



Broom Consultants Ltd Risk Profile Questionnaire

Name:.....DOB

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 Verbatim an independent risk profiling company.

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. I would be willing to risk a percentage of my income/investment in order to get a good return on the investment.

1. Strongly disagree
2. Disagree
3. Clients own words
4. Agree
5. Strongly agree

Notes

2. To achieve high returns, it is necessary to choose high-risk investments.

1. Strongly disagree
2. Disagree
3. Clients own words
4. Agree
5. Strongly agree

Notes

3. When I am faced with a financial decision I am generally more concerned about the possible losses than the probable gains.

1. Strongly disagree
2. Disagree
3. Clients own words
4. Agree
5. Strongly agree

Notes

4. I would rather know that I was getting a guaranteed rate of return than be uncertain about my investments.

1. Strongly disagree
2. Disagree
3. Clients own words
4. Agree
5. Strongly agree

Notes

5. Compared to the average person, I take lower risks.

1. Strongly disagree
2. Disagree
3. Clients own words
4. Agree
5. Strongly agree

Notes

6. I would rather put my money in a bank account than invest in share based investments.

1. Strongly disagree
2. Disagree
3. Clients own words
4. Agree
5. Strongly agree

Notes

7. I do not feel comfortable with financial uncertainty in my investments.

- 1. Strongly disagree**
- 2. Disagree**
- 3. Clients own words**
- 4. Agree**
- 5. Strongly agree**

Notes

Are guaranteed required?

8. I would accept potential losses in order to pursue long-term investment growth.

- 1. Strongly disagree**
- 2. Disagree**
- 3. Clients own words**
- 4. Agree**
- 5. Strongly agree**

Notes

9. Taking financial risks is important to me.

- 1. Strongly disagree**
- 2. Disagree**
- 3. Clients own words**
- 4. Agree**
- 5. Strongly agree**

Notes

10. I would be happy investing a large proportion of my income / investment into higher-risk strategy.

- 1. Strongly disagree**
- 2. Disagree**
- 3. Clients own words**
- 4. Agree**
- 5. Strongly agree**

Notes

11. If my investments dropped in value by 20%, I would take that as a good time to:

- a. Sell them**
- b. Do nothing**
- c. Invest more into my funds**

Notes

What previous actions have you taken on investment downturns

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

- a. A very small amount of risk with very small potential returns**
- b. A small amount of risk with small potential returns**
- c. A moderate amount of risk with moderate potential returns**
- d. A large amount of risk with large potential returns**
- e. A very large amount of risk with very large potential returns**

Notes

13. Understanding that investments can go up and down is crucial. How long would you be prepared to see your invested capital go down in value before you decided to either cash it in or move it out of the market?

- a. I would act if there was any loss in value**
- b. I would wait up to 6 months for recovery**
- c. I would wait up to 1 year for recovery**
- d. I would monitor the investment and wait up to 2 years for recovery**
- e. I would take a long-term view and wait more than 2 years for recovery**

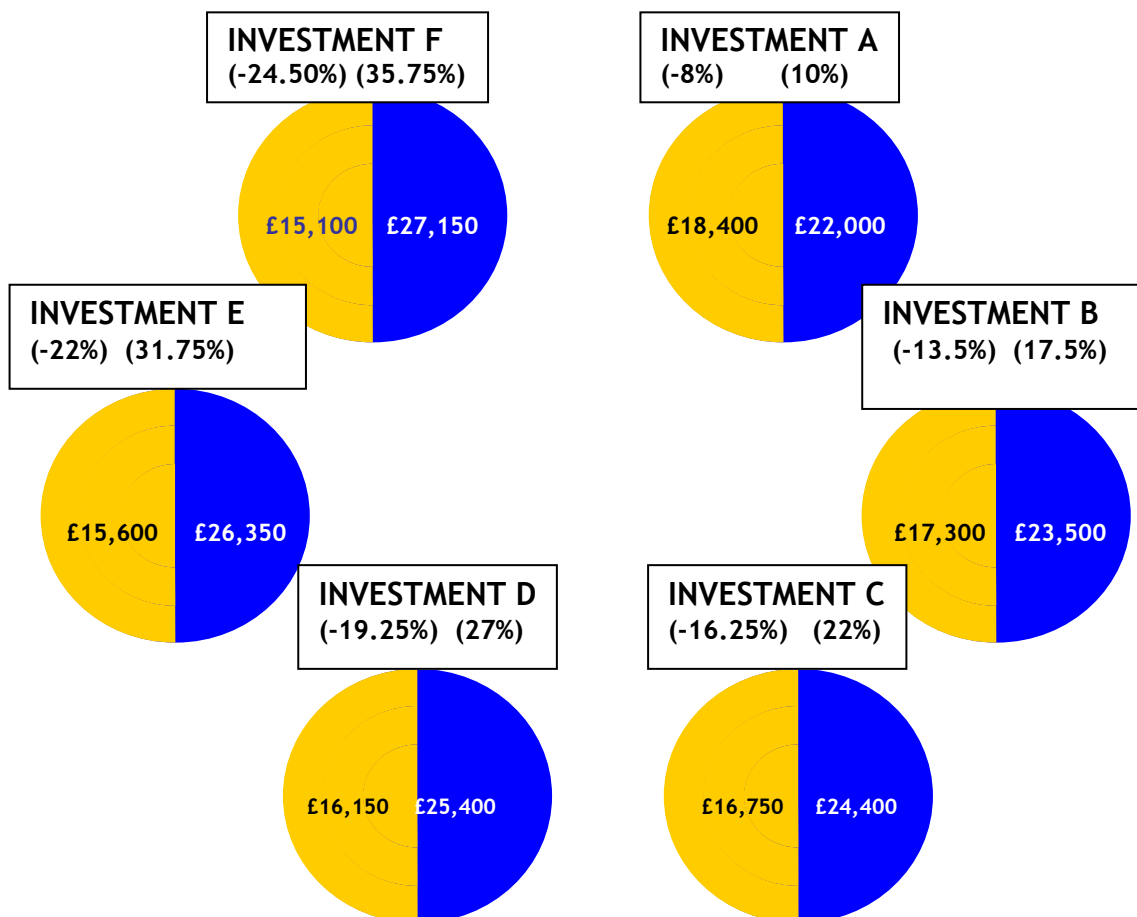
Notes

14. Suppose that you are considering investing £20,000 and you are selecting one investment from the six possibilities shown below. What annual average return and what annual risk of loss would you be prepared to accept?

There is a 50:50 chance that the investment could decrease in value over a 12 month period, in which case you could end up with the amount shown in the yellow left hand semi circle.

There is a 50:50 chance that it could increase in value in a 12 month period, in which case you could end up with the amount shown in the blue right hand semicircle.

As you go from A to F your expected return increases but so does your risk. Please indicate the level of volatility that you could tolerate for your investments.



These pie charts show how a portfolio of assets might perform over the next 12 months . This is not an analysis of how specific products or funds might perform. This indication is designed to stimulate discussion and develop greater understanding of risk & reward.

Figures used are only examples of what might happen and are not real minimum or maximum amounts nor are they guaranteed in any way. Actual performance will depend on how any selected investments perform, on their tax treatment and charges incurred.

Notes

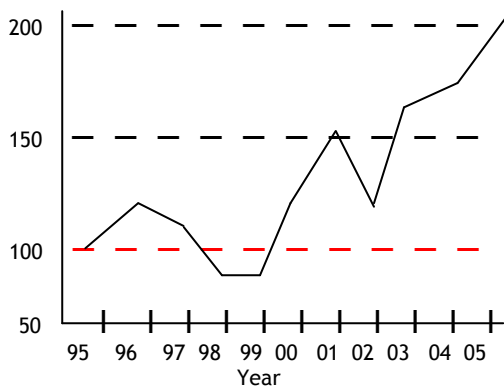
15. The graphs below show the performance of four hypothetical portfolios for the last ten years.

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?

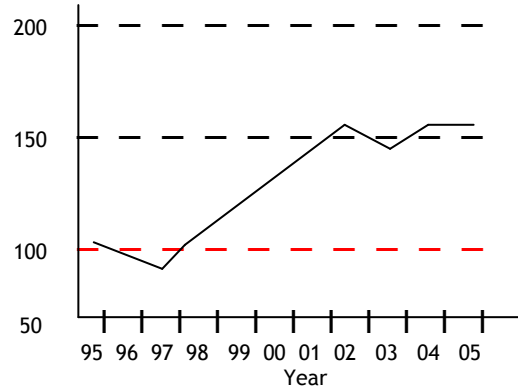
RQ PORTFOLIO - A

% value of initial investment



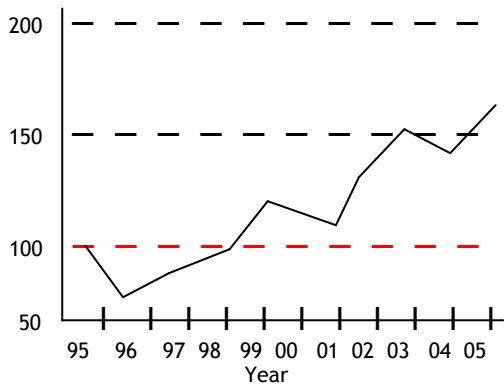
RQ PORTFOLIO - C

% value of initial investment



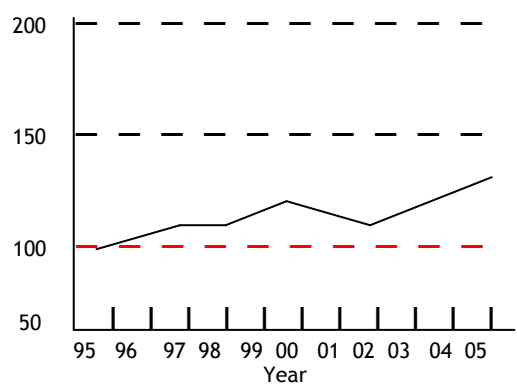
RQ PORTFOLIO - B

% value of initial investment



RQ PORTFOLIO - D

% value of initial investment



16. Holistic Planning

Your attitude towards investment risk may be different when it comes to the sum of money currently under discussion. This could be a large proportion of your overall wealth or a less significant sum. Please confirm which of the following best represents your views at this time for the investment under discussion. (Your views may change as you get older and should be updated periodically). Please tick the option that is most appropriate.

A major proportion of my overall wealth	
A significant portion of my overall wealth	
These funds do not represent a significant proportion of my overall wealth	
An insignificant part of my overall wealth	

17. How do you consider the benefits under discussion? Please tick the option that is most appropriate.

I wish to take no risk at all with the sum under discussion	
I am prepared to accept a modest amount of risk for at least five years	
I feel I can afford to take a balanced degree of investment risk for at least five years	
For growth potential I am willing to take higher risks for at least a few years	
For growth potential I am willing to take higher risks for as long as possible	