



Risk Profiling Questionnaire

Your name(s):

.....

Your financial adviser:.....

CAPITALEYES FINANCIAL PLANNING PTY LTD ABN 11 880 458 330
Corporate Representative No. 321471 of InterPrac Financial Planning Pty Ltd
AFSL No. 246638 ABN 14 076 093 680

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What is an Investment Risk Profile?

Investment Risk can be described as the potential for actual investment returns to vary from expectations. The higher the level of investment returns you are seeking, the more risk you generally need to be prepared to accept. Not everyone has the same attitude to risk. An Investment Risk Profile is basically a general description regarding an Investor's attitude to risk.

How will the Risk Profiling Questionnaire be used?

In order to recommend investments that have the potential to offer a level of return that you desire, at a level of risk that you are comfortable with, it is important that we understand your attitude to risk. The Investment Risk Profile Questionnaire is one tool we use to assist us gain this understanding.

Are there any right or wrong answers?

There are no right or wrong answers, as only you can describe how you feel about risk. We may, however, wish to discuss some answers with you if they appear conflicting, or to enable us to gain a better understanding of your requirements. Please feel free to add comments if you wish to clarify your answers, or to discuss your answers with us.

Can my Risk Profile change?

Yes, it is quite likely that your attitude to investment risk will change over time. This may be the result of investment market experience, or changing personal circumstances such as a change in employment status, family members becoming no longer dependent upon you, or receipt of an inheritance or lottery win.

What if my Risk Profile is different to my partner's?

It is quite common that you and your partner will have a different attitude to Investment Risk. You should answer the questions as to how you feel, not what you think we or your partner want you to say. It is our role to assist you and your partner cater for the different attitude to risk.

What should I do if my Risk Profile changes?

If your attitude to risk changes, your investments may no longer be suitable. You should contact us immediately to arrange a review of your financial plan and investments should you feel your Risk Profile has changed.

Do I have to invest according to my Risk Profile?

No, there are a number of reasons why it may be necessary for you to invest differently that your Risk Profile may suggest. These could include investing more conservatively if you require access to capital in the short to medium term, or investing more aggressively if you have started your investments later in life and have to take on additional risk in an attempt to achieve higher returns to meet your financial objectives.

How can I find out more about Investment Risk?

The Financial Planning Association publication "The Trade-Off: Understanding Investment Risk" is a good starting point. If you would like a copy of this publication, or would like to discuss investment risk generally, please call your InterPrac Adviser.

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Identifying your Investment Profile

Please answer questions 1 – 10

1. WHICH OF THE FOLLOWING BEST DESCRIBES YOUR CURRENT STAGE OF LIFE?

		Client 1	Client 2
a) Single with few financial burdens. Ready to accumulate wealth for future short term and long term goals.	5 points		
b) A couple without children. Preparing for the future by establishing a home. Expecting to have or already have a high purchase rate of household and consumer items.	4 points		
c) Young family with a home. You have a mortgage and childcare costs and maintain only small cash balances.	3 points		
d) Mature family. You are in your peak earning years and your mortgage is under control. You both work and you may or may not have children that are growing up or have left home. You're ready to start thinking about your retirement years.	5 points		
e) Preparing for retirement. You own your home and have few financial burdens; you want to ensure you can afford a comfortable retirement.	2 points		
f) Retired. You rely on existing funds and investments to maintain your lifestyle in retirement. You may already be receiving a Government pension and/or Superannuation pension.	1 point		

2. HOW FAMILIAR ARE YOU WITH INVESTMENT MATTERS?

		Client 1	Client 2
a) Not familiar at all with investments and feel uncomfortable with complexity.	0 points		
b) Not very familiar when it comes to investments.	1 point		
c) Somewhat familiar. I don't fully understand investments, including the share market.	2 points		
d) Fairly familiar. I understand the various factors which influence investment performance.	3 points		
e) Very familiar. I use research and other investment information to make investment decisions. I understand the various factors which influence investment performance.	7 points		

3. HOW LONG HAVE YOU BEEN INVESTING, NOT COUNTING YOUR OWN HOME OR BANK TYPE DEPOSITS?

		Client 1	Client 2
a) 3 years or more	5 points		
b) Up to 3 years	2 points		
c) This is my/our first investment.	1 point		

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4. HOW LONG WOULD YOU INVEST THE MAJORITY OF YOUR MONEY BEFORE YOU THINK YOU WOULD NEED ACCESS TO IT? (ASSUMING YOU ALREADY HAVE PLANS IN PLACE TO MEET SHORT TERM CASHFLOW AND/OR EMERGENCIES)

		Client 1	Client 2
a) In 2 years or less.	1 point		
b) Within 3-5 years.	3 points		
c) Within 6-10 years.	7 points		
d) Not for 10+ years.	10 points		

5. ONCE YOU START USING YOUR INVESTED MONEY, HOW LONG WOULD YOU NEED IT TO LAST?

		Client 1	Client 2
a) Over a period of 2 years or less	0 points		
b) Over a period of 3-5 years	1 point		
c) Over a period of 6-10 years	3 points		
d) More than 10 years/retirement	5 points		

6. IN OCTOBER 1987, THE AUSTRALIAN SHARE MARKET FELL MORE THAN 40% DURING THE MONTH. IF THE SHARE COMPONENT OF YOUR PORTFOLIO FELL BY 40% OVER A SHORT PERIOD, SUCH AS A MONTH, WOULD YOU:

		Client 1	Client 2
a) Sell all the investments. You do not intend to take risks.	1 point		
b) Sell a portion of your portfolio to cut your losses and reinvest into less speculative investment sectors.	3 points		
c) Hold the investments and sell nothing, expecting performance to improve.	5 points		
d) Invest more funds to lower your average investment price.	7 points		

If you have experienced a fall like this, choose the answer that corresponds to your actual behaviour

7. IF YOUR INVESTMENTS FELL BY MORE THAN 6% OVER A SHORT PERIOD WOULD YOU?

		Client 1	Client 2
a) Sell all of the remaining investments.	1 point		
b) Sell a portion of the remaining investment	3 points		
c) Hold your investments and sell nothing	5 points		
d) Invest more funds. You can tolerate short term losses in expectation of future growth.	6 points		

If your portfolio has experienced a drop like this, choose the answer that corresponds with your actual behaviour.

8. THE TABLE BELOW SHOWS THE HIGHEST ONE YEAR GAIN AND HIGHEST ONE YEAR LOSS ON THREE HYPOTHETICAL INVESTMENTS OF \$10,000. GIVEN THE POTENTIAL GAIN OR LOSS IN ANY ONE YEAR, WHERE WOULD YOU INVEST YOUR MONEY?

Fund	Highest Gain	Highest Loss			Client 1	Client 2
A	\$593	- \$164	a) Fund A	1 point		
B	\$1,921	- \$1,020	b) Fund B	3 points		
C	\$4,229	- \$3,639	c) Fund C	5 points		

9. WHICH ONE OF THE FOLLOWING STATEMENTS DESCRIBES YOUR FEELINGS TOWARDS CHOOSING AN INVESTMENT?

		Client 1	Client 2
a) I would prefer investments with little or no fluctuations in value and have a low degree of risk associated with them. I am willing to accept the lower return associated with these investments.	1 point		
b) I prefer to diversify with a mix of investments that have an emphasis on low risk. I am happy to have a small proportion of the portfolio invested in assets that have a higher degree of risk in order to achieve a slightly higher return. I am prepared to accept a negative investment return of 1 in 10 years.	2 points		
c) I prefer to have a spread of investments in a balanced portfolio. I am happy to have a negative return 1 in 7 years.	4 points		
d) I prefer to diversify my investments with an emphasis on more investments that have higher returns, but still having a small amount of low risk investments. I am prepared to accept a negative return of 1 in 5 years.	7 points		
e) I would only select investments that have a higher degree of investment price fluctuation so that I can earn higher long term returns. I am happy to accept a negative return of 1 in 3 years in order to achieve this goal.	12 points		

10. HOW SECURE IS YOUR CURRENT AND FUTURE INCOME FROM SOURCES SUCH AS SALARY, PENSION OR OTHER INVESTMENTS?

		Client 1	Client 2
a) Not secure	2 points		
b) Somewhat secure	3 points		
c) Fairly secure	4 points		
d) Very secure	5 points		

Additional Questions

Please answer the following questions to help determine possible strategies that reflect your investment profile (no points awarded)

APART FROM YOUR HOME, HAVE YOU EVER BORROWED MONEY TO MAKE AN INVESTMENT?		
	Client 1	Client 2
Answer "Yes" or "No"		

WOULD YOU CONSIDER BORROWING MONEY TO MAKE AN INVESTMENT?		
	Client 1	Client 2
Answer "Yes" or "No"		

Your Total Score

Add up the points you scored for each answer. Based on the total points, you can compare your score with the range of profiles described on the following page.

Summary of Points		
	Client 1	Client 2
Question 1		
Question 2		
Question 3		
Question 4		
Question 5		
Question 6		
Question 7		
Question 8		
Question 9		
Question 10		
TOTAL POINTS		

Additional Comments

Please write down any additional comments you may have relevant to determining your Risk Profile.

Risk Profiles

INVESTOR PROFILES	SCORE	DESCRIPTION
Conservative	0 – 13 points	You are a conservative investor who does not wish to take any investment risk. Your priorities are the safeguarding of your capital. You are prepared to sacrifice higher returns for peace of mind.
Moderately Conservative	14 – 20 points	You are a moderately conservative investor who is prepared to accept a small amount of risk. Your priority remains the preservation of capital over the medium to long term. You may have some understanding of investment markets, however you cannot afford to take any chances with you capital.
Balanced	21 – 30 points	You are a balanced investor with some understanding of investment market behaviour and can accept some short term risk to your capital. You do not wish to see all of your capital eroded by tax and inflation and are prepared to take a small short term risk in order to gain longer term capital growth.
Growth	31 – 45 points	You are a growth style investor who understands the movement of investment markets. You are most interested in maximising long term capital growth, although you do not wish to make unbalanced investment decisions. You are happy to sacrifice short term safety in order to maximise long term capital growth.
High Growth	46+ points	You are a high growth investor. You are prepared to sacrifice your investment capital in pursuit of the highest long term capital growth investment. You are most interested in reducing your taxable income and have an understanding of the behaviour of investment markets.

Your Understanding of Your Risk Profile

After reading our description of the investor profiles, which one do you feel best describes you?

_____.

Signed

I hereby acknowledge that the above investment stance is consistent with my investment risk requirements and profile. I have had the concept of investment risk explained to me and am happy to proceed on this basis.

OR

The above investment risk stance is not consistent with my risk requirements and profile which I hereby nominate to be _____. Please proceed on this basis.

1. Signature of Client

Name of Client

Date

2. Signature of Client

Name of Client

Date

Accepted for and on behalf of InterPrac Financial Planning Pty Ltd by:

Signature of Adviser

Name of Adviser

Date