

# RISK PROFILE QUESTIONNAIRE

Please Circle The Answer You Most Agree With

1. How much knowledge do you have of investment markets?
  1. I don't follow what goes on in the market.
  2. I sometimes read about the markets and know that returns can vary from year to year.
  3. I read about the markets whenever I get the chance and understand that different sectors have different returns and risk.
2. What are you currently looking for in an investment?
  1. I want a regular income and/or want to protect my capital.
  2. I want a mixture of growth and income from my investment.
  3. I am looking to generate long term growth.
3. How long are you planning to invest the majority of your money for before spending it? (including after retirement?)
  1. Less than 2 years
  2. 2 to 4 years
  3. 4 to 7 years
  4. More than 7 years
4. An investment you have made recently in a share fund has fallen in value. What would you do?
  1. Sell the investment immediately so you don't lose any more money.
  2. Do nothing because you feel that it will rise in value again.
  3. Put in more money now, while values are down. You feel you'll get a bargain.
5. Given the choice between higher security and higher returns would you choose security even if this means inflation may erode the purchasing power of your investment?
  1. Agree
  2. Not sure
  3. Disagree
6. When making an investment, return and risk usually go together. For example investments that produce above average returns have above average risk. How much of the funds you have available for investment would you be willing to place in investments where both returns and risks are expected to be above average (e.g. shares)?
  1. None
  2. Up to 35%
  3. 35% – 60%
  4. 61% – 80%
  5. Over 80%
7. How often would you be prepared to tolerate a negative return to receive progressively higher returns?
  1. Never
  2. One year in ten
  3. One year in seven
  4. One year in four
  5. One year in three
8. How would you prefer to invest your money to meet your future investment objectives?
  1. I prefer to invest my money in a guaranteed arrangement, one where my money is absolutely safe even if this means I earn a lower rate and ignore inflation.
  2. I prefer investments that show steady growth, however I wish to beat inflation so I'm willing to assume some risk.
  3. I prefer a more aggressive mix of investments, some with moderate growth, but mostly those with higher risk and the chance of higher returns.
9. Would you tolerate short term (i.e.1-2 years) reductions to the value of your investments if there are prospects of stronger returns over the long term?
  1. No
  2. Not sure
  3. Yes
10. What degree of risk have you taken with your financial decisions in the past?
  1. Very small
  2. Small
  3. Medium
  4. Large
  5. Very large

Add up the numbers you have circled to determine your score. Total Score:

## What profile do you feel is most appropriate for you?

Remember you must feel comfortable with what best describes your personal risk tolerance.

RISK PROFILE	INCOME/ GROWTH SPLIT	INVESTOR TYPE
<b>Secure</b> Score 1-10	100% Income	This portfolio focuses entirely on the preservation of capital. As such the return is likely to be low and consistent compared with the other risk options offered. The portfolio is restricted in its ability to reduce taxable income or the tax effectiveness of that income. It is not an appropriate investment option for medium to long-term investors seeking capital growth.
<b>Defensive</b> Score 11 – 15	80% Income 20% Growth	This is an income-focused portfolio that has a small exposure to growth assets. The main emphasis is on generating income, with some capital risk in order to achieve overall portfolio growth. It is expected to have a low fluctuation in short-term value, with some small shorter-term capital risk. The income generated by the portfolio may have a small tax benefit from some share dividend franking credits. It is suited to an investor who either seeks a high level of income or has a relatively short investment time frame.
<b>Conservative</b> Score 16 – 20	60% Income 40% Growth	For investors who are seeking an income stream with some capital growth attached. It has a high exposure to fixed income securities, but also includes exposure to share and property markets. It is suited to medium-term investors who are seeking a reasonable degree of capital stability, but who also want to protect their assets from inflation. Some tax relief on income may be available from franking credits.
<b>Balanced</b> Score 21 – 30	40% Income 60% Growth	Using a slightly higher exposure to growth assets than income assets, this portfolio is expected to have lower short-term fluctuations in value than the other growth-based investment portfolios. Its aim is to produce capital growth in a medium- to long-term time frame. It has a “balanced” exposure to shares, property and fixed income assets, while the income generated by the portfolio may be partially tax effective.
<b>Growth</b> Score 31 – 34	20% Income 80% Growth	A growth-oriented portfolio that is best suited to long-term investors. A small income exposure should slightly reduce the shorter-term fluctuations of the portfolio’s value. It is best suited to a long-term investor who can accept some investment risk over the long-run. The income stream may be partially tax effective and the portfolio has a high exposure to share and property to provide long-term investment growth.
<b>High Growth</b> Score 35 or more	100% Growth	A 100% growth based portfolio with no exposure to income assets. It has a strong emphasis on maximising capital growth over the long term. The portfolio is likely to produce a minimal, tax effective income. Investors should expect high short-term fluctuations in values and a higher chance of capital loss. However, they are prepared to accept this as a trade off in achieving their long-term investment objective.

## What type of investor are you?

After you have completed the questionnaire and calculated your score, we ask you to consider the description of each investment type given above. You now need to ensure the profile indicated by the questionnaire fits your own beliefs.

For example, if the questionnaire indicated you may be more comfortable with a balanced portfolio, yet the description of a ‘high growth’ investor is more appealing to you, you may wish to consider changing to a ‘high growth’ investor or a ‘growth to high growth’ investor.

Please circle your final selected profile below.

**SECURE      DEFENSIVE      CONSERVATIVE      BALANCED      GROWTH      HIGH GROWTH**

**Remember, the questionnaire is only a guide.** If you are not comfortable with the recommended profile, (or you and your partner have different profiles) we can start with a lower risk profile and review it over time as you become more comfortable with investment markets. But please be aware that risk and return are closely related, so by choosing a lower risk profile, you are also choosing to reduce your longer term return expectations.

Risk Profile selected: \_\_\_\_\_

*Client Acknowledgement (for your financial adviser’s records).*

I/We confirm that the details recorded in this questionnaire are correct and reflect my/our true financial position and Risk Profile.

Name: \_\_\_\_\_ Name: \_\_\_\_\_

Signature: \_\_\_\_\_ Signature: \_\_\_\_\_

Date: \_\_\_\_\_ Date: \_\_\_\_\_