

Assessing & Reviewing Your Attitude To Investment Risk



Completing the questionnaires

In the following pages you are presented with both a 'multiple choice' and a 'self assessment' questionnaire. In each case we would suggest you answer fairly quickly as we are looking for your first answer rather than a rationalised or overly reasoned response. However, it is important that each question is read carefully and that all questions are answered. Completing the questionnaires should take no longer than 10 minutes.

In relation to the 'multiple choice' questionnaire your answers are analysed and generate a risk 'score' which will potentially vary from very low risk to very high risk. A very low risk score may result in a recommended portfolio consisting mostly of cash, with a very high risk score resulting in a portfolio heavily invested in equities. Intermediate scores will result in a broader spread of asset classes, e.g. cash, fixed interest investments, commercial property and equities.

Your answer to the 'self assessment' questionnaire is used to corroborate your 'multiple choice' risk score and our understanding of your general attitude to investment risk, capacity for loss and investment experience.

Personal details

Title	<input type="text"/>
Surname	<input type="text"/>
Full Forename(s)	<input type="text"/>
Address	<input type="text"/> <input type="text"/> <input type="text"/>
Post Code	<input type="text"/>
Your Date of Birth	<input type="text"/> ▶ <i>dd mm yyyy</i> <input type="text"/> / <input type="text"/> / <input type="text"/>

Risk profile questions

- In order to seek potential gain, what amount of risk are you currently prepared to take with your overall financial investments?** ▶ *Please tick (✓)*
 - None whatsoever
 - A small amount
 - A medium amount
 - A large amount of risk
- When considering a major financial decision which statement MOST accurately describes the way you think about the possible losses or possible gains?** ▶ *Please tick (✓)*
 - I'm excited about the possible gains
 - I'm optimistic about the possible gains
 - I'm careful and consider both the possible gains and losses
 - I am conscious of the possible losses
 - I worry about the possible losses

RISK ASSESSMENT

RISK ASSESSMENT

3. What level of fall in the value of your portfolio over a one-year period would concern you, bearing in mind that equity investments require a longer term view? ▶ Please tick (✓)

- 0% to just under 5%
- 5% to just under 10%
- 10% to just under 15%
- 15% to just under 20%
- None of the above concern me

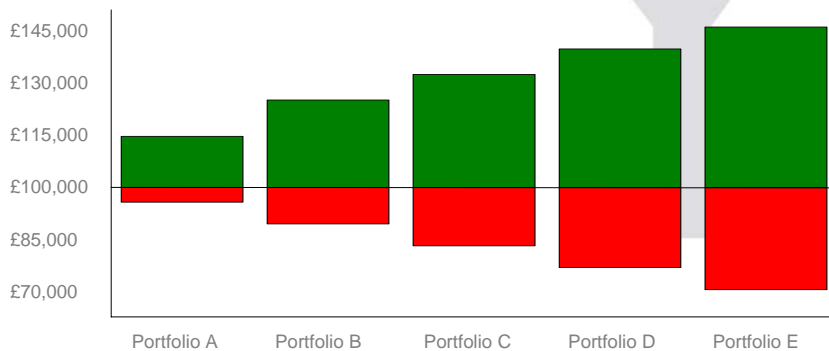
4. To reach my financial goal I prefer an investment which is less volatile and grows more steadily, even if it means lower growth overall: ▶ Please tick (✓)

- Strongly agree
- Agree
- Uncertain
- Disagree
- Strongly disagree

5. If, using 5% of your portfolio, you had picked an investment with the potential for large gains but also the risk of large losses how would you feel? ▶ Please tick (✓)

- Panicked and very uncomfortable
- Quite uneasy
- A little concerned
- Accepting of the possible highs and lows
- Excited by the potential for gain

6. At the beginning of the year you have a total portfolio valued at £100,000. The chart and options below show the performance of five different hypothetical portfolios. Each bar gives a range of possible values at the end of the same year. Which portfolio are you most comfortable with? ▶ Please tick (✓)



- Portfolio A: £114,000 to £96,000
- Portfolio B: £124,000 to £90,000
- Portfolio C: £131,000 to £84,000
- Portfolio D: £138,000 to £78,000
- Portfolio E: £144,000 to £72,000

RISK ASSESSMENT

7. **I would always go for the best return even if there was risk involved:** ▶ *Please tick (✓)*
- Never
 - Rarely
 - Sometimes
 - Usually
 - Always
8. **An investment sector like emerging markets has the potential to make a lot of money, but will usually also have a greater risk of losing money. How much of your overall portfolio would you be willing to place in such an investment?** ▶ *Please tick (✓)*
- 20%
 - 15%
 - 10%
 - 5%
 - 0%
9. **You are more concerned that over the longer term your investments grow ahead of inflation than you are about returns over any one year period:** ▶ *Please tick (✓)*
- Strongly agree
 - Agree
 - Uncertain
 - Disagree
 - Strongly disagree
10. **Suppose one year ago you had invested £100,000 in your portfolio. The market value has gone down during this period and your portfolio is now worth £87,000. Would you:** ▶ *Please tick (✓)*
- Sell the whole portfolio and invest the proceeds in something riskier to try to recoup your losses
 - Invest more money in the same portfolio to take advantage of the lower price
 - Sit tight because the investment decision was properly researched and you expect the portfolio to recover
 - Sell part of the portfolio and invest the proceeds in a less volatile investment
 - Sell the whole portfolio and invest the proceeds in a less volatile investment
11. **You are, or if retired were, faced with a choice between greater job security with a small pay rise or a much higher pay rise but less job security. Which do you select?** ▶ *Please tick (✓)*
- I would definitely choose greater job security
 - I would probably choose greater job security
 - I'm not sure what I would do
 - I would probably choose the higher pay rise
 - I would definitely choose the higher pay rise
12. **I would prefer small certain gains to large uncertain ones:** ▶ *Please tick (✓)*
- Strongly agree
 - Agree
 - Uncertain
 - Disagree
 - Strongly disagree

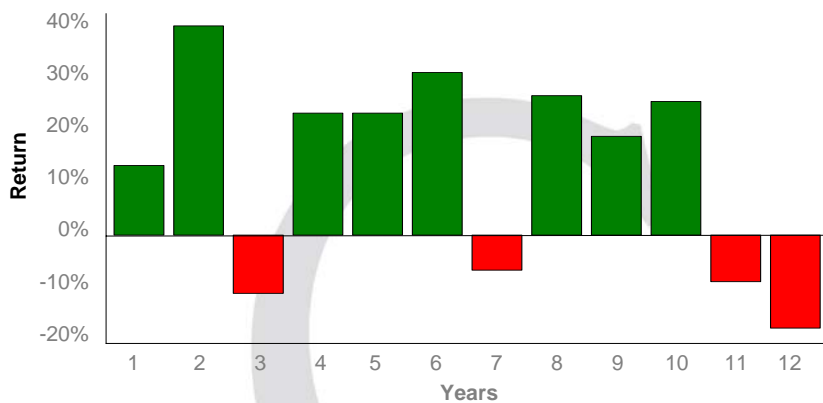
13. How would you typically describe your attitude when making important financial decisions?

▶ Please tick (✓)

- Very adventurous
- Fairly adventurous
- Neither adventurous nor cautious
- Fairly cautious
- Very cautious

14. Assume that your portfolio has behaved in the following way. The performance so far has been pretty good, however the last two years (11 and 12) have been disappointing. What would you do now?

▶ Please tick (✓)



- Keep the portfolio assets as they are
- Sell all of the portfolio and invest in something less risky
- Invest more money in the same portfolio to take advantage of the lower price
- Sell off part of the portfolio and invest the proceeds in something less risky
- Sell the whole portfolio and invest the proceeds in something riskier to try to recoup your losses

15. I want my investment portfolio to be lower risk even if it means lower returns: ▶ Please tick (✓)

- Strongly disagree
- Disagree
- Uncertain
- Agree
- Strongly agree

16. If you could increase your chances of improving your returns by taking more risk, would you be:

▶ Please tick (✓)

- Willing to take a lot more risk with all of your money
- Willing to take a lot more risk with some of your money
- Willing to take a little more risk with all of your money
- Willing to take a little more risk with some of your money
- Unlikely to take much more risk

RISK ASSESSMENT


Self Assessment Questionnaire

Risk Rating	Range	Explanation
Low (1)	1.00 - 1.49	This investor has little or no experience of longer term investments, only of using deposit accounts, is extremely risk-averse and would not wish to risk losing any capital value even though this means confining investments to those which would provide no protection against inflation and where any income might go down or up in future, <i>(e.g. limited to deposits, National Savings and guaranteed investments)</i> .
Low / Medium (2)	1.50 - 2.49	Whilst this investor is likely to have limited experience and understanding of longer term investments they prefer a cautious mix of investments, offering some prospect of capital growth with a reasonable level of security, <i>(the portfolio will include cash, fixed interest securities, such as Government stocks and corporate bonds, commercial property and depending on timescale and objectives, some exposure to UK and overseas equities, including limited exposure to emerging markets and specialist funds)</i> .
Medium (3)	2.50 - 3.49	This investor is more likely to have some experience and understanding of longer term investments and prefers a balanced mix of investments, which might permit a higher income and / or prospects for capital growth whilst balancing investment risk, <i>(the portfolio will include fixed interest securities, such as Government stocks and corporate bonds, commercial property and greater exposure to UK and overseas equities, including exposure to emerging markets and specialist funds)</i> .
Medium / High (4)	3.50 - 4.49	This usually more experienced investor prefers an adventurous approach and is willing to bias his or her investments toward higher risk investment assets, <i>(the portfolio will not be dissimilar to that for a Medium investor, but will have a higher proportion of overseas equities, including emerging markets and specialist funds)</i> .
High / Very High (5)	4.50 - 5.00	This investor is sophisticated preferring to speculate and is willing to accept relatively high risks in order to achieve potentially higher investment returns or tax savings, <i>(the portfolio will have a greater bias to higher risk equities, particularly emerging markets and specialist funds, in conjunction with individual shares, Venture Capital Trusts and Enterprise Investment Schemes)</i> .

COMPLETING THIS QUESTIONNAIRE:

After reading the risk rating descriptions above please insert in the box below what you consider to be your personally considered investment risk profile, for your overall investment portfolio, as a numerical value: for example you may consider your attitude towards risk as 3.25 or 3.50 on the above scale, rather than a round number.

Your considered risk profile



Signature

This assessment of your attitude towards investment risk is designed to provide us with a guide to your overall tolerance to investment risk, your understanding of risk, your investment experience and your capacity for loss.

It may be that your answers to some questions conflict with your overall risk rating. Should this be the case we will have a further discussion with you about your risk profile.

We determine how best to invest your funds based on this risk assessment and other factors, including your taxation position, objectives, timescales, circumstances and preferences, which we obtained in the fact-finding process.

In some situations a more aggressive investment portfolio is appropriate in order to achieve your goals within the desired timescales. Should this be appropriate, we will discuss our recommendations with you and explain the options and reasons; for example reduce spending, reduce expectations, extend timescale or increase risk profile.

Please date and sign below to confirm that you have personally completed both parts of this questionnaire and understand that the value of investments can go down as well as up.

Date questionnaire completed ▶ *dd mm yyyy*

Signature