

Risk Profile Assessment

Version 1.09 – 1 October 2021

Purpose of this Document

By completing this self-assessment questionnaire, you will arrive at an investor profile which may be suitable for your personal investment strategy. Determining the profile which best reflects your investment goals and financial attitudes will assist you in choosing the investment fund(s) most suited to you.

The trade-off between risk and return

Your attitude to risk is a very important factor in developing an appropriate investment strategy. Risk is the probability that 'some' of the money that you invest will reduce or that your investment will produce a return less than expected.

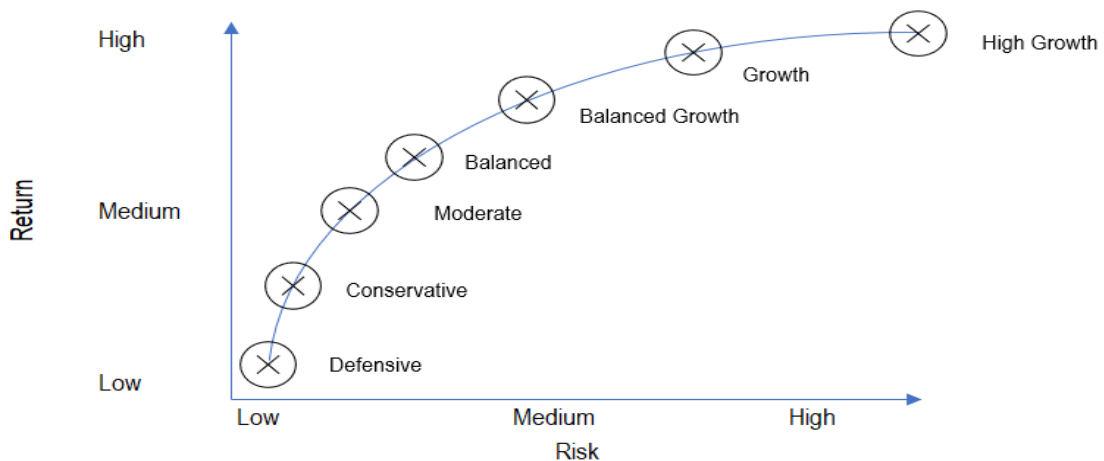
Generally speaking, when investing your money, there is a trade-off between risk and return. The higher the expected investment return, the higher the risk you are likely to be taking. Low expected investment returns generally means that you will be exposed to lower risks. So, by taking on more risk you may be able to make more return on your investment.

The following graph represents the different investor types and the relationship between risk and return.

Your risk profile also needs to consider the time frame that you wish to invest your money. This is referred to as your 'investment time horizon'.

Different people are comfortable with different levels of risk. Some people are very comfortable taking high risks in return for higher expected returns. Others are prepared to accept lower expected returns because they don't like being exposed to high levels of risk.

However, it is important to note that the outcomes of this questionnaire do not replace the discussion you have with your financial adviser about your tolerance to risk, and the ability to meet your needs and objectives.



The table overpage provides some guidance on how a typical risk profile may perform, based on historical information.



	Defensive	Conservative	Balanced	Growth	High Growth
Target growth/defensive split – neutral asset allocation	15/85	30/70	50/50	70/30	90/10
Forecast rate of returns over 10 years*	0.9% to 4.7%	0.8% to 6.3%	0.5% to 8.8%	0.1% to 11.3%	-0.4% to 13.8%
Worst 1 year return+	-0.30%	-7.50%	-20.15%	-24.37%	-28.34%
Best 1 year return+	9.48%	13.13%	20.54%	23.67%	28.85%
Probability of a negative annual return*	18.3%	20.9%	24.3%	26.5%	28.0%
Minimum recommended investment timeframe	1- 3 years	2 – 3 years	3 – 5 years	4 – 5 years	5 – 7 years
Targeted return	CPI + 0.5%	CPI + 1.5%	CPI + 2.5%	CPI + 3.5%	CPI + 4%
Short term initial capital security	High	Moderate	Low	Low	Low
Long term initial capital security	High	High	High	Moderate	Moderate
Ability to protect against inflation	Low	Moderate	Moderate	High	High

* Morningstar Risk Profiles & Asset Allocations paper 22 February 2021

+ Morningstar Multisector Category reports 30/9/2006 to 30/9/2021 – rolling 12 month returns

Description	Risk Profile – Circle one
Defensive	You seek stable returns with income but low potential for capital loss. You are prepared to take little risk and are likely to withdraw your investment in the event of loss in value. You are likely to invest in between 80% to 100% in income producing assets, such as fixed interest and cash and 0% to 20% in growth assets, such as shares and property.
Conservative	You seek to preserve and potentially increase the value of your capital over the medium to long term with relatively stable returns over the medium term. You are prepared to take a small amount of risk. You are likely to invest in between 60% to 80% in income producing assets, such as fixed interest and cash and 20% to 40% in growth assets, such as shares and property.
Balanced	You seek a balance of income and capital growth over the medium to long term. You are prepared to take short term risk to potentially gain longer term capital growth. You are likely to invest between 40% to 60% in income producing assets, such as fixed interest and cash and 40% to 60% in growth assets, such as shares and property.
Growth	You seek returns mostly from capital growth over the long term. You are prepared to take medium to long term risk to potentially gain higher capital growth and in the event of loss in value, you are likely to maintain your strategy. You are likely to invest in between 20% to 40% in relatively secure and stable assets and 60% to 80% in growth assets, such as shares.
High Growth	You seek capital growth over the long term. You are prepared to take long term risk and accept higher volatility to potentially gain higher capital growth and in the event of loss in value, you are likely to leave the investment in place. You are likely to invest 80-100% in growth assets, such as Australian and global shares.



Other Investment Considerations

<i>Do you have a preference to access specific investments</i>	<i>Client 1</i>	<i>Client 2</i>
No particular preference		
Access to direct shares or ETFs		
Access to alternative investments		
Access to term deposits		
Access to ethical-socially responsible investments		
Investment transparency – ability to view underlying investments		
Large range of investment managers and styles		

<i>Are product costs and fees an important consideration?</i>	<i>Client 1</i>	<i>Client 2</i>
Lowest cost is primary goal		
Seeking value for money		
Willing to pay for relevant features		

<i>Which of the following have you previously invested in or want to avoid?</i>	<i>Client 1</i>	<i>Client 2</i>
Term deposits/ savings accounts		
Managed funds		
Direct shares		
Investment property		
Own home		
An investment you have borrowed for other than property		

Your Risk Profile

Based on the assessment questions, we recommend the following risk profile/s.

	Client 1	Client 2
Does the client agree with this profile?		

If not, why not?



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Consequences Advised to client of change

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Your Acknowledgement

I/we have completed the assessment questions, and agree to our recorded risk profile as above.

Signed (Client 1)	Signed (Client 2)
X	X
/ /	/ /

Adviser Acknowledgment

I declare that:

- The information contained on this document is an accurate record of the information provided by the client and acknowledged by the client signing and dating above.
- The preparation of the client's Statement of Advice will be based on the above information and any other documentation provided.

Adviser Name:

X
Date: / /

