value, significantly underperforming the fund's chosen benchmark, I would:

- A. Sell the whole portfolio immediately
- B. Sell that fund immediately
- C. Hold on and hope
- D. Research the reasons why
- E. Add to that fund

5 If my portfolio fell in value I would become very concerned once paper losses exceeded:

- A. Up to 10%
- B. Between 10% and 15%
- C. Between 15% - 20%
- D. Between 20% - 25%
- E. Over 25%

6 I would prefer to invest in Managed funds that invest across all major asset classes in the knowledge that whilst returns could be reduced this should help lower my investment risk:

- A. Strongly agree
- B. Agree
- C. No opinion
- D. Disagree
- E. Strongly disagree

2.4 Investment Returns

Much has been written about past performance with Financial Regulators keen to stress that:

"Past performance cannot be taken as a guide to future investment returns and that prices can fall as well as rise".

Yet at the same time investors should have a clear notion of what they would expect from their investments. The fact that investment returns are a function of interest rates, inflation and market sentiment means that investors should judge the success, or failure, of their investments against these benchmarks.

The questions in this section ask the investor to stipulate the minimum returns they would expect to achieve against these benchmarks.

1 I would expect the total annual return from this portfolio (income plus capital growth) to exceed cash returns by an average of:

- A. Up to 1%
- B. 1% - 2%
- C. 2% - 3%
- D. 3% - 5%
- E. Over 5%

2 I would expect an investment portfolio to outperform cash over all rolling 12 month periods:

- A. Strongly agree
- B. Agree
- C. No opinion
- D. Disagree
- E. Strongly disagree

3 After taking account of retail price inflation and my personal time horizon, I would expect this portfolio to increase by a real return of:

- A. No opinion
- B. 1% per annum
- C. 1% - 3% per annum
- D. 3% - 5% per annum
- E. 5% plus

4 Over a five year period, if income was reinvested, I would expect my investment portfolio to have grown in value by:

- A. 4% per annum (20%)
- B. 5% per annum (30%)
- C. 7.5% per annum (40%)
- D. 10% per annum (60%)
- E. 12.5% per annum (80%)

5 In a rising market, I would expect my portfolio to achieve the following minimum performance:

- A. Considerably outperform the appropriate benchmark
- B. Outperform the appropriate benchmark
- C. Broadly match the appropriate benchmark
- D. Marginally underperform the appropriate benchmark
- E. Underperform the appropriate benchmark

6 In a falling market, I would expect my portfolio to achieve the following minimum investment performance:

- A. Considerably outperform the appropriate benchmark
- B. Outperform the appropriate benchmark
- C. Broadly match the appropriate benchmark
- D. Marginally underperform the appropriate benchmark
- E. Underperform the appropriate benchmark

2.5 Decision Styles

This section will ask questions concerning the way you arrive at decisions. The following text will hopefully explain why we believe this is relevant when planning an investment portfolio.

Psychologists would argue that the way we arrive at decisions and the extent to which we subsequently review those decisions is determined largely by our personality traits. So why would this be relevant in assessing a client's investment strategy? Our natural instinct is to regret those decisions that, for whatever reason, failed to meet our expectation.

The extent to which we regret past decisions varies according to each individual and determined by our character and the magnitude of the decision(s) taken. Psychologists call this emotion "Decision Regret".

When recommending an investment strategy, it helps to know the extent to which a client may suffer from such an emotion in an effort to reduce future anxiety. It follows that a low Decision Regret score should equate to a low tolerance for investment risk.

The time taken to reach a decision can also provide a further insight into the client's requirements. The "Decision Speed" factor measures the relative speed taken to reach a decision. Typically a client who requires a lot of information before reaching a decision would have a low score in Decision Speed and would need time to reflect before investing. In contrast a high score in Decision Speed would indicate a need to act swiftly where the individual is less interested in the fine detail.

This section will ask a series of questions in order to calculate your relative scores for both Decision Regret and Decision Speed.

Armed with this knowledge your adviser can then contrast these scores with your risk profile in an effort to validate the results.

As your first impressions are usually the most accurate, the questions posed in this section are best answered quickly.

- 1 I find analysing large amounts of data boring:
- A. Strongly disagree
 - B. Somewhat disagree
 - C. Neither agree or disagree
 - D. Somewhat agree
 - E. Strongly agree
- 2 I personally believe that you are always better off being safe than sorry:
- A. Strongly disagree
 - B. Somewhat disagree
 - C. Neither agree or disagree
 - D. Somewhat agree
 - E. Strongly agree
- 3 The pain of making a poor decision is worse than the joy of a good decision:
- A. Strongly disagree
 - B. Somewhat disagree
 - C. Neither agree or disagree
 - D. Somewhat agree
 - E. Strongly agree
- 4 Good things seldom happen to me:
- A. Strongly disagree
 - B. Somewhat disagree
 - C. Neither agree or disagree
 - D. Somewhat agree
 - E. Strongly agree
- 5 I like time to reflect before making a big decision:
- A. Strongly disagree
 - B. Somewhat disagree
 - C. Neither agree or disagree
 - D. Somewhat agree
 - E. Strongly agree
- 6 I often end up questioning my decisions:
- A. Strongly disagree
 - B. Somewhat disagree
 - C. Neither agree or disagree
 - D. Somewhat agree
 - E. Strongly agree
- 7 I often put off doing things that I find unpleasant:
- A. Strongly disagree
 - B. Somewhat disagree
 - C. Neither agree or disagree
 - D. Somewhat agree
 - E. Strongly agree
- 8 I rely on my gut instinct to make important decisions:
- A. Strongly disagree
 - B. Somewhat disagree
 - C. Neither agree or disagree
 - D. Somewhat agree
 - E. Strongly agree
- 9 I worry less than most people I know:
- A. Strongly disagree
 - B. Somewhat disagree
 - C. Neither agree or disagree
 - D. Somewhat agree
 - E. Strongly agree
- 10 There is no use in closing the barn door after the horse has bolted:
- A. Strongly disagree
 - B. Somewhat disagree
 - C. Neither agree or disagree
 - D. Somewhat agree
 - E. Strongly agree
- 11 Money worries sometimes keep me awake at night:
- A. Strongly disagree
 - B. Somewhat disagree
 - C. Neither agree or disagree
 - D. Somewhat agree
 - E. Strongly agree
- 12 Once I make a decision, nothing can change my mind:
- A. Strongly disagree
 - B. Somewhat disagree
 - C. Neither agree or disagree
 - D. Somewhat agree
 - E. Strongly agree

13 People say that I can be indecisive:

- A. Strongly disagree
- B. Somewhat disagree
- C. Neither agree or disagree
- D. Somewhat agree
- E. Strongly agree

14 The best decisions are based on complete and logical analysis:

- A. Strongly disagree
- B. Somewhat disagree
- C. Neither agree or disagree
- D. Somewhat agree
- E. Strongly agree

15 Things have a way of turning out all right in the end:

- A. Strongly disagree
- B. Somewhat disagree
- C. Neither agree or disagree
- D. Somewhat agree
- E. Strongly agree

16 When making decisions I appreciate input from others:

- A. Strongly disagree
- B. Somewhat disagree
- C. Neither agree or disagree
- D. Somewhat agree
- E. Strongly agree

Signed..... Dated.....

Name.....

Signed..... Dated.....

Name.....