

risk profile questionnaire

for individuals

By now your financial adviser should have completed a full fact find and, having established your needs and objectives, made a recommendation for a suitable product from the Selestia Investment Solutions range. To enable your financial adviser to fine-tune your attitude to risk for this particular investment, he or she will complete the Selestia Investment Solutions Online Risk Profiler.

To help with this, please complete this questionnaire, ensuring all questions are answered and that they relate to this particular investment only.

The resultant risk score will vary from one to ten, with one being the least risky and ten the most risky. A risk score of one will result in a suggested portfolio consisting mostly of cash, with ten resulting in a portfolio heavily weighted in equities. Intermediate scores will result in a broader spread of asset classes. Your financial adviser will explain the relationship between these risk scores and your investment.

The Selestia Investment Solutions risk profile assessment is simply a guide based on information provided and does not take into account your full personal circumstances.

The decision to invest – be it in accordance with your risk assessment score, more conservatively or more aggressively – is always at your discretion.

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

1 Personal details	
Title	<input type="radio"/> Mr <input type="radio"/> Mrs <input type="radio"/> Miss <input type="radio"/> Other ▶ <i>please specify</i>
Surname	<input type="text"/>
Full forename(s)	<input type="text"/>
Date of birth ▶ <i>dd mm yyyy</i>	Postcode
<input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/>

2 Risk profile questions

1. When do you need this money, or how long do you want to hold on to this investment?

▶ Enter a number of years from 3 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 over the next five years? ▶ 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 far outstrip inflation
- I expect my earnings to fluctuate

4. What percentage of your total assets (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

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.

- Portfolio A: £114,000 to £96,000
- Portfolio B: £124,000 to £90,000
- Portfolio C: £131,000 to £84,000
- Portfolio D: £138,000 to £78,000
- Portfolio E: £144,000 to £72,000

2 Risk profile questions *(continued)*

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?
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 could increase your chances of improving your returns by taking more risk, would you be:** ▶ *Please tick (✓)*
- willing to take a lot more risk with all of your money?
- willing to take a lot more risk with some of your money?
- willing to take a little more risk with all of your money?
- willing to take a little more risk with some of your money?
- unlikely to take much more risk?

3 Your investment objectives

How much do you wish to invest? ▶ *Enter amount in pounds sterling*

£

(a) **If you are investing for growth (eg optimised portfolio)**

Is there a target amount you wish to achieve? If so, what is it? ▶ *In deciding upon your target, please allow for the effects of inflation, investment risk and your tax position*

£

When do you need this money or how long do you want to hold onto this investment? ▶ *Enter a number of years from 3 to 25*

years

(b) **If you are investing for income (eg yield portfolio)**

What is your expected tax rate? ▶ *Please tick (✓)*

Starting

Basic

Higher

What annual yield do you require (after allowing for the specified tax rate)?

%

Investors should assess the acceptable inflation and investment risk of not meeting a given target (after allowing for personal tax), particularly for periods under 10 years for volatile investments.

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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Calls may be monitored and recorded for training purposes and to avoid misunderstandings.

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