

Client Investment Profile Questionnaire

Date Completed: ___ / ___ / ___

Client Name: _____



Your tolerance for Investment Risk and Volatility

<i>1. Assuming your portfolio was fluctuating and falling in value, for how long would you be prepared to accept this in order to achieve your financial goals?</i>		
a)	I cannot cope, a fall in value is unacceptable	
b)	Up to 3 months	
c)	Up to 6 months	
d)	Up to 12 months	
e)	Up to 18 months	
f)	I would ride it out – I knew my portfolio could be exposed to prolonged volatility at times	
<i>2. When faced with a major financial decision, what do you focus on?</i>		
a)	I always focus on the possible losses	
b)	I usually focus on the possible losses	
c)	I am more focused on possible losses, but also keep in the mind the possible gains	
d)	I am more focused on the possible gains, but also keep in mind the possible losses	
e)	I usually focus on the possible gains	
f)	I always focus on the possible gains	
<i>3. What amount of investment risk have you taken with your financial decisions in the past?</i>		
a)	None (or not applicable as I have not invested before)	
b)	A very small amount	
c)	A small amount	
d)	A moderate amount	
e)	A large amount	
f)	A very large amount	
<i>4. Investments can fluctuate and move up and down in value (excluding cash-based investments), particularly during the short-term. Hypothetically: By how much could the total value of your portfolio drop in value before you would begin to feel concerned?</i>		
a)	Any fall in value will make me uncomfortable	
b)	A drop of 10% in value	
c)	A drop of 15% in value	
d)	A drop of 25% in value	
e)	A drop of 33% in value	
f)	A drop of more than 50% in value	

5. Using the same scenario above (question 4), if your entire portfolio was valued at \$200,000, at what point would you consider selling?		
a)	When it dropped to \$198,000	
b)	When it dropped to \$180,000	
c)	When it dropped to \$170,000	
d)	When it dropped to \$150,000. I may sell some or all at that point.	
e)	When it dropped to \$134,000. I may consider selling a small portion at that point.	
f)	I would not sell and I would wait for the recovery. I would consider selling only when there is little or no prospect of recovery.	
6. Hypothetically: Your available investment funds are \$500,000 and you are considering placing 20% into a single investment (approximately \$100,000). The investment is expected to earn about 2-3 times the term deposit rate (eg. 8% and higher). There is a chance of capital loss in this investment. From the below statements, at what point would you begin to be uncomfortable?		
a)	If there is any chance of loss and I would not invest	
b)	I would be comfortable with a very low chance of loss, say no more than 10%	
c)	I would be comfortable with a low chance of loss, say no more than 20%	
d)	I would be comfortable with a moderate chance of loss, say no more than 25%	
e)	I would be comfortable with a higher chance of loss, say up to 35%	
f)	I would be comfortable with a very high chance of loss, say up to 50%	
7. Which of the following group of statements best describe what you would like from your investments?		
a)	<ul style="list-style-type: none"> ▪ Regular income needed ▪ Tax benefits are not a priority ▪ Preservation of capital is a priority 	
b)	<ul style="list-style-type: none"> ▪ Regular income ▪ Happy to accept little or no tax benefits ▪ Some investment growth but not a priority 	
c)	<ul style="list-style-type: none"> ▪ Moderate level of income ▪ Some tax benefits ▪ Some growth in capital value (higher than inflation) 	
d)	<ul style="list-style-type: none"> ▪ Some income but need growth in capital value especially over the medium to long term ▪ Would like some tax benefits 	
e)	<ul style="list-style-type: none"> ▪ High growth in capital value is sought over long term ▪ Moderate tax benefits ▪ Minimal income is acceptable but not a priority over capital growth 	
f)	<ul style="list-style-type: none"> ▪ Primary focus is capital growth over the long term ▪ Income from investments is not needed ▪ Would like investments with tax benefits 	

<i>8. Some investments, including good quality investments, can fluctuate quite significantly (either positively or negatively) over a short period. How would you feel if the value of your investment fell in value by 20% in less than a year?</i>		
a)	I would be extremely concerned and would want to sell the investment immediately regardless of the possibility of a recovery	
b)	I would be very concerned and would make arrangements to change this investment	
c)	I would be concerned and if the investment continued to drop over the short-term, I would consider selling even if there was a good chance of recovery	
d)	I would not be comfortable and would review the investment regularly with my financial adviser to determine whether I remain invested	
e)	I would feel a little uncomfortable but I accepted this would be a possibility. I would wait for the recovery and would continue to review the investment at regular intervals with my financial adviser	
f)	I would not be concerned about short term fluctuations as I am a medium to long term investor. I might seek to invest more because the market is down and the buying price is cheaper	
<i>9. Based on your current financial goals, what amount of investment risk are you currently prepared to take with your financial decisions now?</i>		
a)	None	
b)	A very small amount	
c)	A small amount	
d)	A moderate amount	
e)	A large amount	
f)	A very large amount	
<i>10. Given the investment risk and return relationship, think about whether you would prefer all low risk/ low return, all high risk/ high return or a mix. Which mix would you choose from the list below?</i>		
a)	Low returns with a potential combination of- Low risk 100% Moderate risk 0% High risk 0%	
b)	Low to moderate returns with a potential combination of- Low risk 70% Moderate risk 10% High risk 20%	
c)	Moderate returns with a potential combination of- Low risk 50% Moderate risk 20% High risk 30%	
d)	Moderate to high returns with a combination of- Low risk 35% Moderate risk 15% High risk 50%	
e)	High returns with a combination of- Low risk 15% Moderate risk 25% High risk 60%	
f)	Very high returns with a combination of- Low risk 0% Moderate risk 25% High risk 75%	

Your Investment Profile Score Card

Now that you have answered the questions, add up your score by placing the number of times you selected each letter and place the number in the appropriate box. For example, if you selected the answer 'A' four times, then you would place the number '4' in the appropriate box, and so forth.

The Results

Your investment profile result will be determined below.

Answers	Score #	Investment Profile
A		Secure
B		Defensive
C		Conservative
D		Balanced
E		Growth
F		High Growth

**If your result indicates you have answers for more than one of the investment profile types, then we will need to discuss which Investment Profile you are comfortable with. Please refer to the Investment Profile descriptions for further understanding.*

You are:	Profile [x]:
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**Any subsequent changes to this result should be made in consultation with us to ensure the final result is one you are comfortable with.*

NOTES:

Investment Profile Decision

From your responses, we now need to determine whether your Investment Profile result (the amount of risk you could take comfortably) needs to change to meet your financial goals (the amount of risk you need to take to achieve your goals). Where this does not match up, you end up with three choices, this is called the Trade-Off.

Option 1: Retain your Investment Profile result

This means you invest in the manner that is in line with your Investment Profile result (from page 5).

Option 2: Invest in a more growth focussed manner

This means you increase the amount you invest in growth assets and decrease the defensive assets amount, when compared with your Investment Profile result (from page 5).

Option 3: Invest in a more defensive focussed manner

This means you increase the defensive assets amount and decrease the amount you invest in growth assets, when compared with your Investment Profile result (from page 5).

The Trade-Off

In light of your Investment Profile result (from page 5), have the client's financial circumstances, needs and objectives changed to warrant an alternate investment profile?

Client: Yes No

We are now ready to finalise your Investment Profile Result.

Investment Profile – Money outside of superannuation	
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If applicable:

Investment Profile – Superannuation money	
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NOTES:

Acknowledgement

I confirm that I:

- Have determined a suitable level of investment risk and volatility for me to take on with my available investment funds
- Are satisfied with the Investment Profile result and are comfortable with the benchmark asset allocation
- Answered the questions in this document honestly and accurately and understand that my financial adviser will use the Investment Profile result(s) to recommend appropriate strategies and constructing a portfolio of investments
- Have an understanding of the major asset sectors and their key features
- Have an understanding of investment risk and volatility
- Understand that capital invested may fluctuate and reduce in value and that if the investment is sold at this point, that I risk realising a capital loss (excluding cash)
- Will seek to inform my financial adviser of changes to my personal and financial circumstances and financial goals, enabling my financial adviser to recommend any necessary changes.

Name: _____

Signature: _____

Date: ____ / ____ / ____