

## Risk Assessment Questionnaire

*(Please complete in black ink)*

Name \_\_\_\_\_

To allow us to advise you concerning how best to arrange your savings and investments, we shall ask you questions below to establish:

- your willingness to accept risk (attitude towards risk) to achieve your goals
- your ability to withstand risk (your capacity for loss and how it may or may not impact your financial security) allowing for your wider circumstances
- of course, your financial goals and aspirations can also have a significant bearing on how you should invest and may influence the degree of investment risk that is appropriate for you. If you 'need' a certain amount of capital to generate a target retirement income in the future for example, then how best do you achieve that? Therefore, another vital consideration is your "need" to take risk to avoid failing some key longer-term needs.

Our recommendations to you will also depend upon:

- the likely investment timescale
- any planned expenditure that you have over the next 2-3 years
- your overall assets, income and liabilities

### Short-term Savings

To begin, we always encourage clients to retain an appropriate sum of money in more easily accessible accounts. What is the minimum sum of money that you would be comfortable keeping accessible at short notice (to protect against emergencies and to meet planned expenditure over the next 2-3 years, that cannot be met from your regular income)?

Emergency Cash: £ \_\_\_\_\_ Planned Expenditure: £ \_\_\_\_\_

*(As this may need to be called upon at short notice, it makes sense to keep the funds in an easy access bank/building society account or National Savings & Investment Premium Bonds for example.)*

### Investments for the medium to longer-term

In investment terms there is a relationship between risk and return. The higher the risk, theoretically the higher the gain/loss potential. Over periods exceeding five years for example, historically stock market investments tend to outperform bank and building society accounts. However, returns achieved in the past cannot be guaranteed in the future.



*Please respond to the following statements and questions by ticking the most relevant box:*

1. At the beginning of the year you invest £100,000 for the long-term. See below the performance results of four possible investment options (best and worst case scenarios) at the end of year one. Which option would you be prepared to accept?

Portfolio A: A minimum of £100,000

Portfolio B: £90,000-£110,000

Portfolio C: £80,000-£120,000

Portfolio D: £70,000-£130,000

2. Whilst a stock market investment requires a long-term view, if it dropped in value by more than your answer in question 1, would you be:

Horrified – instructing your adviser to sell and reinvest the money in a less volatile investment

Concerned – seeking to discuss with your adviser why this has happened and whether an alternative strategy should be considered

Patient - do nothing in the expectation that it will recover over the longer-term

Positive - Invest more money (if possible) at a lower price as you would view it as an opportunity

3. I can tolerate the risk of losses in my investments to improve return prospects (exceeding those from ordinary bank account interest rates and inflation for example) over the longer-term

Strongly disagree

Disagree

Agree

Strongly agree

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

I always focus on the risk of loss rather than potential gains

I usually focus on the risk of loss rather than potential gains

I usually focus on the potential gains rather than the risk of loss

I always focus on the potential gains rather than the risk of loss

5. How comfortable do you feel about taking financial risk to help achieve your longer term needs and objectives?

Not at all comfortable

Slightly comfortable

Comfortable

Very comfortable

6. Given your answers to the above questions, how would you rate the degree of investment risk that you are willing to take over the medium to long-term to meet your future objectives? You may answer differently for your medium-term investments compared to your longer-term pension.

Extremely low risk with very small potential returns but no losses (before inflation)

Low-medium risk and equivalent potential returns/losses

Medium risk with average potential returns/losses

Medium-high risk and equivalent potential returns/losses

High risk with potential large returns/losses

Please use the box below to discuss your investment experiences to date and to describe your investment knowledge and confidence? For example, beyond a current account, what have you done with your money in the past and what were your experiences? Have you ever invested in a stocks and shares ISA, Unit Trust, Investment Bond or individual shares on the stock market? If so, is that something you would be happy to repeat? Do socially responsible or ethical considerations have a bearing on the investments you make or would you like them to in the future?

Please take this opportunity to add any other views or opinions that you may have concerning any of the questions or investment risk generally.

Thank you for taking the time to complete this questionnaire. We shall review the results to assist us in advising you. Your changing circumstances and priorities over time can have a significant bearing on how you should invest and may influence the degree of investment risk that is appropriate for you. A regular review of your finances is important to ensure continuing suitability. By signing below, you acknowledge that the answers on this questionnaire reflect your personal choices at this time.

**Signature** \_\_\_\_\_

**Date** \_\_\_\_\_

*Please return a copy of this form to your adviser. Thank you.*