



Risk Questionnaire



This short questionnaire helps financial advisors make an objective assessment of their client's attitude to investment risk. It produces a score ranging from 0 (most risk-averse) to 100 (most risk-tolerant). A copy of the answers and the results page may be printed, signed by both parties, and retained for the advisor's records.

Important Additional Notes

This questionnaire was designed by Clarus Investment Solutions as a generic tool to assist suitably-qualified advisors to gauge the approximate risk attitude of clients.

An assessment of risk attitude derived from its use should only be used to complement a much broader and detailed understanding of the client's circumstances, priorities and objectives.

Its output is not and never should be represented as, or considered to be, financial advice.

The categorisations it produces refer predominantly to disposition towards risk: the categorisations do not take account of capacity to bear financial risk.

The risk attitude gauged by completing this tool should therefore be used with particular care as part of a much broader assessment.

A. How do you think your best friend would describe you?

- Very risk averse
- Willing to take modest risks but only after careful research and consideration
- Willing to take modest risks after some thought
- Willing to take substantial risks after careful research and consideration
- Willing to take substantial risks after taking professional advice
- Someone who embraces risk, perhaps without sufficient consideration

B. How would you describe your understanding of investments and pensions?

- Little or none
- Moderate
- Good
- Advanced

C. Which of these statements most accurately represents your view?

- Capital security is paramount even if returns are unlikely to keep pace with inflation
- It is better to take modest risk and hope for returns which keep pace with inflation
- It is worth putting up with significant fluctuations in value in the pursuit of higher returns
- The pursuit of growth should over-ride concerns about fluctuations in value and even the risk of a significant loss of capital

D. I believe that the best long-term returns come from more aggressive strategies and am willing to tolerate pronounced and sometimes prolonged falls in value along the way

- Disagree
- No Opinion
- Agree

E. Have you ever made an investment of a size which mattered to you and which showed a significant loss in value, even on a temporary basis? If so, did it:

- Cause you significant stress?
- Bother you, but not to the degree of significant stress?
- Not bother you - these things happen
- Never made such an investment

F. A stockmarket crash wipes 20% off your investment in a month. Would you be most likely to?

- Switch it all into a safer fund(s) to protect from further falls
- Switch half of it into a safer fund(s)
- Do nothing
- Switch into more aggressive fund(s) to exploit the fall in markets

G. Have you ever? (tick all the options which apply)

- Acquired shares through a de-mutualisation (e.g. Canada Life, Standard Life)?
- Acquired shares as part of an employee share scheme?
- Bought shares in a public issue (e.g. eircom, Aer Lingus)?
- Bought shares of your own choice or on advice?
- Owned unit-linked (insurance company) funds or unit trusts?
- Dealt in derivatives (e.g. CFDs) or engaged in financial spread-betting?
- Owned investment property (i.e. excluding your principal residence), or invested in a geared property syndicate or similar vehicle?

- H. You start a new job in which there is a pension scheme which you must join; the booklet outlines a range of fund choices. Would you be?
- Quite comfortable selecting one or more funds?
 - Not comfortable but make a quick decision (don't understand too well/not very interested)
 - Make the best decision you could, having researched the options
 - Not make a selection and go with the 'Default' option (i.e. take the option made available by the Trustees for members who prefer not to select for themselves)
 - Seek and follow advice from a friend or colleague
- I. You have just finished saving for a once-in-a lifetime holiday. Six weeks before you are due to go you lose your job. Would you?
- Cancel the holiday
 - Change to a more modest holiday
 - Go as planned
 - Extend your planned holiday since time is no longer a problem
- J. You have a good friend who has developed a new software application which she is trying to commercialise. She estimates that there is a 15% chance of succeeding in which case investors will be paid out at least 20 times what they put in. If unsuccessful, investments will be worthless. Would you be willing to invest?
- Nothing
 - A month's salary
 - 3 months' salary
 - 6 months' salary
 - As much as you could raise
- K. You are a contestant on a TV quiz show and have just answered the EUR50,000 question. The next question can win you EUR100,000 but you are unsure of the answer - you are certain that it is not A or B but don't know as between C and D. What would you do?
- not answer and take the EUR50,000
 - Eliminate one incorrect answer, leaving you a choice of three; if wrong you go home with EUR25,000; if correct you collect EUR75,000
 - Guess the answer: if correct you win EUR100,000, but if wrong you go home empty-handed
- L. You are due to go on an early morning international flight and the recommended check-in time is 90 minutes before flying. Which of these scenarios best describes you?
- Pack two days earlier, setting a second alarm clock for a time which will get you there at least 2 hours beforehand (allowing for traffic delays)
 - Pack the night before, setting two alarm clocks for a time to arrive at or before the 90 minutes
 - Finish packing just before leaving, but in time to get there 'in or about' the 90 minutes
 - Take the view that 90 minutes really means 60!
- M. You are renewing your household insurance, and face a choice of lower premium/higher excess(*) as shown. Which do you choose?
- Premium EUR700, with excess of EUR250
 - Premium EUR600, with excess of EUR1000
 - Premium EUR400, with excess of EUR2500
- N. Which of the following portfolios appeals to you?
- Portfolio 1 [Max Gain - 5%, Max Loss - 2%]
 - Portfolio 2 [Max Gain - 10%, Max Loss - 5%]
 - Portfolio 3 [Max Gain - 20%, Max Loss - 10%]
 - Portfolio 4 [Max Gain - 30%, Max Loss - 20%]

Client 1

Client 2 (Optional)

PRINT NAME

PRINT NAME

SIGNATURE

SIGNATURE

Advisor

PRINT NAME

DATE

SIGNATURE