

2 Risk profile questions

2. How long before you expect to start taking retirement income?

Enter a number of years from 3 to 30. This time period is very important in the risk assessment process.

3. 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

4. What is your expectation of your future earnings up to retirement? 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 fluctuate
- I expect to retire shortly

5. 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

6. 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

7. 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

8. 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)*

9. **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
10. **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
11. **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
12. **If you were advised that your current fund and future savings are not sufficient to meet your retirement goals, what action would you take?** *Please tick (//)*
- Take more risk with all of the money to try to improve returns
- Take more risk with half of the money and increase your savings
- Increase savings sufficiently to achieve your goals
- Amend your goals and make no change to the investment risk or savings levels
13. **What is your attitude towards purchasing an annuity* to provide income in your retirement?** *Please tick (//)*
- My preferred option to any other form of retirement income
- I would only buy an annuity if the terms were attractive compared with other options
- I would not consider an annuity unless forced by circumstances at the time
14. **Which of the following statements best describes your other retirement provisions?** *Please tick (//)*
- I expect to receive state pension benefits
- In addition to the state pension, I have a personal/company pension but together they are unlikely to satisfy my basic retirement needs
- In addition to the state pension, I have a personal/company pension and together they will cover my basic retirement needs
- I have sufficient pension and other savings to provide an income equivalent to two-thirds of my anticipated pre-retirement salary
- * Annuity – This is the contract you purchase from an annuity provider using a lump sum of money (eg proceeds of your pension fund) to guarantee you an annual income for life or a period of time.

3 Your investment objectives

Is there a target amount you wish to achieve? If so, what is it? □ This is the total amount at retirement required to provide an income and any tax-free cash. In deciding upon your target, please allow for the effects of inflation, investment risk and your tax position

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What is your expected retirement age?

What is your capacity for risk?

The following questions are not part of the psychometric attitude assessment and have no direct impact on the questionnaire results or selected risk level.

However, the answers will help the investor and adviser identify areas that should also be considered when assessing suitability and choosing a risk level.

When do you intend to use the invested money?

- Short term (0 - 5 years)
- Medium term (5 - 10 years)
- Long term (10 + years)
- No fixed term

How much of this investment could you stand to lose without having a significant impact on your future standard of living?

- None or very limited losses (0 – 5%)
- Small/medium losses could be tolerated
- Large losses would have a low impact on future lifestyle

If you needed sudden access to a lump sum, how likely is it that you would need to encash this investment?

- I have other savings and investments, which I can use for most needs
- I may need this investment if I needed access to a significant amount of money quickly
- I would almost certainly need access to this investment

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 / / 2 0