

# risk profile questionnaire

for retirement July 2007



## 1 Personal Details

Title

Mr

Mrs

Miss

Other (Please specify)

Surname

Full forename(s)

Date of Birth (dd mm yyyy)

Postcode

## 2 Risk profile questions

1. How long before you expect to start taking retirement income?

▶ Enter a number of years from 1 to 30. This time period is very important in the risk assessment process.

2. Do you have an emergency fund to provide for unexpected expenses, so as to avoid drawing on medium- to long-term savings to meet immediate needs? (This fund should be equal to at least three months' after-tax income.) ▶ Please tick (✓)

No

Yes - but very small

Less than six months' salary

Around one year's salary

More than two years' salary

3. What is your expectation of your future earnings up to retirement? ▶ Please tick (✓)

I expect my earnings to decrease

I expect my earnings to keep pace with inflation

I expect my earnings to increase somewhat ahead of inflation

I expect my earnings to fluctuate

I expect to retire shortly

4. What percentage of your total assets, (ie pension and other investments, excluding your home) are you proposing to invest now? ▶ Please tick (✓)

Less than 25%

25% to less than 50%

50% to less than 75%

75% or more

## 2 Risk profile questions (continued)

5. Which statement most closely reflects your current financial situation? ► Please tick (✓)

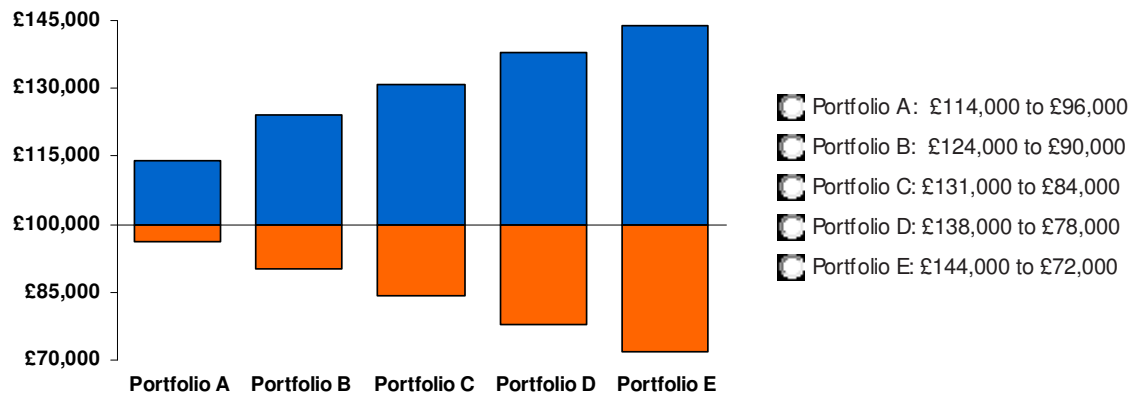
- I am completely debt free
- I am mortgage free but have a few other obligations
- I have a reasonable mortgage but no other debts
- I have a mortgage and a few other obligations
- I have a lot of obligations

6. Which statement best describes your objectives for this investment? ► Please tick (✓)

- I am risk averse and not prepared to expose my investments to high volatility to earn higher long-term returns. Stable annual returns are desired.
- I want to achieve higher long-term returns and am prepared to tolerate reasonable levels of volatility.
- I want to maximise my long-term returns and spend little time worrying about short-term market movements.

7. At the beginning of the year you have £100,000 invested. The chart and options below show the performance of five different hypothetical investments. Each bar gives a range of possible values at the end of the same year. Which investment are you most happy with? ► Please tick (✓)

Potential best and worst case end values (This chart is for illustrative purposes only and does not reflect the performance of a specific index or fund.)



8. What level of fall in the value of this portfolio over a one-year period would concern you, bearing in mind that equity investment requires a long-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

9. Suppose one year ago you invested £100,000 in a portfolio. The market value has gone down during the period and your investment is worth £87,000. Would you: ► Please tick (✓)

- sell the portfolio and invest the proceeds in a less volatile investment?
- sell part of the portfolio and invest the proceeds in a less volatile investment?
- sit tight expecting the portfolio to recover?
- sell the portfolio and invest the proceeds in something riskier to try to recoup your losses?
- invest more money in the same portfolio?

## Risk profile questions (continued)

10. You are more concerned that your investments grow faster than inflation than you are about returns over any one-year period.

▶ Please tick (✓)

- Strongly agree  
 Agree  
 Neutral  
 Disagree  
 Strongly Disagree

11. If you were advised that your current fund and future savings are not sufficient to meet your retirement goals, what action would you take: ▶ Please tick (✓)

- Take more risk with all of the money to try to improve returns  
 Take more risk with some of the money and increase savings a little  
 Increase savings sufficiently to meet your goals  
 Amend your goals and make no change to the investment risk or savings levels

12. What is your attitude towards purchasing an annuity\* to provide income for your retirement? ▶ Please tick (✓)

- Preferred option to any other form of retirement income provision  
 Would only buy an annuity if the terms were attractive compared to other investments  
 Annuity would not be considered unless forced by circumstances at the time

13. Which of the following statements best describes your other retirement provisions? ▶ Please tick (✓)

- Only State Pension Benefits  
 Modest amount of other personal and/or company pensions  
 Substantial amount of other personal and/or company pensions  
 Substantial amount of personal and/or company pensions and other savings

\*Annuity – This is the contract you purchase from an annuity provider using a lump sum of money (eg proceeds of your pension fund) to guarantee you an income for life or a period of time.

## 3 Your investment objectives

Is there a target amount you wish to achieve? If so, what is it? ▶ This is the total amount at retirement required to provide an income and any tax-free cash. In deciding upon your target, please allow for the effects of inflation, investment risk and your tax position.

£

What is your expected retirement age?

## 4 Signature

Your financial adviser will input your answers on the Selestia Investment Solutions Online Risk Profiler, which will compute a suggested risk score and asset allocation. The risk score gives an indication of the level of risk you may be prepared to take with this investment on a range from 1 (low risk) to 10 (high risk).

As mentioned earlier, the risk score is only a guide, and you can decide, with the help of your financial adviser, to invest more conservatively or more aggressively.

We do not provide advice on selecting investments. Investors should consult their financial adviser on the merits of any particular investment.

Signature

Date questionnaire completed

Date (dd mm yyyy)

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