

Risk Profiling Questionnaire

Pocket Risk

Client Name: _____

The following questionnaire is a financial risk profile assessment. It seeks to establish your level of financial risk relative to the population. It is typically one part of a larger assessment your adviser is completing to give you the best possible advice.

Please Read

The questionnaire is in two parts.

Part 1: Assessing your risk tolerance. This is your willingness to take financial risks. 18 questions.

Part 2: Your capacity for loss and need to invest. These questions ask you about your financial circumstances. 3 questions.

Below are common questions asked by previous respondents, which will help you complete the questionnaire.

Q – How much time will the questionnaire take?

A – 5 to 10 minutes.

Q - What if the situation described in a question has never happened to me?

A - The questions are designed to gain a picture of what you would do in such circumstances, regardless of whether you have ever been in them before. Please answer as best you can.

Q - What if I need more information to answer the question?

A - The questions are designed to see what you would do with limited information. Though in real life you could obtain more information, certainty is a rarity in making financial decisions. Please answer as best you can.

Q - What if none of the choices in a multiple-choice question is my preferred answer?

A - Some questions give you a limited choice of responses. This is designed to obtain a picture of what you would do given the choices available. Please choose the closest option to how you would respond.

Q - How should I mark my answer?

A - Please circle the appropriate answer.

Part 1: Assessing your risk tolerance

Starter A - Date of Birth (Please note your date of birth does not impact the final scoring).

Day/Month/Year

1. I accept that the value of my investments might go down whilst seeking a positive return.

Yes - No

2. I am comfortable with financial risk, knowing there can be significant gains *and* significant losses.

Strongly Agree - Agree - Slightly Agree - Undecided - Slightly Disagree - Disagree - Strongly Disagree

3. I am more concerned with maximising returns than minimising losses.

Strongly Agree - Agree - Slightly Agree - Undecided - Slightly Disagree - Disagree - Strongly Disagree

4. I would feel anxious if my investments were performing negatively.

Strongly Agree - Agree - Slightly Agree - Undecided - Slightly Disagree - Disagree - Strongly Disagree

5. When I think of the word “risk” I associate it with the word “opportunity”.

Strongly Agree - Agree - Slightly Agree - Undecided - Slightly Disagree - Disagree - Strongly Disagree

6. I consider myself an experienced stock market investor.

Strongly Agree - Agree - Slightly Agree - Undecided - Slightly Disagree - Disagree - Strongly Disagree

7. I believe I need to take greater investment risk to meet my financial goals.

Strongly Agree - Agree - Slightly Agree - Undecided - Slightly Disagree - Disagree - Strongly Disagree

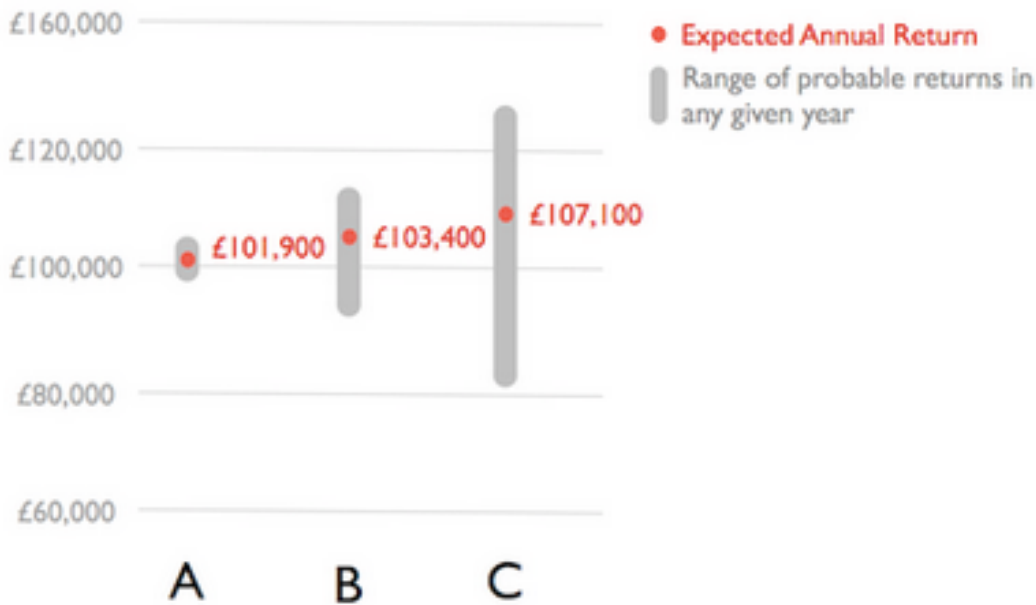
8. If my investments fall in value during the first 2 years. I am willing to wait an extra...

1-3 years to see if they recover.

4-6 years to see if they recover.

7 or more years to see if they recover.

9. Which of these possible investment outcomes best suits your current investment needs if you invest £100,000 over 1 year?



A - B - C

10. Let's assume you bought a buy-to-let rental property as an investment for £100,000. Within a year the value of the property drops to £90,000, with economic forecasters expecting an economic recession to last some years.

To what extent do you agree with the statement "The best course of action is to sell the property immediately"?

Strongly Agree - Agree - Slightly Agree - Undecided - Slightly Disagree - Disagree - Strongly Disagree

11. In 2008, world stock markets dropped by approximately 40%. This means that £100,000 invested at the beginning of 2008 would have been worth £60,000 at the end of 2008. However, in 2009 world stock markets rose by approximately 31% meaning that £100,000 invested at the beginning of 2009 would have been worth £131,000 at the end of 2009.

To what extent do you agree with the statement "I am comfortable with this kind of volatility"?

Strongly Agree - Agree - Slightly Agree - Undecided - Slightly Disagree - Disagree - Strongly Disagree

12. Between the start of 2010 and the end of 2012 the average interest rate in a UK bank savings account was 2.78%. This means that £100,000 invested for 1 year would return £102,780 before tax. Cash in the bank is considered one of the safest possible investments.

To what extent do you agree with the statement “I am comfortable with this level of return”?

Strongly Agree - Agree - Slightly Agree - Undecided - Slightly Disagree - Disagree - Strongly Disagree

13. In the event of an emergency (e.g. personal or financial crisis) I want to get out of some of my investments within a few days.

Strongly Agree - Agree - Slightly Agree - Undecided - Slightly Disagree - Disagree - Strongly Disagree

14. I am willing to invest in assets with a limited track record in the search for higher returns.

Strongly Agree - Agree - Slightly Agree - Undecided - Slightly Disagree - Disagree - Strongly Disagree

15. I am comfortable investing in a new business venture.

Strongly Agree - Agree - Slightly Agree - Undecided - Slightly Disagree - Disagree - Strongly Disagree

16. I can understand financial and investment terms without difficulty.

Strongly Agree - Agree - Slightly Agree - Undecided - Slightly Disagree - Disagree - Strongly Disagree

17. I am confident in my ability to make good financial decisions.

Strongly Agree - Agree - Slightly Agree - Undecided - Slightly Disagree - Disagree - Strongly Disagree

18. This risk-profiling questionnaire is scored from 0 to 100, 0 being the most risk-averse and 100 being those most prepared to take risks. 51% of scores are between 40 and 60.

What score do you think you will receive?

Estimate 0-100

Part 2 on the next page.

Part 2: Your Capacity for Loss and Need to Invest

A. I would describe my current source of income as secure.

Strongly Agree - Agree - Slightly Agree - Undecided - Slightly Disagree - Disagree - Strongly Disagree

B. I would expect my future sources of income (e.g. salary, interest, dividends, rental income, pension) to be secure.

Strongly Agree - Agree - Slightly Agree - Undecided - Slightly Disagree - Disagree - Strongly Disagree

C. I believe I am on track to meet my financial goals.

Strongly Agree - Agree - Slightly Agree - Undecided - Slightly Disagree - Disagree - Strongly Disagree