

Attitude to Risk Questionnaire.

1. In an effort to grow your wealth, can you afford to lose any money over the next two years?

- No
- Yes

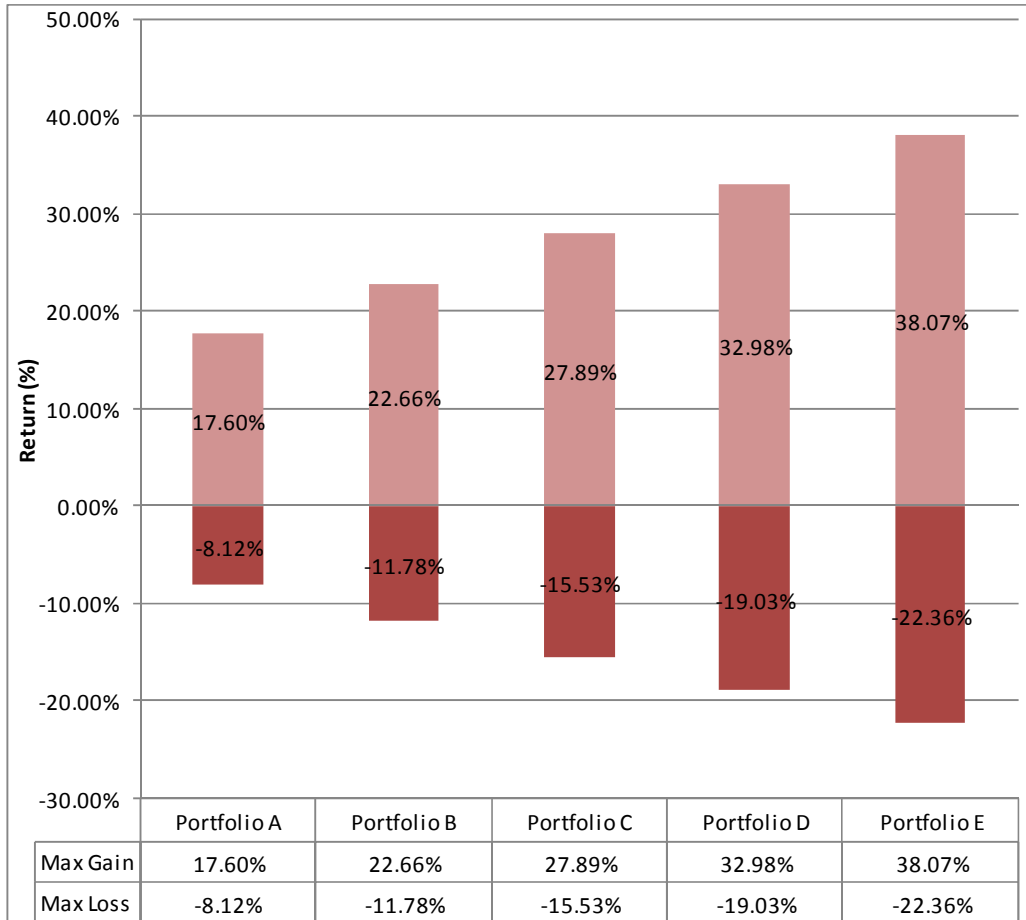
2. When do you expect to start withdrawing money from your investment?

- Less than 2 years
- 2 to 5 years
- 6 to 10 years
- 11 years or more

3. Once you begin withdrawing money from your investment, how long do you expect to continue withdrawing funds?

- I plan to make a one off withdrawal
- 2 to 5 years
- 6 to 10 years
- 11 years or more

The following graph shows the results of five example portfolios over a one-year period. The best potential gains and worst potential losses are displayed.



Note: the portfolio with the best potential gain also has the largest potential loss.

4. Which of these portfolios would you prefer to hold?

- Portfolio A
- Portfolio B
- Portfolio C
- Portfolio D
- Portfolio E

The table below displays the worst case losses, expected gains, and best case gains of an investment of £100,000 in five sample portfolios over a one-year period.

	Potential Best Case Gains (£)	Expected Gain (£)	Potential Worst Case Losses (£)
Portfolio 1	7,600	6,380	-8,120
Portfolio 2	22,660	7,380	-11,780
Portfolio 3	27,890	8,290	-15,530
Portfolio 4	32,980	9,130	-19,030
Portfolio 5	38,070	9,930	-22,360

5. Which portfolio would you prefer to hold?

- Portfolio 1
- Portfolio 2
- Portfolio 3
- Portfolio 4
- Portfolio 5

6. You have made an investment of £100,000 and its value falls by 20% to £80,000.

Assuming you still have 10 years until you begin withdrawals, how would you react?

- I would not change my portfolio.
- I would wait at least one year before changing to options that are more stable.
- I would wait at least three months before changing to options that are more stable.
- I would immediately change to options that are more stable.

**7. For many investors, the possibility of losing money is a main concern.
How do you feel about investment losses?**

- I check the value of my investments quite often so I can sell quickly if they begin to lose money.
- Daily losses in the value of my investments make me uncomfortable, but not uncomfortable enough to sell. If losses occur over several months, I would probably sell.
- Short-term losses in the value of my investments do not bother me. I would wait an entire year before making changes.
- I understand that investments can have occasional negative annual returns. However, I have a higher chance of reaching my investment goals if I stick with my portfolio over the long term. I would not make changes.

**8. Choose the answer that best describes your response to the following statement:
I am comfortable with investments that may frequently experience large losses in value if there is a potential for higher returns.**

Does this describe you?

- Strongly disagree
- Disagree
- Somewhat agree
- Agree
- Strongly agree

9. Most investments fluctuate year-to-year.

Suppose you invested £100,000 in a portfolio with the intention of holding it for ten years.

If this investment lost value during the first year, at what value of your initial £100,000 investment would you sell and move to a more stable investment?

- £95,000 (5% loss)
- £90,000 (10% loss)
- £85,000 (15% loss)
- £80,000 or less (20%+ loss)
- I would not sell

10. Investing involves a trade-off between risk and returns.

Historically, investments with higher returns have been associated with greater risk and chance for loss. Alternatively, cautious investments that have had a lower chance for loss, also have yielded lower returns.

Based on this description of investments characteristics, which of the following statements best describes your attitude to risk?

- I am most concerned with risk. I am willing to accept the lower returns in order to limit my chance of loss.
- I am willing to bear some risk and chance for loss in an effort to achieve higher returns, but prefer a significant portion of my portfolio to be invested cautious assets..
- I am willing to accept moderate risk in order to achieve higher returns. Minimising risk and maximising return are of equal importance to me.
- I wish to achieve high returns on my investments. I am willing to accept high risk and chance of loss.
- I am primarily concerned with maximising the returns of my investments. I am willing to accept significant fluctuations in the value of my portfolio and substantial chance of loss.

11. Over a long period, risky investments usually generate greater wealth than less risky investments do.

The table below lists the possible values at the end of a 20-year investment of £100,000 in 5 different portfolios. Note that in any given year, risky investments might experience a decline in value that significantly surpasses a decline in the value of less risky portfolios. The table below also displays the potential number of years, in which the investment realises negative returns.

	Potential Ending Portfolio Value of £100,000 after 20 years	Potential Number of Negative Years over the 20 Years
Portfolio 1	£331,000	3
Portfolio 2	£388,000	4
Portfolio 3	£441,000	5
Portfolio 4	£491,000	6
Portfolio 5	£538,000	7

Which of these portfolios do you prefer?

Portfolio 1

Portfolio 2

Portfolio 3

Portfolio 4

Portfolio 5

Client Name

Date

Signature.....