

Risk Questionnaire

Private and Confidential



Advice Evolution Pty Ltd

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Client name(s):

Partner name(s):

Adviser name:

Date completed:

/ /

Date FSG provided to the
client/s and FSG Version:

Client ID obtained, verified
and certified:

Yes No

Risk profile

Your risk profile looks at investment risk and your attitude towards it. By asking you more detailed questions we can determine the most appropriate investment strategies to match your investment risk profile. Once all the sections are complete, we will discuss your scores and whether or not you are comfortable with the outcome.

1. What is your primary investment objective?	Score	1	2	Joint
Avoid any fluctuation in the value of my investments.	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Maintain the security of my investments with regular income to live on.	10	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Maintain regular income with some exposure to capital growth.	20	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Maximize the growth of my investments.	40	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. How would you react if your investments were to decline in value by 20% in one year?	Score	1	2	Joint
Withdraw all my funds immediately and move them to bank deposits.	10	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Withdraw part of my money and move it to an alternative strategy.	20	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Wait until I recovered the 20% loss and then consider alternative strategies.	20	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Remain invested and follow the recommended strategy.	30	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Increase the investment amount if possible because the market has become cheaper.	40	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. An investment portfolio with high exposure to growth assets tends to generate higher returns, albeit with some volatility. To what extent are you willing to experience volatility to generate higher returns?	Score	1	2	Joint
I'm very comfortable. I understand that to generate higher returns there is a risk of fluctuation of my investments in the short term. However, over the long term, there is a low risk of capital loss.	40	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I'm somewhat comfortable, assuming there is a limit to the volatility.	30	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I'm a little uncomfortable seeing my investments fluctuate.	20	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I'm much more comfortable with investments that have minimal volatility.	10	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4. Which of the following best describes your attitude towards investment losses?	Score	1	2	Joint
I would check the value of my investments several times a month and feel very uneasy if I began to lose money.	10	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Daily losses make me uncomfortable but are not cause for alarm. I would, however, start to feel very uneasy if I made a loss on my investments over a 12-month period.	20	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I take substantial day-to-day changes in my stride. However, I would start to feel very uneasy if I didn't recover any significant losses within a 1-to-2-year time frame.	30	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If my investment suffered significant losses over a 2-year period and I still believed in my long-term strategy, I would remain fully confident of a recovery in performance.	40	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5. What is your preferred strategy for managing investment risk?	Score	1	2	Joint
To have a diversified investment portfolio across a range of asset classes to minimise risk	30	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I don't want to reduce it as investment risk leads to higher returns over the long-term.	40	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To invest mainly in capital stable investments.	10	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I don't understand the definition of 'investment risk'. I rely on my financial planner to achieve this.	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

6. In the past, how would you describe your overall investment decisions?	Score	1	2	Joint
Not applicable. I'm a first time investor or have only ever invested via my superannuation fund	20	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Good, I have stuck to stable and safe investments.	10	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Good, I have been rewarded for making investments that can fluctuate in value.	40	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fair, however, I would like to improve my returns.	20	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I've had some losses but am willing to give it another go.	30	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I've had some losses and am reluctant to invest in anything that fluctuates in value.	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

7. Which of the following best describes your understanding of the investment market?	Score	1	2	Joint
I am an experienced investor and constantly keep up to date with the investment market. I've had exposure to various asset classes and am fully aware of the risks involved to gain high returns.	40	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
My awareness of the financial market is limited to the information passed on by my broker or financial planner. I rely on professionals to keep me up to date.	30	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I have little awareness of the investment market. However, I have a desire to build my knowledge and understanding.	20	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I'm not familiar with investments or financial markets.	10	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8. What is your willingness to risk short-term losses for the prospect of higher long-term returns?	Score	1	2	Joint
High	40	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Moderate	30	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Not sure	20	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Low	10	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

9. Have you ever borrowed money to make an investment other than your own home, e.g. investment property, holiday home, share portfolio, margin loan etc.?	Score	1	2	Joint
No	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Yes	30	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
No, but I'm willing to consider it now	20	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Yes, but I'm not prepared to borrow at the moment to invest	10	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Total score	1	2	Joint
Add up the scores for each question and record the totals.			
According to the information below, what is your risk profile?			
If you don't agree with the above, what is your preferred risk profile?			

Investor Risk Profile Summary

Your attitude to investment risk is a crucial factor in determining an appropriate investment strategy to meet your needs. Investing is considered risky because there is uncertainty about how the investment will perform over the short and long term. Different types of investments experience different levels of volatility. Negative returns can happen at any time, so during periods of poor performance, remaining invested for the minimum investment term will provide an opportunity for your portfolio to recover.

Here are the main approaches to investing, otherwise known as investment risk profiles.

Score	Risk profile	Description
N/A	Short duration (100% cash)	Protection of capital or certainty of income is your only objective. You do not wish to attain higher returns if your capital is at risk
50 – 110	Conservative (25% growth)	You are a defensive investor. You are willing to consider less risky assets; mainly cash only and some fixed interest investments. You are prepared to accept lower returns to protect the value of your capital. The recommended minimum investment term is 2 years.
111 – 160	Cautious (40% growth)	You are a cautious investor seeking a combination of income and growth, but risk must continue to be low. Therefore, you will maintain a greater weighting to defensive assets within your portfolio but will consider including some of the less aggressive growth investments. Generally, you are willing to chase improved short-term returns while accepting some limited short-term volatility. The recommended minimum investment term is 3 years.
161 – 210	Moderately conservative (55% growth)	You are an investor seeking a combination of income and growth for your investment portfolio. Generally, you are willing to chase medium to long-term goals while accepting the risk of short to medium-term negative returns. Your investment mix is likely to include an equal mix of the defensive assets and growth assets such as equities and property. The recommended minimum investment term is 4 years.
211 – 260	Balanced (70% growth)	You are a growth investor. You are willing to consider assets with higher volatility in the short-term (such as equities and property) to achieve capital growth over the medium to longer term. Your investment mix will comprise a greater share of growth assets. The recommended minimum investment term is 5 years.

261 – 310	Moderately aggressive (85% growth)	You are a growth investor. Prepared to accept higher volatility in the short to medium term, your primary concern is to accumulate growth assets over the long term. Your investment mix will spread across all asset sectors but will mainly consist of more aggressive investments. The minimum investment term is 7 years.
311 – 350	Aggressive (100% growth)	Your primary objective is capital growth. You are an aggressive growth investor and are prepared to compromise your portfolio balance to pursue greater long-term returns. You are willing to accept higher levels of risk. Fluctuation in capital is acceptable in the short-medium term for the greater potential for wealth accumulation. With the exception of a minimal level of cash for liquidity purposes, your investment mix will only consist of growth assets such as international and domestic equities. The minimum investment term is 7 years.

Notes:

Are you willing to consider a trade-off?

I am here to help you achieve your goals and objectives if possible and whilst I can help you to understand how you may be able to maximize your current investments, there may still be a gap between where you want to be and what your attitude to risk allows you to achieve. Think about how comfortable you feel with the level of risk you are willing to take across all your investment assets. Whilst you may be comfortable with this, you may not be able to meet your financial or lifestyle objectives.

Let's say that you are a "cautious" investor, so you don't want to take big risks. If you have a short time frame in which to grow your assets, you may not be able to achieve your desired goals and objectives and need to reconsider your options. This may mean a trade-off where you might consider investing a little bit more aggressively or reconsider your goals and objectives. This will give you a greater chance of achieving them.

I can help you understand your options so that you choose what is right for you. Please choose which of the options below you would be willing to consider if it is unlikely that you will achieve your goals and objectives.

If it is unlikely that you will be able to meet your goals, which option would you consider?	Client 1	Client 2
Make changes to my current lifestyle now by spending less and saving more.	<input type="checkbox"/>	<input type="checkbox"/>
Make changes to my lifestyle at a later stage by spending less e.g. in retirement	<input type="checkbox"/>	<input type="checkbox"/>
Downsize my lifestyle assets, or reduce my planned expenses.	<input type="checkbox"/>	<input type="checkbox"/>
Delay my retirement.	<input type="checkbox"/>	<input type="checkbox"/>
Increase my exposure to growth assets, giving me increased investment risk.	<input type="checkbox"/>	<input type="checkbox"/>
Borrow funds to invest.	<input type="checkbox"/>	<input type="checkbox"/>
Reduce the estate I leave to my beneficiaries.	<input type="checkbox"/>	<input type="checkbox"/>
Revise my financial goals.	<input type="checkbox"/>	<input type="checkbox"/>
Other (provide list below):		

Risk Profile and Client Acknowledgement

Suggested Risk Profile

Client 1

Client 2

Client Acknowledgement

I/we acknowledge the suggested risk profile noted above has been generated from the answers I/we provided to questions asked in this risk tolerance questionnaire. I/we declare that the answers provided are true and accurate to the best of my/our knowledge.

I/we acknowledge that this questionnaire does not consider my/our risk capacity, financial objectives, financial situation or particular financial needs and the suggested risk profile is itself insufficient information to determine the most appropriate portfolio for my/our financial objectives, financial situation and particular financial needs.

Client 1

Client 2

____ / ____ / _____

____ / ____ / _____

Adviser Acknowledgement and Declaration

I declare that the suggested risk profile noted above has been determined by me based on the answers provided by the client to this risk tolerance questionnaire.

I acknowledge that this risk tolerance questionnaire does not consider the client's risk capacity, financial objectives, financial situation or particular financial needs and the suggested risk profile is itself insufficient information to determine the most appropriate portfolio for the client's financial objectives, financial situation and particular financial needs.

Adviser Signature

Date of Completion

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