



**Avery Financial Planning**

Australian Financial Services Licence Number 224530

# Risk Profile Questionnaire

To help determine the most suitable investment portfolio for your needs, would you please answer the following questions. Please indicate your response by placing a tick in the bullet point next to the most appropriate response.

## Question 1

Keeping in mind your primary financial goals, approximately how long before you will need access to this money?

- |                          |   |                   |
|--------------------------|---|-------------------|
| <input type="checkbox"/> | 1 | Less than 1 year  |
| <input type="checkbox"/> | 2 | 1 – 3 years       |
| <input type="checkbox"/> | 3 | 3 – 7 years       |
| <input type="checkbox"/> | 4 | more than 7 years |

## Question 2

Keeping in mind the fact that the higher the return, the higher the risk, approximately what annual rate of return would you need to meet your goals?

- |                          |   |              |
|--------------------------|---|--------------|
| <input type="checkbox"/> | 1 | Less than 5% |
| <input type="checkbox"/> | 2 | 5% to 10%    |
| <input type="checkbox"/> | 3 | above 10%    |

## Question 3

What degree of risk are you prepared to accept to achieve the returns that you need?

- |                          |   |   |
|--------------------------|---|---|
| <input type="checkbox"/> | 1 | The safety of my money is my primary objective. I would rather have a low rate of return than risk the loss of any part of my capital |
| <input type="checkbox"/> | 2 | I want my investment to produce the current income I need and my capital should remain relatively stable                              |
| <input type="checkbox"/> | 3 | I am willing to accept some fluctuation in my capital over the short term in exchange for higher returns over the long term           |
| <input type="checkbox"/> | 4 | In order to receive the maximum return on my investment, I am willing to accept a higher degree of risk                               |

## Question 4

How important to you are taxation advantages in selection of your investments?

- |                          |   |  |
|--------------------------|---|--|
| <input type="checkbox"/> | 1 | I do not want to derive tax savings by purchasing investments which may put my capital at risk     |
| <input type="checkbox"/> | 2 | I would prefer stable, reliable capital value and returns with some tax savings if possible        |
| <input type="checkbox"/> | 3 | I can accept a small reduction in value from time to time, in exchange for a tax advantaged income |
| <input type="checkbox"/> | 4 | My aim is to minimise tax and I am prepared to risk my capital to achieve this aim                 |

**Question 5**

How concerned are you that the earnings on your savings and investment dollars can exceed the rate of inflation?

 1

Not concerned

 2

Slightly concerned

 3

Moderately concerned

 4

Highly concerned

 5

Very highly concerned

**Question 6**

Have you ever invested in shares, government bonds or managed funds before?

 1

No, but if I had, the fluctuations would make me uncomfortable

 2

No, but if I had, I would be comfortable with the fluctuations in order to receive the potential for higher returns

 3

Yes I have, but I was uncomfortable with the fluctuations, despite the potential for higher returns

 4

Yes I have, and I felt comfortable with the fluctuations, in order to receive the potential for higher returns.

**Question 7**

How would you react if your long term investments declined by 10% in one year?

 1

I can't accept any declines in the value of my investments

 2

If the income I received didn't change, I would not be too concerned about my capital declining in the short term

 3

I generally invest for the long term, but would be concerned with this decline

 4

I invest for the long term and would accept these fluctuations due to short term market influences

**Question 8**

Which one of the following statements describes your feelings towards choosing an investment?

 1

I would select investments that have a low degree of risk and low returns associated with them

 2

I prefer to diversify with a mix of investments which have an emphasis on low risk. I am happy to have a small proportion of the portfolio invested in assets which have a higher degree of risk in order to achieve a slightly higher return. I am happy to accept a negative investment return of 1 in 9 years.

 3

I prefer to have a spread of investment in a balanced portfolio. I am happy to have a negative return of 1 in 7 years

 4

I prefer to diversify my investments with an emphasis on more investments which have higher returns, but still having a small amount of low risk investments. I am happy to accept a negative return of 1 in 5 years.

 5

I would only select investments which 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.

**YOUR OVERALL ATTITUDE TO RISK**

Total the scores in the above boxes and record the total here. Now check the table below to determine the most appropriate investment strategy for you.

***If you scored 9 to 13 points, you are a Cash investor.*** The cash portfolio suits an investor who does not wish to take any investment risk. The priorities are the safeguarding of your investment capital. You are prepared to sacrifice higher returns for peace of mind. There is no likelihood of short term fluctuations in the capital value of the portfolio.

***If you scored 14 to 18 points, you are a Conservative Investor.*** The Conservative portfolio suits an investor whose priority is preservation of capital and regular income over the long term. The portfolio will be heavily weighted towards defensive assets with growth assets exposure of about 25%. There is a lower likelihood of short term fluctuations in the capital value of the portfolio. The minimum timeframe for investment is about 3 years.

***If you scored 19 to 23 points, your are a Moderately Conservative investor.*** The Moderately Conservative portfolio suits an investor who is concerned about medium to long term capital preservation, but will accept a low to moderate likelihood of short term fluctuations in the capital value of the portfolio. The portfolio has exposure to about 45% growth assets which ensures higher investment returns than the Conservative portfolio over the longer term. The minimum investment timeframe is 4 years.

***If you scored 24 to 28 points, you are a Balanced investor.*** The Balanced portfolio has an exposure to Growth assets of about 65%. This provides moderate returns, combining both capital growth and income, over the medium to long term but with a moderate likelihood of short term fluctuations in Capital Value. The portfolio suits an investor who has a minimum investment time frame of 5 years.

***If you scored 29 to 33 points, you are a Moderately Aggressive investor.*** The Moderately Aggressive portfolio suits an investor who is seeking to maximise capital growth with some tax advantaged income over the long term. The investor understands and accepts that there is a moderate to high likelihood of fluctuations in the short term. Exposure to Growth Assets will be about 80% and the minimum investment timeframe is 6 years.

***If you scored 34 points or more, then you are an Aggressive investor.*** The Aggressive portfolio seeks an optimum level of returns over the long term from a portfolio consisting of more than 90% Growth Assets. Such a portfolio has a high likelihood of short term fluctuations. The Aggressive investor welcomes this volatility and has an investment time frame of more than 7 years.

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

