

Investment risk profile

All investors have differing attitudes towards risk. It is important to consider your risk profile carefully, including assessing your risk tolerance, and expected return on investment.

Question 1

My current age is –

Under 30	17
31 to 40	12
41 to 50	9
51 to 60	1
Over 60	0
Result	

Question 2

The net value of my current investments is roughly equal to the following –

Half my annual income	0
Equal to my annual income	2
Double my annual income	3
Triple my annual income	9
More than triple my annual income	12
Result	

Question 3

How long are you likely to wait before you start to withdraw from the investment?

Less than 5 years	1
Between 5 and 10 years	4
Between 10 and 15 years	8
More than 15 years	16
Result	

Question 4

Within the next few years I expect my income to grow at the following pace –

Slower than inflation	1
At the same rate as inflation	3
Much quicker than inflation	8
Unpredictable and may fluctuate	0
Result	

Question 5

Say you invest R100,000 for 5 years, which scenario would you choose?

Best R130,000, worst R120,000	0
Best R160,000, worst R90,000	6
Best R200,000, worst R70,000	10
Best R250,000, worst R50,000	15
Result	

Question 6

How would you likely react to fluctuations in the value of your investments?

I am very concerned if the investment lose value and I am likely to sell immediately	0
If it loses 5% over a quarter, then I would likely sell out or invest somewhere else	1
I will wait for at least a year before I make any changes to the portfolio	4
I will stick to a long term plan even if I experience significant short term losses	9
Result	

Question 7

Regarding dependants (minor or adult) and other major costs that I am likely to incur before retirement –

I will be able to meet all my expenses for dependants & costs out of my income	11
I don't have any dependants or major costs to worry about	10
I will have to withdraw a small portion of my savings to pay for these when I retire	6
I will have to withdraw more than half of my savings to pay for these when I retire	2
Paying for these will leave me with very little savings when I retire	0
Result	

Your risk profile

According to the questionnaire

	Low risk
	Medium risk
	High risk

Definitions and explanations

Low risk 17 or less	Medium risk 18 – 35 points	High risk 36 or more
Low Risk investors want stability and are concerned with protecting their current investments than increasing the real value of their investments.	Medium Risk investors want reasonable but relatively stable growth. Fluctuations are tolerable, but investors want less risk than that in a fully equity based investment.	High Risk investors are long term investors who want high capital growth. Substantial year-to-year fluctuations are acceptable in exchange for a potentially higher return.

Do you agree with this assessment of your risk profile?

	Yes – I agree
	No – I disagree

If you disagree, please state your chosen risk profile –

	Low risk
	Medium risk
	High risk

Acceptance by both parties

Signed at		On this date		2020.
Signed by the client, duly authorised		Witness for the client		