



INSURANCE

Your Risk Profile

Please answer all the questions below by ticking the selection most appropriate to you. Risk profiling is a tool used to measure your risk tolerance. It is important to recognise that assessing your risk tolerance is not an exact science, it simply provides an insight to understanding your attitude towards investment risk. Having an indication of your risk profile will also assist in aligning your investment portfolio with your attitude to risk.

Some of the questions ask you to imagine or assume a situation even though it may never have applied to you. The aim is to gain insight into how you would behave in such a situation so please answer as best you can with the information given.

If you are completing this in the capacity of a trustee, please consider the Trust's objectives and requirements when answering.

1. How have you accumulated the assets you have today (your house, car and investments)?

Person One	Person Two	
_____	_____	1 With careful saving and hard work.
_____	_____	2 I've borrowed for the big ticket items but always tried to pay off debt as quickly as possible.
_____	_____	3 I've borrowed for the big ticket items but don't usually pay off debt any quicker than I have to.
_____	_____	4 I've sometimes borrowed quite heavily to profit from investment opportunities that have come my way.

2. When faced with a major financial decision are you more concerned about how much profit you might make or how much money you might lose?

Person One	Person Two	
_____	_____	1 Always focus on the possible losses
_____	_____	2 Usually focus on the possible losses
_____	_____	3 Usually focus on the possible gains
_____	_____	4 Always focus on the possible gains

3. To what extent have you taken financial risks with your personal investments in the past?

Person One	Person Two	
_____	_____	1 Virtually no risk. I have only invested in bank deposits
_____	_____	2 A small amount of risk. I have mainly invested in bank deposits plus a small amount in bonds, property and shares
_____	_____	3 A moderate amount of risk. I have invested in bank deposits plus a reasonable amount in bonds, property and shares
_____	_____	4 Significant risk. I have invested a large amount of my personal wealth in bonds, property and shares.

4. Six months after making a large investment, you learn that its value has fallen by 10%. Assuming your reasons for investing are unchanged, what would you do?

Person One	Person Two	
_____	_____	1 Despite realising a loss, sell the investment in order to remove any further anxiety and put the money in the bank.
_____	_____	2 Sell half, realising a loss in order to reduce further personal stress and retain the other half in the expectation of a recovery.
_____	_____	3 Sit tight as you expect the investment will recover and grow in value over the medium term.
_____	_____	4 Invest more. If it was worthwhile before it must be even better value at the lower price.

5. Now consider the previous question again. What would you do if the money was not needed for ten years?

Person One	Person Two	
_____	_____	1 Despite realising a loss, sell the investment in order to remove any further anxiety and put the money in the bank.
_____	_____	2 Sell half, realising a loss in order to reduce further personal stress and retain the other half in the expectation of a recovery.
_____	_____	3 Sit tight as you expect the investment will recover and grow in value over the medium term.
_____	_____	4 Invest more. If it was worthwhile before it must be even better value at the lower price.

6. The expression that best describes your approach to life is:

Person One	Person Two	
_____	_____	1 All good things come to those who wait
_____	_____	2 Look before you leap
_____	_____	3 Just do it!
_____	_____	4 Nothing ventured, nothing gained

7. Imagine you had to choose between increased job security with a small pay rise or less job security with a large pay rise. Which would you take?

Person One	Person Two	
_____	_____	1 Definitely increased job security with a small pay rise
_____	_____	2 Probably increased job security with a small pay rise
_____	_____	3 Probably less job security with a large pay rise
_____	_____	4 Definitely less job security with a large pay rise

8. If you were to characterise how you would feel after having just made a significant financial decision, which of the following would best describe it?

Person One	Person Two		
_____	_____	1	Very uneasy
_____	_____	2	Somewhat uneasy
_____	_____	3	Comfortable I've made the right decision
_____	_____	4	Optimistic that the decision I have made will ultimately prove to be beneficial

Total score for person one _____

Total score for person two _____

