advantage

investment service

Attitudes to Investment Risk questionnaire

law financial planning
independent financial advisers

The Main Asset Classes

Most investments are made into one (or more) of four differing asset classes. These are:

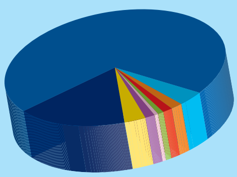
Cash — Normally into a Bank or Building Society type of account.

Fixed Interest — These are loans to companies or Governments. You typically access these by investing into a 'Corporate Bond' or a 'Gilt' investment fund.

Property — Residential and commercial property are often used for investment purposes. Some individuals own the investment property outright (the so called 'buy to let' market) others invest via 'investment funds'.

Equities — More commonly know as 'shares'. You might own shares directly by buying them through a Stockbroker, inheriting shares or through various schemes run by employers. Alternatively, many people invest in shares through investment funds that contain shares.

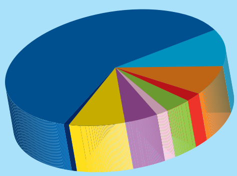
Typical Model Portfolios



Low Risk

Cash & Other	17.0%
Fixed Interest	70.6%
UK Equities	3.6%
US Equities	1.6%
European Equities	1.6%
Far East	0.8%
Emerging Market Equities	0.4%
UK Direct Property	1.6%
Absolute Return	2.8%

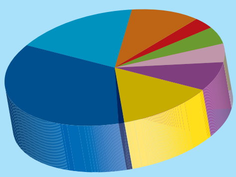
A Low Risk portfolio will have a low equity content focused on the UK, balanced with cash and fixed interest investments.



Low-Medium Risk

Cash & Other	1.0%
Fixed Interest	60.1%
UK Equities	10.8%
US Equities	7.6%
European Equities	2.4%
Far East	3.6%
Emerging Market Equities	1.6%
UK Direct Property	4.8%
Absolute Return	8.1%

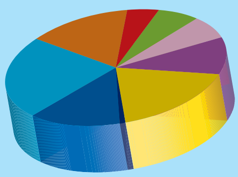
A Low-Medium Risk portfolio will have an equity and fixed interest content designed to provide a middle ground between the Low Risk and Medium Risk portfolios.



Medium Risk

Cash & Other	1.0%
Fixed Interest	35.9%
UK Equities	17.2%
US Equities	10.8%
European Equities	3.6%
Far East	5.2%
Emerging Market Equities	5.2%
UK Direct Property	8.0%
Absolute Return	13.1%

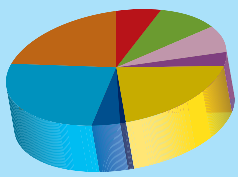
A Medium Risk portfolio will have a low to medium equity content focusing on the UK, balanced with fixed interest providing good prospects for capital growth.



Medium-High Risk

Cash & Other	1.0%
Fixed Interest	14.1%
UK Equities	23.6%
US Equities	14.4%
European Equities	4.8%
Far East	6.8%
Emerging Market Equities	7.2%
UK Direct Property	10.4%
Absolute Return	17.7%

A Medium-High Risk portfolio will have a medium equity content focusing on the UK, balancing with fixed interest investment providing good prospects for capital growth.



High Risk

Cash & Other	1.0%
Fixed Interest	4.0%
UK Equities	26.4%
US Equities	20.0%
European Equities	6.8%
Far East	10.0%
Emerging Market Equities	8.0%
UK Direct Property	4.0%
Absolute Return	19.8%

A High Risk portfolio will have a medium UK equity content combined with global equities and other asset classes to provide diversification and good prospects for capital growth.

Please be aware that these portfolios are for guidance purposes only.

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The purpose of this document is to help us ascertain your attitude to, and capacity for, investment risk.

You will always need to be prepared to take some 'risk' with your money if you are aiming to beat inflation and give yourself the potential to achieve greater growth than you would achieve via Bank or Building Society savings.

You must be aware and, indeed, comfortable that the value of the investments you will need to choose to achieve this 'extra' return will rise and fall and you cannot be certain what the value of your investment will be at any point in the future.

Saving or investing successfully is about balancing the risk you are prepared to take with your money to try and achieve the return you want, whilst at the same time feeling comfortable with what you are doing.

The questionnaire is designed to give us a broad indication of your general tolerance to investment risk.

The score provided by your answers is indicative of your risk 'rating' but other factors may make an alternative risk assessment appropriate for any specific investment.

1. The investment I am now considering represents the following percentage of my total investment portfolio.	80-100% 1	60-80% 2	40-60% 3	20-40% 4	20% > 5
2. In how many years do you expect to start spending the money you are investing?	1 Year 1	2-5 Years 2	6-10 Years 3	11-20 Years 4	21+ Years 5
3. I do not foresee any major expenses that might cause me to make withdrawals from this investment before this time.	Strongly Agree 5	Agree 4	Neutral 3	Disagree 2	Strongly Disagree 1
4. When I start making withdrawals from this investment, they will be used to fund my living expenses.	Strongly Agree 1	Agree 2	Neutral 3	Disagree 4	Strongly Disagree 5
5. When it comes to investing, protecting the money I have is my highest priority.	Strongly Agree 1	Agree 2	Neutral 3	Disagree 4	Strongly Disagree 5
6. I always choose investments with the highest possible return	Strongly Agree 5	Agree 4	Neutral 3	Disagree 2	Strongly Disagree 1
7. I prefer an investment strategy designed to grow steadily and avoid sharp ups and downs.	Strongly Agree 1	Agree 2	Neutral 3	Disagree 4	Strongly Disagree 5
8. To meet my financial goals, my investments must grow at a high rate of return.	Strongly Agree 5	Agree 4	Neutral 3	Disagree 2	Strongly Disagree 1
9. I am unwilling to wait several years to recover from losses I incur in an extended down market.	Strongly Agree 1	Agree 2	Neutral 3	Disagree 4	Strongly Disagree 5
10. I prefer investments that are low risk, even if returns are lower than the rate of inflation.	Strongly Agree 1	Agree 2	Neutral 3	Disagree 4	Strongly Disagree 5

Total:

10-19

Low Risk

Although a cautious investor, you are prepared to accept low levels of risk for the prospect of slightly higher returns. You are not likely to want to invest in equities. Examples of this type of investment would be fixed interest securities.

20-26

Low-Medium Risk

You will accept below average risk to achieve more attractive potential returns and would expect to invest in a balanced portfolio of assets such as equities, property and fixed interest.

27-33

Medium Risk

You prefer a balanced approach to investment and are willing to accept average risk in the hope of higher returns. Examples of this type of investment would be Managed funds.

34-40

Medium-High Risk

You will accept above average risk for the prospect of high returns. You are not concerned with short term volatility. You would expect the majority of your funds to be invested in equities and may invest in funds within a specific geographical area.

41-50

High Risk

This category is reserved for those investors who are prepared to take very high risks in order to obtain the potential for very substantial returns, although substantial falls in value may be equally as likely. Investment vehicles that fall within this category are likely to be available only through specialist investment houses and will normally require a considerable financial commitment from the investor. Examples of this type of investment would be an Emerging Markets fund.

I confirm that I have completed this questionnaire of my own accord and I have discussed the outcome and typical model portfolios with my advisor.

Name:	Signature:
Date:	