

# INVESTOR RISK PROFILE



The following questions are intended to help develop a profile of yourself as an investor. Your responses will assist us in determining an investment strategy most likely to suit you.

These questions will assist in determining the approach we can take with your investments based on your personal preferences and life situation. You may find that the investor profile indicates that because of your life situation, you can afford to take a more aggressive approach with your investments. It is essential you are comfortable with the profile recommended for you.

Client Name (1):

Client Name (2):

Financial Adviser's Name:

Date:

Comments:                      This profile is required by law.

Guardianfp Limited trading as Guardian Financial Planning ABN 40 003 677 334 Australian Financial Services Licence 237641

# 1. DETERMINING YOUR INVESTMENT PROFILE

At the end of the questionnaire total your points and compare this score to the investor profile summaries following.

	Client 1	Client 2
<b>Maximising Returns</b>		
1. How important is maximising your investment returns over the long term?		
A. Not important at all	<input type="checkbox"/>	<input type="checkbox"/>
B. Not important	<input type="checkbox"/>	<input type="checkbox"/>
C. Neutral	<input type="checkbox"/>	<input type="checkbox"/>
D. Important	<input type="checkbox"/>	<input type="checkbox"/>
E. Very Important	<input type="checkbox"/>	<input type="checkbox"/>
<b>Investment Attitude</b>		
2. A new investment, supported by research, becomes available which offers a return of 12%pa, with a capital guarantee. Would you:		
A. Decline to invest, it seems too good to be true	<input type="checkbox"/>	<input type="checkbox"/>
B. Decline to invest at the moment, but reassess in another year	<input type="checkbox"/>	<input type="checkbox"/>
C. Ask your financial planner or adviser for their recommendation	<input type="checkbox"/>	<input type="checkbox"/>
D. Invest up to 10% of your portfolio	<input type="checkbox"/>	<input type="checkbox"/>
E. Invest more than 10% of your portfolio	<input type="checkbox"/>	<input type="checkbox"/>
<b>Investment Time Horizon</b>		
3. How long are you prepared to invest your capital?		
A. 1 to 2 years	<input type="checkbox"/>	<input type="checkbox"/>
B. 2 to 3 years	<input type="checkbox"/>	<input type="checkbox"/>
C. 3 to 5 years	<input type="checkbox"/>	<input type="checkbox"/>
D. 5 to 7 years	<input type="checkbox"/>	<input type="checkbox"/>
E. More than 7 years	<input type="checkbox"/>	<input type="checkbox"/>
<b>Investment Return Expectation</b>		
4. In light of current interest rates, what return do you reasonably expect to achieve from your investments?		
A. In line with inflation	<input type="checkbox"/>	<input type="checkbox"/>
B. Current inflation, plus 2 – 3%	<input type="checkbox"/>	<input type="checkbox"/>
C. Current inflation, plus 3 –5%	<input type="checkbox"/>	<input type="checkbox"/>
D. Current inflation, plus 5 –9%	<input type="checkbox"/>	<input type="checkbox"/>
E. Current inflation, plus 6 –10%	<input type="checkbox"/>	<input type="checkbox"/>
<b>Form of Investment Return</b>		
5. I expect my investment return to come in the form of:		
A. All interest	<input type="checkbox"/>	<input type="checkbox"/>
B. Interest and dividends	<input type="checkbox"/>	<input type="checkbox"/>
C. Interest and dividends and capital growth	<input type="checkbox"/>	<input type="checkbox"/>
D. Dividends and capital growth	<input type="checkbox"/>	<input type="checkbox"/>
E. All capital growth	<input type="checkbox"/>	<input type="checkbox"/>
<b>Total</b>	<b>A1</b>	<b>B2</b>
	<b>C3</b>	<b>D4</b>
	<b>E5</b>	

**Client 1**                      **Client 2**

**Volatile**

6. The greatest tax savings are generally obtained from more volatile investments. Which balance do you feel most comfortable with?

- |   |                          |                          |
|---|--------------------------|--------------------------|
| A. Preferably guaranteed returns before tax savings                 | <input type="checkbox"/> | <input type="checkbox"/> |
| B. Stable, reliable returns, tax savings irrelevant                 | <input type="checkbox"/> | <input type="checkbox"/> |
| C. Some variability in returns, reasonable tax savings              | <input type="checkbox"/> | <input type="checkbox"/> |
| D. Moderate variability in returns, some tax savings                | <input type="checkbox"/> | <input type="checkbox"/> |
| E. Unstable, but potentially higher returns, maximising tax savings | <input type="checkbox"/> | <input type="checkbox"/> |

**Tolerance for Risk**

7. Which of the following best describes your comfort with negative returns?

- |   |                          |                          |
|---|--------------------------|--------------------------|
| A. I can't tolerate any possible loss of capital regardless of the potential return   | <input type="checkbox"/> | <input type="checkbox"/> |
| B. I can tolerate small losses of capital over a period of 1 or 2 quarters  | <input type="checkbox"/> | <input type="checkbox"/> |
| C. I can tolerate periodic declines in overall portfolio value for as long as 3 or 4 quarters   | <input type="checkbox"/> | <input type="checkbox"/> |
| D. I can tolerate portfolio declines of 1 or 2 years in pursuit of above average long-term returns                                      | <input type="checkbox"/> | <input type="checkbox"/> |
| E. I can tolerate portfolio declines of greater than 2 years in pursuit of returns that are much higher than average over the long term | <input type="checkbox"/> | <input type="checkbox"/> |

**Investment Comfort**

8. Which of the following investment scenarios would you feel most comfortable

- |   |                          |                          |
|---|--------------------------|--------------------------|
| A. An average return of 6.0% pa with low likelihood of a negative occurring   | <input type="checkbox"/> | <input type="checkbox"/> |
| B. An average return of 7.5% pa with a negative occurring 1 in every 10 years | <input type="checkbox"/> | <input type="checkbox"/> |
| C. An average return of 9.0% pa with a negative occurring 1 in every 8 years  | <input type="checkbox"/> | <input type="checkbox"/> |
| D. An average return of 11.7% pa with a negative occurring 1 in every 6 years | <input type="checkbox"/> | <input type="checkbox"/> |
| E. An average return of 12.2% pa with a negative occurring 1 in every 5 years | <input type="checkbox"/> | <input type="checkbox"/> |

**Investment Confidence**

9. Considering your current cashflow and savings capacity, which statement reflects your current situation?

- |  |                          |                          |
|--|--------------------------|--------------------------|
| A. No capacity to save towards building an investment portfolio  | <input type="checkbox"/> | <input type="checkbox"/> |
| B. Some capacity, but limited inclination to save towards building an investment portfolio   | <input type="checkbox"/> | <input type="checkbox"/> |
| C. Interested in directing present savings, or surplus cashflow to build an investment portfolio   | <input type="checkbox"/> | <input type="checkbox"/> |
| D. Committed to directing present savings or surplus cashflow to build an investment portfolio   | <input type="checkbox"/> | <input type="checkbox"/> |
| E. Prepared to reduce everyday living expenses in order to be able to commit more savings or surplus cashflow to build an investment portfolio | <input type="checkbox"/> | <input type="checkbox"/> |

**Investment Experience**

10. Each of the following statements is an investment term, Capital growth; CGT; Dividend Imputation; Negative gearing; Depreciation. You are able to explain and understand:

- |                     |                          |                          |
|---------------------|--------------------------|--------------------------|
| A. One term or less | <input type="checkbox"/> | <input type="checkbox"/> |
| B. Two terms        | <input type="checkbox"/> | <input type="checkbox"/> |
| C. Three terms      | <input type="checkbox"/> | <input type="checkbox"/> |
| D. Four terms       | <input type="checkbox"/> | <input type="checkbox"/> |
| E. Five terms       | <input type="checkbox"/> | <input type="checkbox"/> |

**Subtotal brought forward from bottom of previous page**

**TOTAL INVESTOR PROFILE SCORE**                      **A1 B2 C3 D4 E5**

Now match your Investor Profile score to the Investor Profile summaries on the next page

## 2. INVESTOR RISK PROFILE SUMMARY

Investor Profile	Total Points
<b>Defensive</b> The primary objective of this investor is to preserve capital over a 3 year time frame while seeking strong income and some capital growth. A relatively small holding in growth assets, will ensure the risk of capital loss over a 3 year time frame is minimal. A high level of income is sought by investing in fixed income securities with exposure to mortgages, domestic bonds and international fixed interest.	0 - 10
<b>Conservative</b> The conservative or moderate investor seeks a solid income stream with growth opportunities being of a secondary consequence. This requires an investment time horizon of between 3-5 years. The portfolio would be skewed towards income bearing securities such as cash and fixed interest, with a small exposure to equities and property providing appreciation potential.	11 - 20
<b>Balanced</b> The balanced investor will typically operate a portfolio evenly split between interest bearing securities and growth oriented investments. An exposure to a range of investment sectors including cash, fixed interest, property and shares, ensures the portfolio is “truly” balanced. Investors are typically comfortable with a variability of their capital over a 5 year horizon while their portfolio builds a growing income stream and capital growth.	21 - 30
<b>Growth</b> This investor places greater emphasis on capital appreciation with current income and asset preservation being a secondary concern. This requires an investment time horizon of between 5 – 7 years. Their portfolio would typically comprise an overweight holding in shares and property with a small exposure to income bearing securities such as cash and fixed interest.	31 - 40
<b>High Growth</b> These investors ignore income and capital preservation in the short term in order to maximise their opportunities for capital growth over an 8 year plus time frame. Hence their portfolio would typically comprise of Australian and international shares.	41 - 50

Please review the selected investor profile carefully to ensure it reflects your situation.

If you are not comfortable with the recommended portfolio (or you and your partner have different profiles) we can start with a lower risk profile and review it over time as you become more comfortable with investment markets. But please be aware that risk and return are closely related, so by choosing a lower risk profile, you are also choosing to reduce your longer-term expectations of returns.

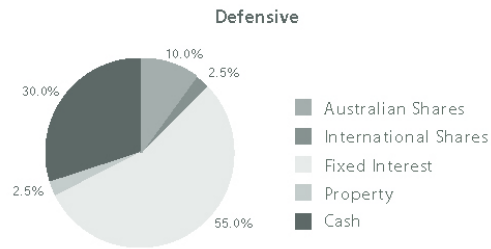
## 3. INVESTMENT STRATEGIES

The approach we take with the investor profiles is to set recommended asset allocations for each profile, along with a suitable time-frame of investment. The suggested time-frame of investment is that ideal to minimise risk and maximise returns for each of the profiles. The recommended asset allocations and other information following are constructed from ASSIRT and INVESTORWEB Research and model portfolios.

Your recommended portfolio may vary to that listed below in order to meet your specific goals and circumstances or take into account existing investments you may have. In addition, your portfolio may include other investments that do not fit into one of the investment categories listed below, such as private infrastructure.

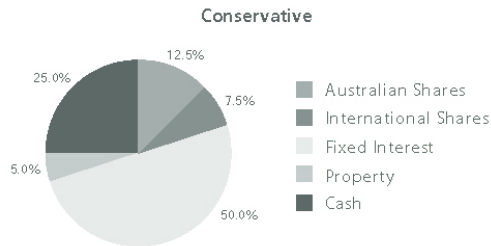
### Defensive

The primary objective of this investor is to preserve capital over a 3 year investment time frame while seeking strong income and some capital growth. A relatively small holding in growth assets, will ensure the risk of capital loss over a 3 year time frame is minimal. A high level of income is sought by investing in fixed income securities with exposure to mortgages, domestic bonds and international fixed interest.



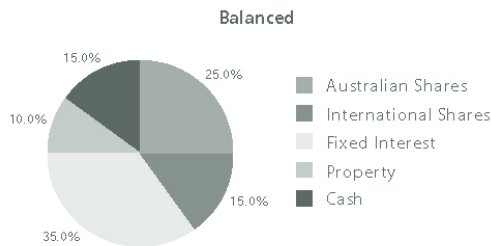
### Conservative

The conservative or moderate investor seeks a solid income stream with growth opportunities being of a secondary consequence. This requires an investment time horizon of between 3-5 years. The portfolio would be skewed towards income bearing securities such as cash and fixed interest, with a small exposure to equities and property providing appreciation potential.



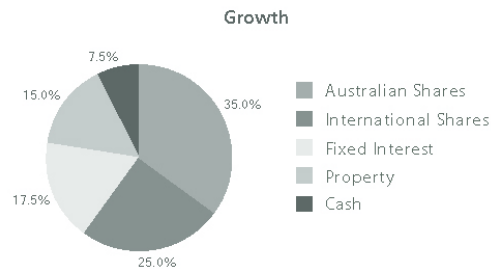
### Balanced

The balanced investor will typically operate a portfolio evenly split between interest bearing securities and growth orientated investments. An exposure to a range of investment sectors including cash, fixed interest, property and shares ensures the portfolio is "truly" balanced. Investors are typically comfortable with a variability of their capital over a 5 year horizon while their portfolio builds a growing income stream and capital growth.



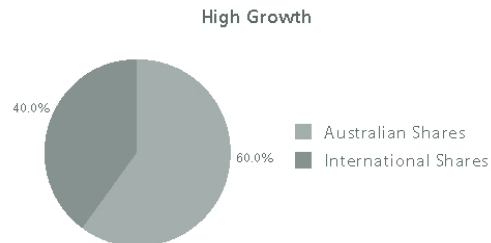
### Growth

This investor places greater emphasis on capital appreciation with current income and asset preservation being of a secondary concern. This requires an investment time horizon of between 5-7 years. Their portfolio would typically comprise an overweight holding in shares and property with a small exposure to income bearing securities such as cash and fixed interest.



### High Growth

These investors ignore income and capital preservation in the short term in order to maximise their opportunities for capital growth over a 10 year plus time frame. Hence their portfolio would typically comprise of Australian and international shares.



In all cases, a standard variance of 10% within a particular asset class is allowed to cater for individual circumstances, economic events and fund manager asset allocation decisions. Variations outside of this range may be appropriate in certain circumstances and will be explained by your adviser in the statement of advice.

## 4. REVIEW

If the outcome does not accurately reflect your attitude towards investing and your personal circumstances, please review and revise your response to the questions. You may also wish to review all the investor profiles above and choose the one that mostly reflects the way you approach investing.

**Investor Risk Profile Selected:**

*NOTE: Where there is a difference between the investor profile selected and the profile(s) indicated by the questionnaire, note the reasons for this difference.*