

Risk Assessment Questionnaire

FOR:

Please tick the option that best describes how you feel about each question. If no option is exactly right for you, choose the one that is closest.

1. **How would you rate the degree of risk that you are willing to take in your financial affairs?**

- 1 Extremely low risk
- 2 Low risk
- 3 Moderate risk
- 4 High risk
- 5 Extremely high risk

2. **I am prepared to forego potentially large gains if it means that the value of my investment is secure**

- 1 I strongly agree
- 2 I agree
- 3 I neither agree or disagree
- 4 I disagree
- 5 I strongly disagree

3. **In comparison with other people, I am more willing to make high risk investments**

- 1 I strongly disagree
- 2 I disagree
- 3 I neither agree or disagree
- 4 I agree
- 5 I strongly agree

4. **What is more important for you in the context of investments: the risk or the potential gains?**

- 1 I always focus on the risk rather than the potential gains
- 2 I usually focus on the risk rather than the potential gains
- 3 I focus on the risk and potential gains about equally
- 4 I usually focus on the potential gains rather than the risk
- 5 I always focus on the potential gains rather than the risk

5. **What degree of risk would you say you have taken with your PAST financial decisions?**

- 1 Very small
- 2 Small
- 3 Moderate
- 4 Large
- 5 Very large

6. **What degree of risk do you wish to take with your FUTURE financial decisions?**

- 1 A very small amount of risk with very small potential returns
- 2 A small amount of risk with small potential returns
- 3 A moderate amount of risk with moderate potential returns
- 4 A large amount of risk with large potential returns
- 5 A very large amount of risk with very large potential returns

7. **Have you ever borrowed money for the purposes of making an investment (other than for a mortgage)?**

- 1 No
- 2 Yes

8. **Would you borrow money for the purposes of making an investment (other than for a mortgage) IN THE FUTURE?**

- 1 No
- 2 Yes

9. (parts a, b, c, d, e, f) **Experts tell us that as the value of investments can go up and down, we should be prepared to weather a downturn.**

How upset would you be if the value of your investments fell by the following amounts in one year?

Percentage fall	How upset would you be on scale of 1 to 5? (1=not at all upset, 5=very upset). Circle the number that fits best.				
a. 5%	1	2	3	4	5
b. 10%	1	2	3	4	5
c. 20%	1	2	3	4	5
d. 30%	1	2	3	4	5
e. 40%	1	2	3	4	5
f. 50% or more	1	2	3	4	5

15. If my stocks and shares dropped in value by 20%, I would take that as a good time to:

- 1 Sell them
- 2 Do nothing
- 3 Buy more stocks and shares

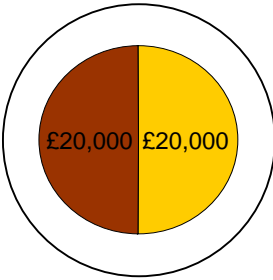
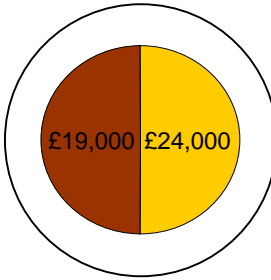
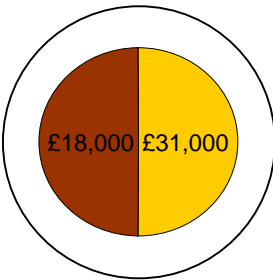
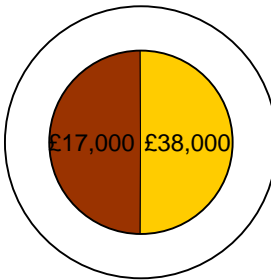
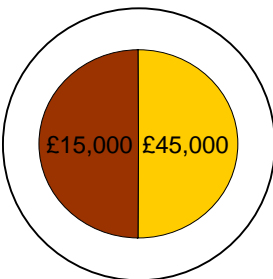
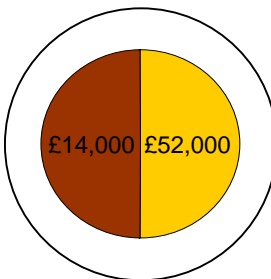
16. Suppose that you are considering investing £20,000. You are selecting one investment from the six possibilities shown below.

There is a 50:50 chance that the investments will decrease in value, in which case you could end up with an amount as low as that shown in the red left-hand semicircle. Likewise, there is a 50:50 chance that it will increase in value, in which case you could end up with an amount as high as that shown in the yellow right-hand semicircle.

For example, Investment A will always result in you ending up with your original sum of £20,000, whilst Investment F could result in between £14,000 and £52,000.

As you go from A to F your expected return increases but so does your risk.

Please indicate which investment you would prefer.

<input type="checkbox"/> INVESTMENT A		<input type="checkbox"/> INVESTMENT B	
<input type="checkbox"/> INVESTMENT C		<input type="checkbox"/> INVESTMENT D	
<input type="checkbox"/> INVESTMENT E		<input type="checkbox"/> INVESTMENT F	

10. Financial advisers usually invest money (in a 'portfolio') across a spread of investments. What sort of spread of investments would you find most appealing, for example, Portfolio 1 with 100% low risk/low return, or Portfolio 5 with 100% high risk/high return? Please circle the portfolio that best fits what you would prefer.

Portfolio	High Risk/Return	Medium Risk/Return	Low Risk/Return
1	0%	0%	100%
2	10%	20%	70%
3	20%	60%	20%
4	70%	20%	10%
5	100%	0%	0%

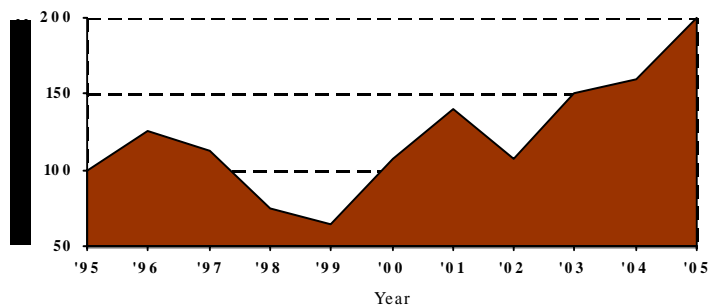
11. What is the CURRENT amount of insurance you buy (life insurance, home insurance, medical insurance, travel insurance etc.)
- 1 Much less than most people I know
 - 2 Less than most people I know
 - 3 About the same as most people I know
 - 4 More than most people I know
 - 5 Much more than most people I know
12. What is the amount of insurance that you intend to buy IN THE FUTURE (life insurance, home insurance, medical insurance, travel insurance etc.)
- 1 Much less than most people I know
 - 2 Less than most people I know
 - 3 About the same as most people I know
 - 4 More than most people I know
 - 5 Much more than most people I know
13. If you didn't require access to your invested capital for at least six years in the future, for how long would you be prepared to see your invested capital go down in value before you decided to take it out of the markets and cash it in?
- 1 I would cash it in if there was any loss in value
 - 2 Up to 6 months
 - 3 Up to 1 year
 - 4 Up to 2 years
 - 5 More than 2 years
14. I can tolerate the risk of large losses in my investments in order to increase the likelihood of achieving high returns
- 1 I strongly agree
 - 2 I agree
 - 3 I neither agree or disagree
 - 4 I disagree
 - 5 I strongly disagree

17. The graphs below show the performance of four hypothetical portfolios for the last ten years.

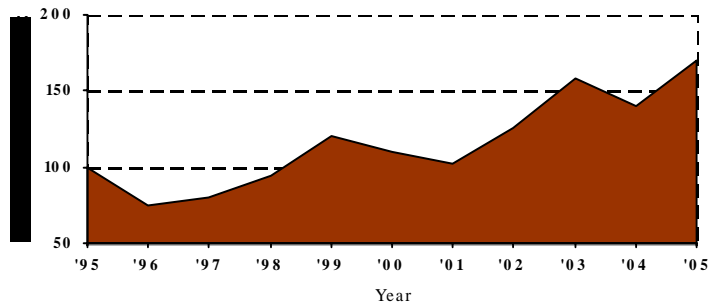
Portfolio A doubled its value over the period, but it made big gains in some years, and suffered big losses in other years. Portfolio D grew by a much smaller amount, but it was steady from year to year. Portfolios B & C are intermediate between A and D both in their overall growth and in year to year fluctuations.

This question should only be considered in the context of your overall assessment of risk tolerance because **PAST PERFORMANCE IS NOT A GUIDE TO FUTURE PERFORMANCE**. You should not use information about the past to make decisions about the future. However, considering your personal circumstances and reasons for investing (pension, income, growth etc.), which portfolio would you choose for the future?

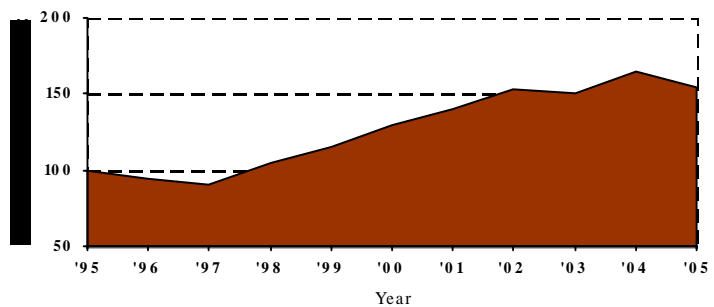
PORTFOLIO A



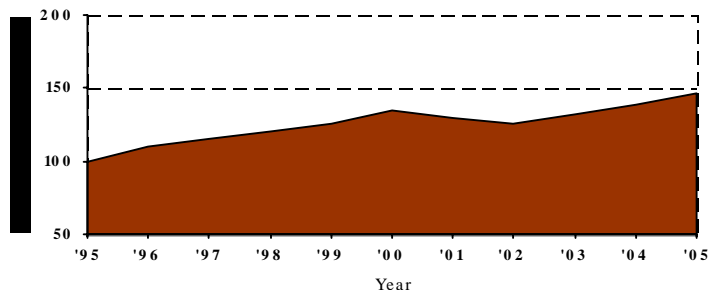
PORTFOLIO B



PORTFOLIO C



PORTFOLIO D



Client

Name:

Signature:

Date

Adviser

Name:

Signature:

Date