

### About Risk Tolerance

The degree of variability in investment returns that an individual is willing to withstand is known as their 'risk tolerance'. Assessing a person's tolerance to investment risk is a key aspect of portfolio construction and is critical to determining appropriate asset allocation, the recommended investments and expected returns.

A person's individual risk profile often changes over time for various reasons. Additionally, it is normal to have different risk profiles for your investment horizons. For example, a person may accept higher risk/return for their long term savings whilst accepting no risk for their day to day savings.

### About this questionnaire

The following questions are designed to help determine your risk tolerance. Exploring your financial needs, circumstances and objectives will help in developing an investment strategy and recommendations to suit your specific requirements.

Name:

#### A. DEMOGRAPHIC NEEDS

1. What is your age?

- Over 65 years
- 55 to 65 years
- 35 to 54 years
- Under 35 years

2. Your current yearly gross income is:

- Below \$2 million
- \$2 million - \$6 million
- Over \$6 million

3. Do you have persons financially dependent on you?

- Yes
- No

#### B. INVESTMENT KNOWLEDGE AND EXPOSURE

4. How would you rate your knowledge of investments?

- Basic/ Limited knowledge
- Fair amount of knowledge of different investment options and their risks
- Considerable/Extensive knowledge of different investment philosophies, investment assets and strategies

### C. LONG TERM WEALTH TARGET

5. You have been granted 3 lifetime choices of which you are to choose one. Which would you choose?
- A \$20 million grant to clear your debts you've incurred and save the rest in a bank account or buy a Bank Certificate of Deposit (CD).
  - A fully furnished house in an ideal neighborhood valued at \$20 million but you will have to invest \$2 million.
  - A \$20 million grant to start a business.
6. I plan to begin taking money from my portfolio in:
- 2 years or less
  - 3 to 5 years
  - 6 years or more

### D. FINANCIAL STRENGTH

7. If I owned a \$100,000 portfolio of investments that lost about \$31,000 or 31% in 3 months, I would:
- Sell all of the remaining investment in the portfolio and put in a Savings account
  - Sell the loss making portion of the investment
  - Hold onto the investment and sell nothing or buy more

### E. FINANCIAL OBLIGATIONS AND LIABILITIES

8. How much of your total budget is credit card and other loans?
- 0-10% of monthly income
  - 10-50% of monthly income
  - 50% of monthly income or greater/I do not budget