



guide to risk

Oliver House
40a High Street
Andover
Hampshire
SP10 1NF
www.pageandpage.co.uk
T 01264 332334 F 01264 332335

RISK PROFILING

The risk profiling tool is designed using proven techniques to provide a guide to how a client 'feels' about risk. The outputs are designed to inform a discussion with the client regarding risk, rather than operate as a substitute for such a discussion. The risk profiling tool has been tailored from research compiled from different sources. The 15 questions are deemed to provide a significantly high level of confidence to be valid.

The risk profiling tool contains 10 risk profiles which are grouped into 5 risk descriptions – **Low Risk** - Safety First, **Medium/Low** - Cautious, **Medium** - Balanced, **Medium / High** – Motivated, **High** – Acquisitive. Each risk profile can be profiled into available asset allocation tools available to professional advisers.

The asset allocation can show an efficient asset allocation based upon the identified level of risk. It can be used to analyse the efficiency of the current portfolio, if applicable, against a set of efficient asset allocations assessed by respected companies and includes assumptive data, for example, the rate of inflation. The model asset allocation will be available for discussion.

RISK DESCRIPTIONS

Low Risk / Safety First

You are not prepared to see any reduction in the value of your investments. Even if there is a very fair chance that their value will recover from any fall before the money is likely to be needed, you are only prepared to put money into investments, such as cash or short-term fixed interest securities where the capital return is guaranteed. You understand and accept that the future purchasing power of the capital is likely to be lower over the long term, than if investments are made in shares and property. You also accept that the income from cash deposits can move up and down, sometimes quite suddenly.

Examples of accounts or investments that may be considered suitable:

- ✓ Cash
- ✓ Bank Account (Instant Access)
- ✓ Building Society (instant access)
- ✓ Guarantee Income / Growth Bond
- ✓ National Savings Certificates
- ✓ National Savings Income Bonds
- ✓ Individual Savings Accounts (ISAs – cash)
- ✓ Annuities

Medium/Low / Cautious

You are a cautious investor and want a high proportion of funds to be in cash or other guaranteed investments. However, some investments could be in funds where there may be a limited degree of fluctuation of values in return for prospects of modest long-term growth.

Examples of accounts or investments that may be considered suitable:

- ✓ With Profit Bonds
- ✓ Stock Market Linked Bonds
- ✓ Friendly Society Bonds (with profits)
- ✓ Corporate Bond ISAs
- ✓ With Profit Pensions
- ✓ Guaranteed rate protection plans

Medium / Balanced

You are prepared to see investments fluctuate in return for a higher level of prospective growth in both income and capital. A reasonable proportion of your investments should be in asset-backed investments. You are prepared to put a very small part of investments in higher risk funds.

Examples of accounts or investments that may be considered suitable:

- ✓ Capital Investment Bonds (managed)
- ✓ General Unit Trusts
- ✓ ISAs (general funds)
- ✓ Distribution Bonds
- ✓ Unit Linked (managed or balanced funds)
- ✓ Guaranteed or variable rate protection plans

Medium/High / Motivated

You are prepared to invest in asset based investments typically in equities and would be prepared to invest a significant amount outside the UK. An amount could be invested in more speculative higher risk funds.

Examples of accounts or investments that may be considered suitable:

- ✓ Capital Investment Bonds (specialist funds)
- ✓ Unit Trusts
- ✓ Investment Trusts
- ✓ ISAs (specialist funds)
- ✓ Unit Linked Pension funds (specialist)
- ✓ Guaranteed rate protection plans

High / Acquisitive

You are prepared to invest in asset based investments. You are comfortable with investments in high-risk funds such as individual shares and even unquoted investments. It is likely that the majority of the funds would be in equities.

Examples of Accounts or Investments that may be considered suitable:

- ✓ Shares
- ✓ Foreign currencies
- ✓ Options / derivatives
- ✓ Emerging Market funds