



HearndenAssociates

INDEPENDENT FINANCIAL ADVISERS

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Registered in England no. 05814243

# Risk profile questionnaire

## For individuals

### 1 Personal details

Title

Mr

Mrs

Miss

Other *(Please specify)*

Surname

Full forename(s)

Date of birth *(dd mm yyyy)*

Postcode

### Investment Experience

**How much Investment experience do you have?**

- I have very little knowledge or experience
- I have some investment knowledge and understanding
- I am an experienced private investor with good investment knowledge
- I am a business investor
- I am a professional adviser

## 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, to avoid needing to draw on medium- to long-term savings to meet immediate needs? (You should allow the equivalent of at least three months net income for emergencies.)** ▶ Please tick (✓)

- No
- Yes – but less than three months' salary
- 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 have no mortgage but have a few other obligations like credit card payments
- I have a mortgage but no other debts that concern me
- I have a mortgage and some short-term obligations
- I have a lot of long-term obligations

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

- Stability is more important than higher returns
- I want to achieve higher long-term returns than cash. I could cope with infrequent periods where my investments might fall in value
- I want to achieve higher medium-term returns than inflation. I understand there may be occasional extended periods where my investments might fall in value
- I want the best long-term returns I can get. I fully expect periods where the value of my investments might suffer extended falls

**7. At the beginning of the year you have £100,000 invested. The chart and options below show the performance of four possible investments. Each bar gives a range of possible values at the end of the same year. Which investment would you prefer?** ▶ 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: It could be worth anywhere between £93,000 and £113,000
- Portfolio B: It could be worth anywhere between £85,000 and £125,000
- Portfolio C: It could be worth anywhere between £77,000 and £137,000
- Portfolio D: It could be worth anywhere between £69,000 and £149,000

## 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 investment in shares requires a long-term view?** ▶ *Please tick (✓)*
- More than 5%
- More than 10%
- More than 15%
- More than 20%
- I am not concerned about falls in value as I expect to recover any falls by the time I need to sell my portfolio
9. **Suppose one year ago you invested £100,000 in a portfolio. Today you've checked its value and find it is now worth £87,000. How would you feel?** ▶ *Please tick (✓)*
- Panic – I'd want my adviser to sell, and invest the proceeds in Cash
- Nervous – I'd want my adviser to sell part of the portfolio, and invest the proceeds in a less volatile investment
- Patient – I'd sit tight, expecting the portfolio to recover
- Positive – If I had any more money I'd invest it 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
- 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 more risk with all of the money?
- willing to take more risk with half of the money?
- willing to take more risk with a quarter of the 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 this investment? ▶ *Enter a number of years from 3 to 30*

years

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

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

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 Skandia 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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