



Risk Profile Questionnaire

The Wealthpoint risk profile questionnaire has been designed to help your financial adviser assess your risk profile with regards to your investments. The results of the questionnaire will be used by your adviser together with other information regarding your personal circumstances to develop an investment recommendation that is appropriate for you.

Determining your risk profile is the first step to take before choosing the best investments for your financial goals. Risk profiling is a process for finding the right level of investment risk by balancing your risk tolerance and risk capacity.

Risk tolerance relates to the amount of market risk – such as volatility (or market ups and downs) an investor can tolerate in order to achieve their financial goals. For investors with a low risk tolerance, investments will be made more conservatively and will include low-risk investments which generally have a lower return.

Factors that influence risk capacity include timeline – generally more risk can be taken if the individual has more time to invest and is less reliant on the investment for funding their lifestyle.

When you have completed the questionnaire, please discuss your answers with your adviser.

Date

D	D	M	M	Y	Y	Y	Y
---	---	---	---	---	---	---	---

Name

Client
Signature

Please Note:

This tool helps you determine your risk profile and choose the investment option that best suits your risk profile. It should be treated as a guide only - not a personal investment or financial plan. Wealthpoint accepts no responsibility for the fund you choose.

Risk Tolerance Assessment

Question	Answer Score	Your Score
----------	--------------	------------

Question 1:

How would you describe your own experience as an investor?

- A. I have had almost no experience in investing money apart from using bank accounts 1
- B. I have limited experience in investing 2
- C. I have invested in shares and managed funds and gained some knowledge through this 3
- D. I am an experienced investor, having invested in shares and managed funds based on my own research 5

Question 2:

When deciding on an investment, business opportunity or even a change in your career how would you describe your attitude to risk?

- A. Risk should be avoided at all costs 1
- B. Risk needs to be quite limited, even if that results in a lower future return 2
- C. Risk can create opportunity for better returns 3
- D. Risk should be embraced in order to generate improved returns 5

Question 3:

To earn a return above Term Deposits you will need to hold investments that go up and down in value. How important is it to you to protect your capital and limit the possibility of any fall in value?

- A. Protecting my capital from a loss is my primary objective 1
- B. Falling behind my original investments amount should only happen in extraordinarily bad periods 2
- C. I am prepared to deal with regular changes in value to increase the potential long-term returns over the long term 3
- D. I want to maximise my potential long-term returns, and accept that sudden large losses have to be expected from time to time as a result. 5

Question 4:

If you owned a large investment and the value of that investment fell by 20%, what would your likely reaction be?

- A. I would be extremely concerned and sell the whole investment as quickly as possible to avoid further losses 1
- B. I would be concerned and sell some of the investment to reduce exposure to further losses 2
- C. I would not take any action and hold the investment and wait for a recovery 3
- D. I would see this as an opportunity and put more money in the investment while it is cheap 5

Risk Tolerance Total Score

Notes

Risk Capacity Assessment

Question	Answer Score	Your Score
----------	--------------	------------

Question 5:

How long are you planning to have your money invested for?

- A. 2-4 years 1
- B. 5-9 years 3
- C. 10-14 years 5
- D. 15 years or more 10

Question 6:

Over the next 10 years, will you regularly contribute additional money into your investment portfolio, or will you regularly withdraw some money to spend or use?

- A. Regularly withdraw 1
- B. No regular contributions or regular withdrawals 3
- C. Regularly contribute 5

Question 7:

What percentage of your personal spending do you expect to finance from your investment portfolio over the next 10 years?

- A. 50-100% 1
- B. 20-50% 2
- C. 0-20% 3
- D. 0% 5

Question 8:

Imagine you had an unexpected expense next year that amounted to a 1/3 of your total portfolio value. How do you think your lifestyle now or in the future would be impacted?

- A. I'd likely have to find other sources of income to cover my basic needs 1
- B. I'd probably have to adjust down my intended lifestyle expenses 3
- C. I do not think it would have an impact; I think I'd still have enough to support my intended lifestyle 5

Risk Capacity Total Score

Notes

Overall Risk Assessment

Your overall risk profile, and therefore an appropriate investment strategy is a function of your tolerance and capacity to take risk. While this will assist your adviser to recommend a suitable investment strategy to you, there will likely be other considerations that are important to ensure your investments meet your financial goals.

To determine your overall risk profile, your total risk capacity and total risk tolerance scores should be used in combination in the table below.

For example, if your total risk tolerance score = 15, this falls in the row labelled 14-17. If your total risk capacity = 17, this falls in the column labelled 14-17. The appropriate risk profile, where row 14-17 and column 14-17 meet is Balanced.

		Risk Capacity				
		0-9	10-13	14-17	18-21	22-25
Risk Tolerance	18-20	Cash	Moderate	Balanced	Growth	Aggressive
	14-17	Cash	Moderate	Balanced	Growth	Growth
	10-13	Cash	Moderate	Balanced	Balanced	Balanced
	6-9	Cash	Moderate	Moderate	Moderate	Moderate
	0-5	Cash	Cash	Cash	Cash	Cash

Risk Profile	Description	Wealthpoint model portfolio suited to this profile. (Growth/Defensive Split)	% Held in Growth Assets
Cash	You have a very cautious approach to investing and want to take no risk to ensure capital preservation	n/a (0/100)	0%
Moderate	You require capital protection and are prepared to take only moderate price variations to achieve a return that will exceed inflation	Capital Plus (37/63)	28% - 46%
Balanced	You require some capital stability, but are prepared to accept some volatility in exchange for the potential of a higher return	Market Plus (57/43)	47% - 66%
Growth	You are investing for the long-term and prefer to invest in more growth assets to achieve capital growth over that time while accepting that there may be a high level of volatility in your portfolio to achieve this	Optimum Growth (77/23)	67% - 87%
Aggressive	You are a long-term investor and security of capital is secondary to the potential for wealth accumulation. You are comfortable investing mostly in growth assets while accepting significant market volatility	Aggressive Growth (95/5)	88% - 100%

Notes