RISK PROFILE QUESTIONAIRE

Name:……………………………………………………………………………………

Date:………………………………………...……………………………………………

Profile For:

Investment ISA Pension Regular Savings

By completing the attached risk questionnaire we will get a better understanding of the level of investment risk you are prepared to accept at the current time.

Your risk tolerance is a measure of both your emotional and rational responses to changes in the value of your investments i.e. your ability to withstand losses, and will be measured on a scale of 1 - 10 (with 1 being no risk and 10 the highest risk).

To help us assess your risk tolerance we have developed a Risk Questionnaire in conjunction with Oxford Risk Research and Analysis (OPRA).

OPRA are an independent company linked to the University of Oxford. They are leading experts in the field of risk analysis, dedicated to the practical application of knowledge in risk and risk behaviour. OPRA have used the latest techniques from mathematical modelling and the expertise of world-class scientists to produce a robust, effective and unique Risk Questionnaire specifically created to help us understand your risk tolerance.

In addition, also attached is a summary sheet of each risk profile, what it means, together with a suggested investment strategy for each profile.

Please circle the option that best describes how you feel about each question. If no option is exactly right for you, choose the one that is closest.

1. How would you rate the degree of risk that you are willing to take in your financial affairs?

1 Extremely low risk

2 Low risk

3 Moderate risk

4 High risk

5 Extremely high risk

2. I am prepared to forego potentially large gains if it means that the value of my investment is secure

1 I strongly agree

2 I agree

3 I neither agree or disagree

4 I disagree

5 I strongly disagree

3. In comparison with other people, I am more willing to make high risk investments

1 I strongly disagree

2 I disagree

3 I neither agree or disagree

4 I agree

5 I strongly agree

4. What is more important for you in the context of investments: the risk or the potential gains?

1 I always focus on the risk rather than the potential gains

2 I usually focus on the risk rather than the potential gains

3 I focus on the risk and potential gains about equally

4 I usually focus on the potential gains rather than the risk

5 I always focus on the potential gains rather than the risk

5. What degree of risk would you say you have taken with your PAST financial decisions?

1. Very Small

2. Small

3. Moderate

4. Large

5. Very Large

6. **What degree of risk do you wish to take with your FUTURE financial decisions?**

   1. A very small amount of risk with very small potential returns
   2. A small amount of risk with small potential returns
   3. A moderate amount of risk with moderate potential returns
   4. A large amount of risk with large potential returns
   5. A very large amount of risk with very large potential returns

7. **Have you ever borrowed money for the purposes of making an investment (other than for a mortgage)?**

   1. No
   2. Yes

8. **Would you borrow money for the purposes of making an investment (other than for a mortgage) IN THE FUTURE?**

   1. No
   2. Yes

9. **(parts a, b, c, d, e, f) Experts tell us that as the value of investments can go up and down, we should be prepared to weather a downturn'**

   How upset would you be if the value of your investments fell by the following amounts in one year?

Percentage Fall		How upset would you be on a scale of 1 - 5? (1= not at all upset, 5= very upset). Circle the number that fits best.				
a.	5%	1	2	3	4	5
b.	10%	1	2	3	4	5
c.	20%	1	2	3	4	5
d.	30%	1	2	3	4	5
e.	40%	1	2	3	4	5
f.	50% or more	1	2	3	4	5

10. **Financial advisers usually invest money (in a 'portfolio') across a spread of investments. What sort of spread of investments would you find most appealing, for example, Portfolio 1 with 100% low risk/low return, or Portfolio 5 with 100% high risk/high return? Please circle the portfolio that best fits what you would prefer.**

Portfolio	High Risk/Return	Medium Risk/Return	Low Risk/Return
1	0%	0%	100%
2	10%	20%	70%
3	20%	60%	20%
4	70%	20%	10%
5	100%	0%	0%

11. What is the CURRENT amount of insurance you buy (life insurance, home insurance, medical insurance, travel insurance etc.)

1. Much less than most people I know
2. Less than most people I know
3. About the same as most people I know
4. More than most people I know
5. Much more than most people I know

12. What is the amount of insurance that you intend to buy IN THE FUTURE (life insurance, home insurance, medical insurance, travel insurance etc.)

1. Much less than most people I know
2. Less than most people I know
3. About the same as most people I know
4. More than most people I know
5. Much more than most people I know

13. If you didn't require access to your invested capital for at least six years in the future, for how long would you be prepared to see your invested capital go down in value before you decided to take it out of the markets and cash it in?

1. I would cash it in if there was any loss in value
2. Up to 6 months
3. Up to 1 year
4. Up to 2 years
5. More than 2 years

14. I can tolerate the risk of large losses in my investments in order to increase the likelihood of achieving high returns.

1 I strongly agree

2 I agree

3 I neither agree or disagree

4 I disagree

5 I strongly disagree

15. If my stocks and shares dropped in value by 20%, I would take that as a good time to:

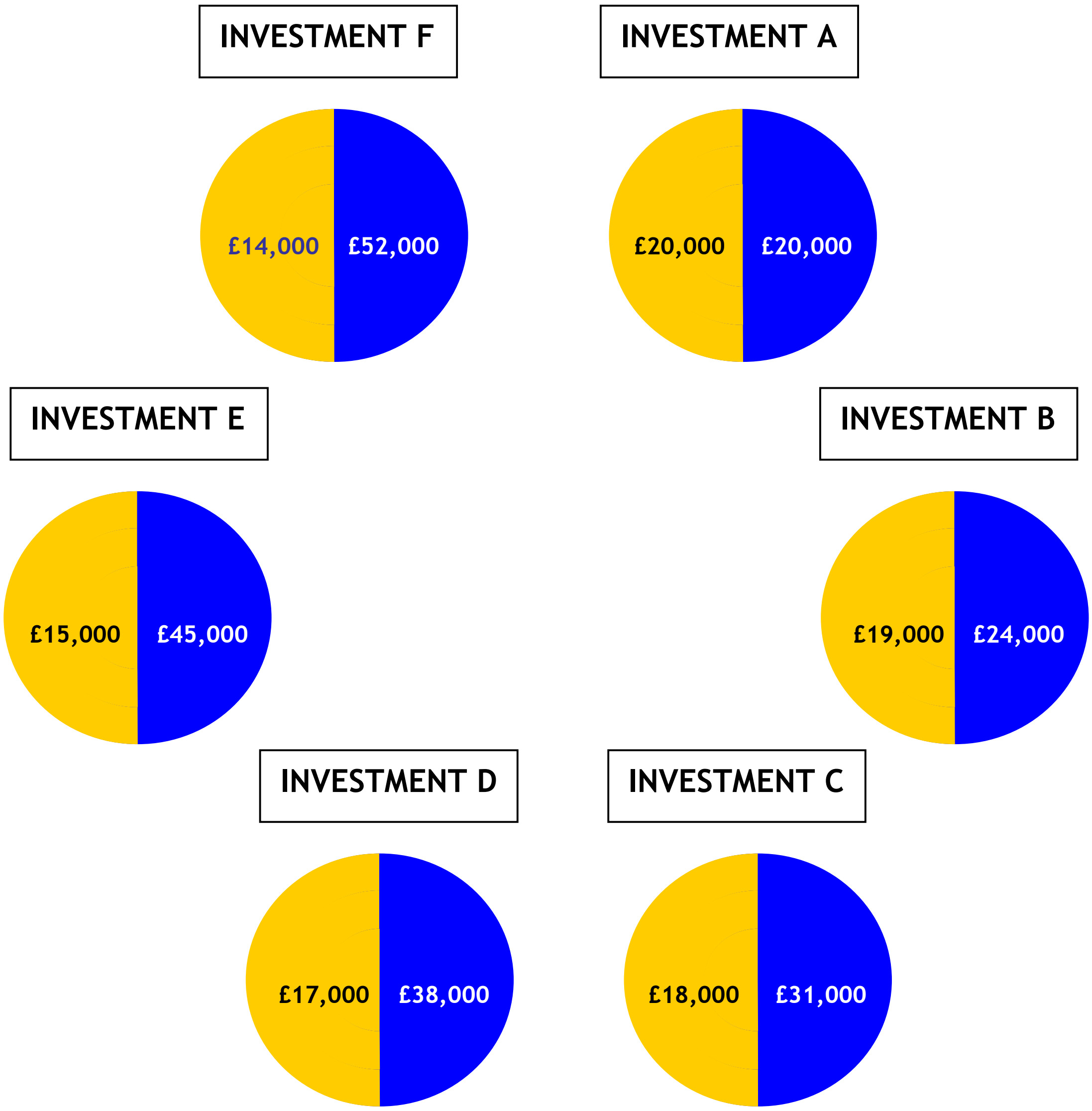
1. Sell them
2. Do nothing
3. Buy more stocks and shares

16. Suppose that you are considering investing £20,000. You are selecting one investment from the six possibilities shown below.

There is a 50:50 chance that the investment will decrease in value, in which case you will end up with the amount shown in the yellow left hand semi circle. Likewise, there is a 50:50 chance that it will increase in value, in which case you will end up with the amount shown in the blue right hand semicircle.

For example, Investment A will always result in you ending up with your original sum of £20,000, whilst Investment F will result in you either getting back £14,000 or £52,000.

As you go from A to F your expected return increases but so does you risk. Please indicate which investment you would prefer.

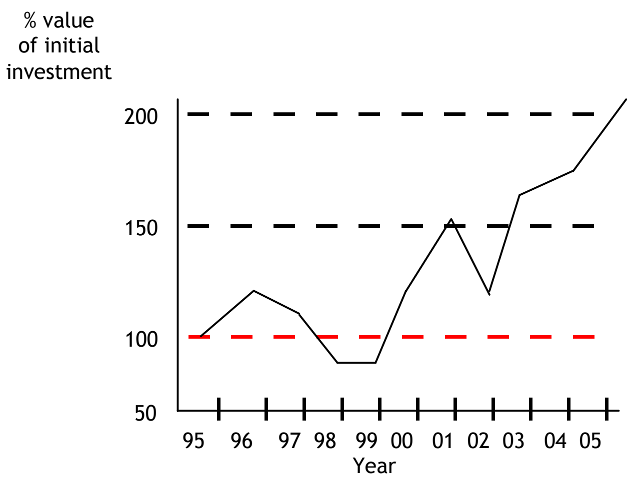


17. The graphs below show the performance of four hypothetical portfolios for the last ten years.

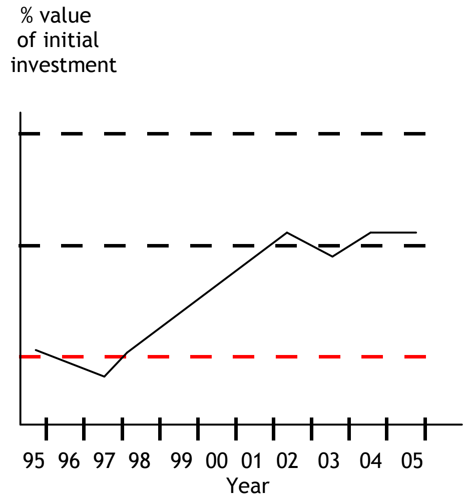
Portfolio A doubled its value over the period, but it made big gains in some years and suffered big losses in other years. Portfolio D grew by a much smaller amount, but it was steady from year to year. Portfolios B & C are intermediate between A and D both in their overall growth and in year to year fluctuations.

This question should only be considered in the context of your overall assessment of risk tolerance Because PAST PERFORMANCE IS NOT A GUIDE TO FUTURE PERFORMANCE. You should not use information about the past to make decisions about the future. However, considering your personal circumstances and reasons for investing (pension, income, growth etc.), which portfolio would you choose for the future?

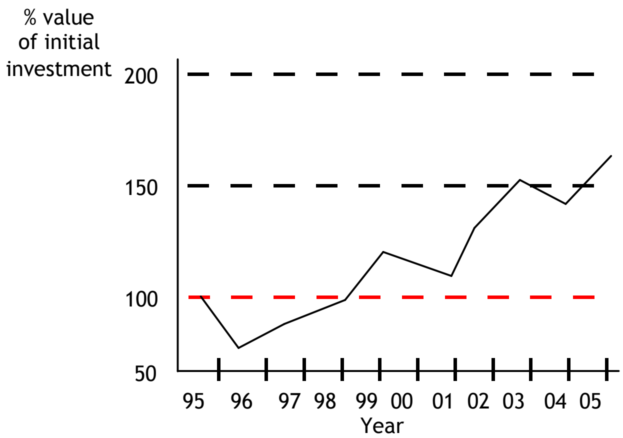
RQ PORTFOLIO - A



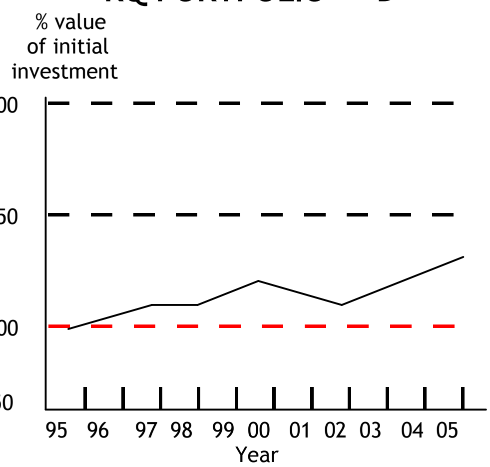
RQ PORTFOLIO - C



RQ PORTFOLIO - B



RQ PORTFOLIO - D



What is your attitude to risk?

The table shows an indication of suitable products for an individual's attitude to risk. Attitude to risk may vary from one investment area to another, to certain portions of investments or based on the investment term or objective. This table is for guidance only and should be used in conjunction with the full personal and financial information; it does not represent a recommendation. Risk is defined as the risk to the capital or original investment (based on a 5 year investment or longer).

Risk Rating		Investment Strategy	Description of Risk Profile
HIGH	10	100% Global Equities (including sector & geographical funds as well as individual commodity exchange traded funds).	You have a speculative nature and welcome a degree of gamble in your approach using the highest risk investments.
HIGH	9	100% Global Equities (including sector & geographical funds).	This very high risk strategy is suitable for only a few investors, *or a small part of a portfolio*, accepting exposure to, for example, specialist areas. Funds with a more aggressive approach may be included and, as with venture capital, could show no capital return. You realise that data for valuing such investments may be restricted. Investors at this level enjoy the highest returns that are possible but are able to withstand major losses.
HIGH	8	UK Equities 35% Overseas Equities 45% Commodities 15% Property 5%	You are willing to accept a very high level of risk on your investment in order to seek very high growth potential in the long term. Your aim is to maximise your returns over the longer term. You are therefore prepared to accept significant day to day fluctuations in the value of your money and the resulting risk of a possible loss arising at any stage. Typically, you would consider investing in specialist Equity markets or sectors, which are expected to be particularly volatile e.g. Emerging Markets. There will be exposure to currency risk via significant investment in overseas markets. You could get back less than you invest.
MEDIUM	7	UK Equities 30% Overseas Equities 40% Commodities 10% Property 5% Cash & Fixed Interest 15%	You are willing to accept a high level of risk on your investment, in order to seek higher growth potential, in the longer term, than those available on less speculative investments. You are prepared to accept that this will increase the risk of large fluctuations in the value of your investment and of losing some of your capital. You could get back less than you invest. Typically, you would consider investing in a narrow range of assets classes, primarily in Equities. There will also be exposure to currency risk via investment in overseas markets.
MEDIUM	6	UK Equities 30% Overseas Equities 25% Cash & Fixed Interest 30% Commodities 10% Property 5%	A balanced to adventurous risk investor understands the relationship that exists between risk and reward. Your aim is to achieve better returns over the longer term than are available on less speculative investments and you are therefore prepared to accept fluctuations in the value of your money and the resulting risk of a possible loss arising at any stage in the future. To achieve this you are prepared to invest in a wide range of assets including Equities, Property and Fixed Interest securities where suitable.
MEDIUM	5	UK Equities 25% Cash & Fixed Interest 40% Overseas Equities 20% Commodities 10% Property 5%	You understand the relationship that exists between risk and reward. Your aim is to achieve better returns over the longer term than are available on more cautious investments and you are therefore prepared to accept some day to day fluctuations in the value of your money and the resulting risk of a possible loss arising at any stage. To achieve the above you will consider investing in funds that invest in a wide range of assets, including UK and Overseas Equities. Risk will usually be reduced by spreading investment across a variety of sectors and markets and/or limiting exposure to overseas markets.
MEDIUM	4	Cash & Fixed Interest 50% UK Equities 25% Commodities 10% Overseas Equities 10% Property 5%	You understand the relationship that exists between risk and reward. Your aim is to achieve greater returns over a longer term than interest paying accounts and you are therefore prepared to accept the risk of possibly losing some of your money and to see some fluctuations in value. To achieve the above you will consider investing in funds that invest in a wide range of assets, including shares.
LOW	3	Cash & Fixed Interest 60% UK Equities 20% Commodities 5% Overseas Equities 10% Property 5%	You are looking for an investment where the return over the long term is expected to be an improvement on that available from high street deposit accounts. You are willing to take some risk in order to seek some growth potential. You understand that this will increase the amount by which your investment will fall and rise in value. However, under normal circumstances, you would feel uncomfortable if your investments fell and rose sharply in value. You could get back less than you invest. Typically, you would consider investing in Cash, Gilts, Bonds, Property and also in Equities.
LOW	2	Cash 50% Gilts & Fixed Interest 50%	You are not prepared to take much risk with your capital and will only invest in cash and government bonds. You understand that the potential for growth is small and that over the long-term; inflation will reduce the buying power of cash assets.
LOW	1	Cash 100%	You are not willing to accept any risk to your investment in the short term and wish typically to invest wholly in cash assets.