



## Portfolio Planning Risk Questionnaire

In order to advise you properly on your investments and financial goals, we need to assess your attitude to risk. Different types of investments will carry different levels of investment risk. It is important that we have a definitive understanding of the level of risk that you are prepared to accept. Accordingly, it would be very helpful if you could answer the attached questions. We have set out below some guidance on the different types of investor.

To use this questionnaire, answer the questions over the page and add up your score at the bottom, returning it to us here at R J Litten & Partners for analysis.

**1 - Very Defensive Investor** A Very Defensive Investor is looking for an investment where the capital will not fall in the short-term. The return is likely to be the same as a high street deposit account and will not have exposure to any non-cash investments. Therefore the real value of the investment is at risk of being reduced by inflation over the long-term.

**2 - Defensive Investor** A Defensive Investor is looking for an investment where returns are potentially higher than high street deposit accounts, and is therefore willing to accept a small amount of risk, but where the capital should not fall in the short-term. The Defensive Investor is aware that non-cash investments might fall in value as well as rise, and that the real value of a cash investment is exposed to being reduced by inflation over the long-term.

**3&4 - Cautious Investor** A Cautious Investor is looking for an investment where the return should be slightly better than a high street deposit account, accepting that the value of the investment could fall as well as rise. The Cautious Investor would feel uncomfortable however if the investments rose and fell in value very rapidly.

**5&6 - Balanced Investor** A Balanced Investor is seeking a higher return than is available from a high street deposit account and is willing to accept a certain amount of fluctuation in the value of the investments as a result. The Balanced Investor would feel uncomfortable however if the investments fell in value significantly in any one year.

**7&8 - Moderately Aggressive Investor** A Moderately Aggressive Investor is willing to accept a higher level of risk on their investments in return for higher returns in the long run. They are willing to accept fluctuation in the value of the investments as a result. They would feel comfortable if their investments fell in value in more than one quarter in any one year, and would see this as a time to ride out the storm rather than a time to purchase more.

**9 - Aggressive Investor** An Aggressive Investor is willing to accept a much higher level of risk on their investments in return for higher returns in the long run. They are willing to accept what might be a significant short-term fluctuation in the value of their investments as a result. They would feel comfortable if their investments fell in value in more than one quarter in any one year, and might well see this as an ideal time to purchase further investments.

**10 - Very Aggressive Investor** A Very Aggressive Investor is willing to accept a very high level of risk on their investments in return for potentially high returns in the long run. They are willing to accept what might be significant short-term fluctuation in the value of their investments as a result, and will not seek to spread their risk through diversification across markets. They would feel comfortable if their investments fell in value in more than one quarter in any one year, and might well see this as an ideal time to purchase further investments.

**Client Signature** \_\_\_\_\_

**Date** \_\_\_\_\_

**Client Name** \_\_\_\_\_

No.	Risk Assessment Questionnaire	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	I do not like to keep up to date on financial matters.	1	2	3	4	5
2	I am comfortable with the idea of my investments falling and rising rapidly.	5	4	3	2	1
3	I would describe my experience of investment as very limited.	1	2	3	4	5
4	My knowledge of financial terms is very limited.	1	2	3	4	5
5	Once I make an investment I hardly ever review it.	1	2	3	4	5
6	I have sound financial experience to help me make an investment decision.	5	4	3	2	1
7	I prefer having a long term financial plan.	5	4	3	2	1
8	The thought of losing my money on an investment makes me nervous.	1	2	3	4	5
9	I like the excitement of investing in volatile foreign markets to potentially gain higher returns.	5	4	3	2	1
10	I try to make as much money as quickly as possible.	5	4	3	2	1
11	Most of the time, I do not read the financial section in my newspaper.	1	2	3	4	5
12	I am used to taking financial risk.	5	4	3	2	1
13	Financial press is a major influence on my investment decisions.	5	4	3	2	1
14	I prefer savings accounts to stock-market related investments.	1	2	3	4	5
15	I would not like to invest in a long term investment as I wish to respond to changes in my budgetary requirements quickly.	1	2	3	4	5
16	I am prepared to take high risk in order to gain high returns.	5	4	3	2	1
17	I do not think of accumulating huge wealth through investments.	1	2	3	4	5
18	Had I been unlucky with investments in the past, I would make an investment again.	5	4	3	2	1

**Total Score** \_\_\_\_\_

Scores	Description	Model Portfolio	Agreed Model Portfolio
18-32	Very Defensive	1	
33-40	Defensive	2	
41-44	Cautious	3	
45-48	Cautious	4	
49-52	Balanced	5	
53-56	Balanced	6	
57-60	Moderately Aggressive	7	
61-64	Moderately Aggressive	8	
65-76	Aggressive	9	
77-90	Very Aggressive	10	