

## Risk Tolerance

Please answer all the questions. Choose the option that best indicates how you feel about each question. If none of the options is exactly right for you, choose the option that is closest.

1. Compared to others, how do you rate your willingness to take financial risks?
    1. Extremely low risk taker.
    2. Very low risk taker.
    3. Low risk taker.
    4. Average risk taker.
    5. High risk taker.
    6. Very high risk taker.
    7. Extremely high risk taker.
  
  2. How easily do you adapt when things go wrong financially?
    1. Very uneasily.
    2. Somewhat uneasily.
    3. Somewhat easily.
    4. Very easily.
  
  3. When you think of the word "risk" in a financial context, which of the following words comes to mind first?
    1. Danger.
    2. Uncertainty.
    3. Opportunity.
    4. Thrill.
  
  4. When faced with a major financial decision, are you more concerned about the possible losses or the possible gains?
    1. Always the possible losses.
    2. Usually the possible losses.
    3. Usually the possible gains.
    4. Always the possible gains.
  
  5. What degree of risk are you currently prepared to take with your financial decisions?
    1. Very small.
    2. Small.
    3. Medium.
    4. Large.
    5. Very large.
  
  6. Suppose that 5 years ago you bought stock in a highly regarded company. That same year the company experienced a severe decline in sales due to poor management. The price of the stock dropped drastically and you sold at a substantial loss.  
The company has been restructured under new management and most experts now expect it to produce better than average returns. Given your bad past experience with this company, would you buy stock now?
    1. Definitely not.
    2. Probably not.
    3. Not sure.
    4. Probably.
    5. Definitely.
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7. Investments can go up and down in value and experts often say you should be prepared to weather a downturn. By how much could the total value of all your investments go down before you would begin to feel uncomfortable?

- 1. Any fall in value would make me feel uncomfortable.
- 2. 10%.
- 3. 20%.
- 4. 33%.
- 5. 50%.
- 6. More than 50%.

8. Most investment portfolios have a mix of investments - some of the investments may have high expected returns but with high risk, some may have medium expected returns and medium risk, and some may be low-risk/low-return. (For example, stocks and real estate would be high-risk/high-return whereas cash and bank fixed deposits would be low-risk/low-return.)

Which mix of investments do you find most appealing? Would you prefer all low-risk/low-return, all high-risk/high-return, or somewhere in between?

**Mix of Investment in Portfolio**

Portfolio	High Risk/Return	Medium Risk/Return	Low Risk/Return
<input type="checkbox"/> 1.	0%	0%	100%
<input type="checkbox"/> 2.	0%	30%	70%
<input type="checkbox"/> 3.	10%	40%	50%
<input type="checkbox"/> 4.	30%	40%	30%
<input type="checkbox"/> 5.	50%	40%	10%
<input type="checkbox"/> 6.	70%	30%	0%
<input type="checkbox"/> 7.	100%	0%	0%

9. With some types of investment, such as cash and bank fixed deposits, the value of the investment is fixed. However inflation will cause the purchasing power of this value to decrease.

With other types of investment, such as stocks and real estate, the value is not fixed. It will vary. In the short term it may even fall below the purchase price. However, over the long term, the value of such as stocks and real estate should certainly increase by more than the rate of inflation.

With this in mind, which is more important to you - that the value of your investments does not fall or that it retains its purchasing power?

- 1. Much more important that the value does not fall.
- 2. Somewhat more important that the value does not fall.
- 3. Somewhat more important that the value retains its purchasing power.
- 4. Much more important that the value retains its purchasing power.

10. Think of the average rate of return you would expect to earn on an investment portfolio over the next ten years. How does this compare with what you think you would earn if you invested the money in one-year bank fixed deposits?

- 1. About the same rate as from bank fixed deposits.
- 2. About one and a half times the rate from bank fixed deposits.
- 3. About twice the rate from bank fixed deposits.
- 4. About two and a half times the rate from bank fixed deposits.
- 5. About three times the rate from bank fixed deposits.
- 6. More than three times the rate from bank fixed deposits.

After having arrived at the ratings under "Investment Risk Profile Types" and in consideration of your investment objectives your risk profile is

- Risk Averse (low risk tolerance)
- Moderate risk taker (Moderate risk tolerance)
- Risk Seeker (High risk tolerance)

If you want to share any inputs on the same do enter in the Remarks column

**Investment Risk Profile Acceptance Declaration**

I/We confirm that details recorded in the "Risk Profile Determination Questionnaire" are correct and reflect my/our true financial position and understanding and investment risk profile. I/We read and understood our agreed risk Profile selection and would like this profile applied to my/our funds available for investment.

Preferred Risk Profile

Remarks

Client Signature

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