

Independent ■ Financial Advisers

PFS
PEMBROKE
FINANCIAL SERVICES LTD

One less thing to worry about...

Attitudes To Investment Risk

- Our Questionnaire





The purpose of this document is to help us ascertain your attitude to, and capacity for, investment risk.

You will always need to be prepared to take some 'risk' with your money if you are aiming to beat inflation and give yourself the potential to achieve greater growth than you would achieve via Bank or Building Society savings.

You must be aware and, indeed, comfortable that the value of the investments you will need to choose to achieve this 'extra' return will rise and fall and you cannot be certain what the value of your investment will be at any point in the future.

Saving or investing successfully is about balancing the risk you are prepared to take with your money to try and achieve the return you want, whilst at the same time feeling comfortable with what you are doing.

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

When it comes to investing, how would you describe yourself?	No understanding/knowledge	10
	Very little understanding/knowledge	20
	About as much understanding/knowledge as the next person	30
	A fair degree of understanding/knowledge	40
	A high level of understanding/knowledge	50
If your investments dropped in value by 20% how would you react?	Sell all of the remaining investments	10
	Sell a proportion of the remaining investments	20
	Hold the investments and do nothing	30
	Buy more of the same investments	50
What are your main saving and investment goals?	Immediate Income	20
	Specific financial targets in 5-7 years	30
	Specific financial targets in 8-10 years	40
	Longer term growth (over 10 years)	50
How would you compare yourself to others in taking financial risks?	Much less willing to take risks than average	10
	Slightly less willing to take risks than average	20
	No more or less willing to take risks than the next person	30
	Slightly more willing to take risks than average	40
	Much more willing to take risks than average	50
When you have made a significant financial decision, how do you feel?	Very concerned	10
	Slightly concerned	20
	A little uneasy	30
	Confident	40
	Very confident	50
If you had to choose from the following investments, which would it be?	A – never has a negative return and returns between 0% and 3%	0
	B – has a negative return once every 12 years and returns -1% to 7%	10
	C – has a negative return once every 10 years and returns -2% to 9%	20
	D – has a negative return once every 8 years and returns -3% to 11%	30
	E – has a negative return once every 6 years and returns -4% to 13%	40
	F – has a negative return once every 4 years and returns -5% to 15%	50

The questionnaire is designed to give us a broad indication of your general tolerance to investment risk.

The score provided by your answers is indicative of your risk 'rating', but other factors may make an alternative risk assessment appropriate for any specific investment.

Your Total

The total derived from your answers would lead to one of five 'risk profiles' as detailed below:

I confirm that I have completed this questionnaire of my own accord and I have discussed the outcome and typical model portfolios with my adviser.

Up to 160 Cautious Investor

Your key objective is long term capital preservation rather than appreciation. There is a risk that inflation might reduce future investment values.

161-180 Moderately Cautious Investor

Your key objective is capital preservation. You are willing to accept some short term volatility in order to achieve slightly higher returns.

181-210 Balanced Investor

Your key objective is long term capital appreciation combined with capital preservation. You are willing to accept some short term volatility in order to achieve slightly higher returns.

211-250 Moderately Adventurous Investor

Your key objective is long term capital appreciation combined with capital preservation. You are willing to accept increased short term volatility in order to increase the chance of higher returns.

251 plus Adventurous Investor

Your key objective is long term capital appreciation. You are willing to accept high levels of short term volatility in order to increase the chance of higher returns.

Name:

Signature:

Date:





What are the main Asset Classes?

Most investments are made into one (or more) of four differing asset classes. These are:

- Cash** normally into a Bank or Building Society type of account
- Fixed Interest** these are loans to companies or Governments. You typically access these by investing into a 'Corporate Bond' or a 'Gilt' investment fund
- Property** residential and commercial property are often used for investment purposes. Some individuals own the investment property outright (the so called 'buy to let' market) others invest via 'investment funds'
- Equities** more commonly known as 'shares'. You might own shares directly by buying them through a Stockbroker, inheriting them or through various schemes run by Employers. Alternatively, many people invest into shares through investment funds that contain shares.

Typical Model Portfolios



Cautious Portfolio

Cash	15
Property	15
Fixed Interest	40
UK Equity	25
Overseas Equity	5

A cautious portfolio will have a low equity content focused on the UK, balanced with cash and fixed interest investments.



Moderately Cautious Portfolio

Cash	15
Property	15
Fixed Interest	30
UK Equity	25
Overseas Equity	15

A moderately cautious portfolio will have a low to medium equity content focusing on the UK, balanced with fixed interest investment providing good prospects for capital growth.



Balanced Portfolio

Cash	10
Property	15
Fixed Interest	20
UK Equity	35
Overseas Equity	20

A balanced portfolio will have a medium equity content focusing on the UK, balanced with fixed interest investment providing good prospects for capital growth.



Moderately Adventurous Portfolio

Cash	10
Property	15
Fixed Interest	15
UK Equity	30
Overseas Equity	30

A moderately adventurous portfolio will have a medium UK equity content combined with global equities and other asset classes to provide diversification and good prospects for capital growth.



Adventurous Portfolio

Cash	5
Property	15
Fixed Interest	10
UK Equity	30
Overseas Equity	40

An adventurous portfolio will have a medium to high UK equity content combined with global equities and other asset classes to provide diversification.

Please be aware that these Portfolios are for guidance purposes only.
 Individual recommendations will reflect your specific requirements and market conditions at time of our final recommendation.
 Any advice provided is based upon information supplied by you.
 Our recommendations cannot take into account information not disclosed at the time.