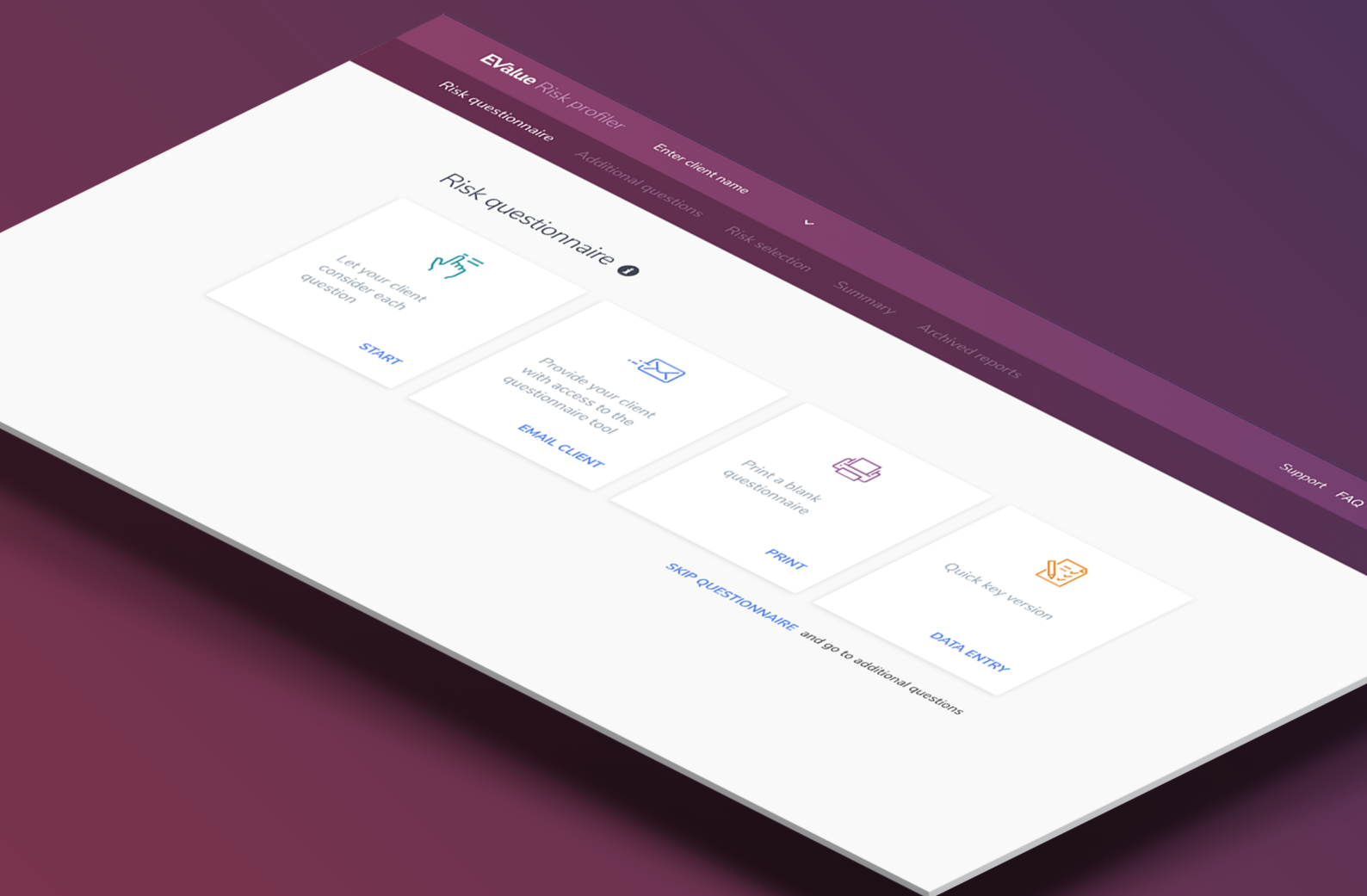


Introduction to Risk Profiler



EValue

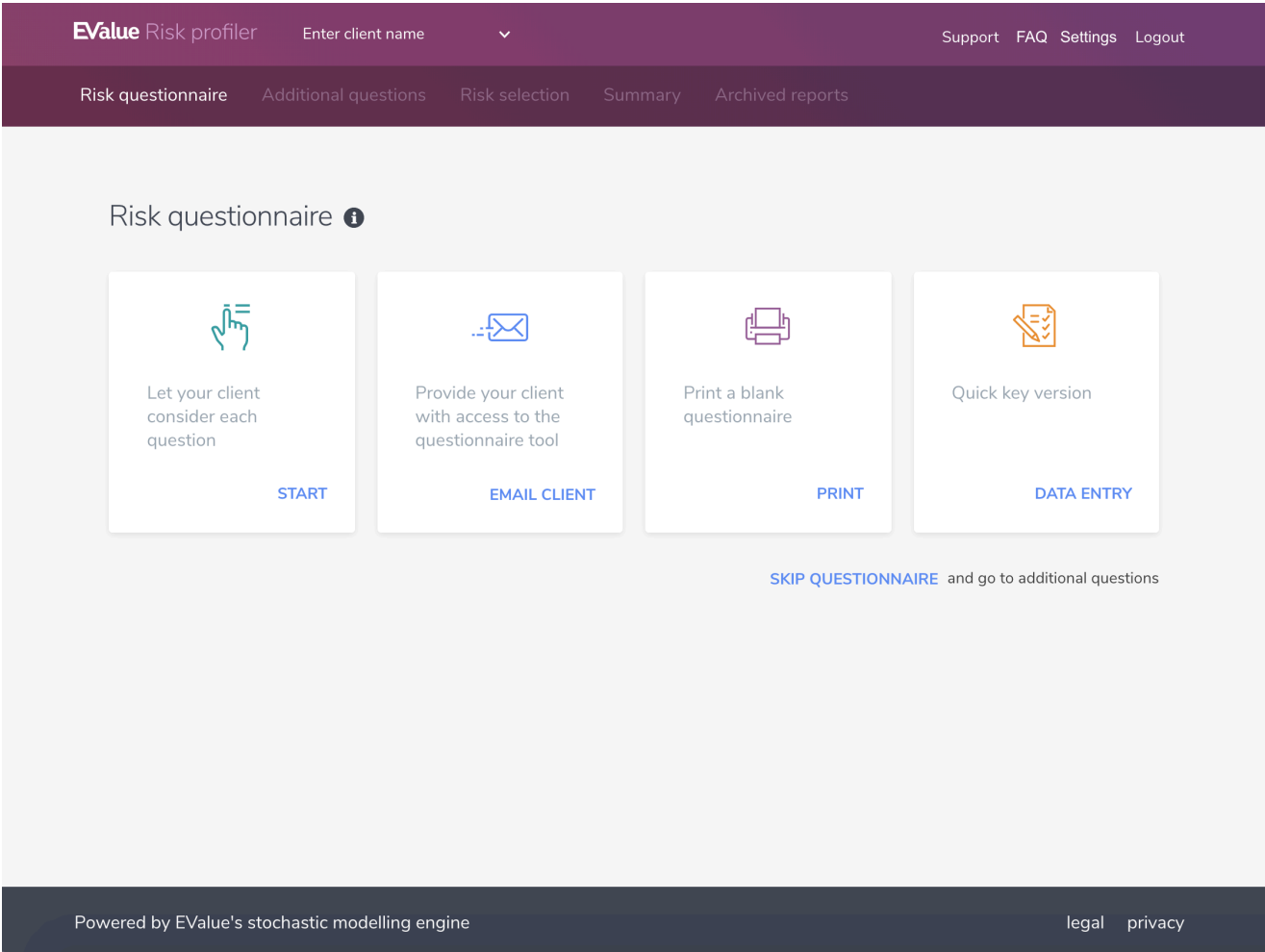
Introduction

The purpose of this document is to understand how to use the Risk Profiler solution. It will be demonstrated that it can be completed in a number of ways, to meet individual adviser requirements.

Section 1: Electronic completion

This is the screen from which the Adviser Planning solutions are accessed. Click on ‘Risk profiler’.

Type in the client’s name and choose the method to be used to complete the risk assessment. The first method we will look at is the ‘start’ way.



EValue Risk profiler

Enter client name

Support

FAQ

Settings

Logout

Risk questionnaire

Additional questions

Risk selection

Summary

Archived reports

Risk questionnaire

Let your client consider each question

START

Provide your client with access to the questionnaire tool

EMAIL CLIENT

Print a blank questionnaire

PRINT

Quick key version

DATA ENTRY

SKIP QUESTIONNAIRE

 and go to additional questions

Powered by EValue's stochastic modelling engine

legal

privacy

EValue's risk questionnaire is designed for investors who are prepared to take at least some capital risk, i.e. risk levels start at "Little risk" not "No market risk".

Note: "No market risk" level is available which can be selected either before the questionnaire is used or following further risk discussions with the customer.

Answer questions to establish client’s risk profile. The first 2 answers are as per these screens.

12345678910111213141516171819

I would enjoy exploring investment opportunities for my money.

☐ I strongly agree with this statement

☒ I tend to agree with this statement

☐ In between

☐ I tend to disagree with this statement

☐ I strongly disagree with this statement

CANCEL

PREVIOUS QUESTION

NEXT QUESTION

12345678910111213141516171819

I would go for the best possible return even if there were risk involved

☐ Always

☒ Usually

☐ Sometimes

☐ Rarely

☐ Never

CANCEL

PREVIOUS QUESTION

NEXT QUESTION

Complete the remaining questions as follows:

- 3. Fairly adventurous
- 4. I tend to disagree....
- 5. Medium
- 6. I tend to disagree...
- 7. I tend to disagree...
- 8. Monitor the investment...
- 9. I tend to agree...
- 10. I tend to agree...
- 11. More than half
- 12. A thoughtful risk taker
- 13. Possibly
- 14. Accepting of the possible...
- 15. A mixture of the above
- 16. I tend to disagree...
- 17. I'm optimistic...
- 18. I tend to disagree...

Question 19 does not affect the client's risk profile but is basic demographic information.

Please provide the following demographic information, this information does not affect the assessment of your attitude to risk. We are collecting the following information to make sure that each demographic is equally represented.

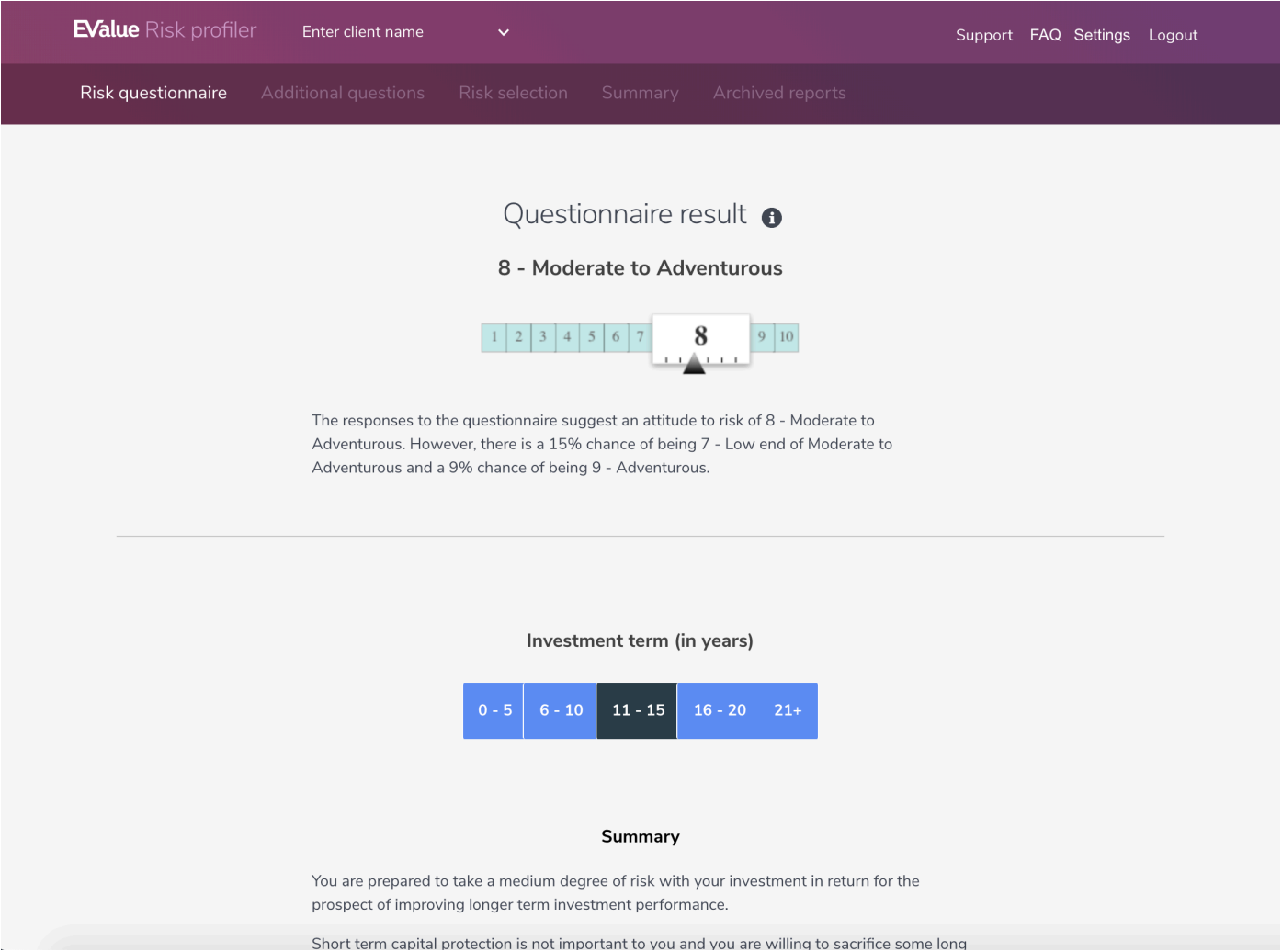
Age	<input type="text" value="Choose an answer"/>
Gender	<input type="text" value="Choose an answer"/>
Household income	<input type="text" value="Choose an answer"/>
Investment experience	<input type="text" value="Choose an answer"/>
Investable wealth	<input type="text" value="Choose an answer"/>
Geographical region	<input type="text" value="Choose an answer"/>

[CANCEL](#)[PREVIOUS QUESTION](#)[CALCULATE](#)

The screen below shows the result based on the questionnaire. The triangle in the ‘number’ box indicates how low or high the client is within the risk category.

In this case the expected investment term is 11 – 15 years.

A verbal explanation of the client’s risk profile based on the questionnaire is given as well as the typical asset allocation for the risk category, taking into account the expected term of the investment.



The screen below has changed the expected term of the investment. Note the change in the typical asset allocation.

The next step is to ‘continue to additional questions’.


Summary

You are prepared to take a medium degree of risk with your investment in return for the prospect of improving longer term investment performance.

Short term capital protection is not important to you and you are willing to sacrifice some long term protection for the likelihood of greater returns.

A typical Moderate to Adventurous investor will be invested mainly in equities but with other assets included to provide some diversification. There may be a small amount of specialised equity within the portfolio.

Typical asset allocation



UK Government Bonds	7.5%
Corporate Bonds	3%
UK Equity	44.5%
Overseas Equity	34%
Specialist Equity	4%
Property	7%

CONTINUE TO ADDITIONAL QUESTIONS

or RETAKE QUESTIONNAIRE

These are the additional questions that establish the client’s capacity for loss. Although they do not automatically change their profile, the discussion around the questions may result in agreement that the client’s actual risk profile is different to that which the score suggests.

The adviser has the opportunity to make comments where a question is answered ‘Yes’. Once these questions have been answered click on ‘Continue’ to risk selection.

1

Is this investment a significant proportion of your total wealth?

☐

 Yes

☐

 No

2

Is this investment providing your daily living expenses?

☐

 Yes

☐

 No

3

Would you need the money being invested to cover your expenses in an emergency?

☐

 Yes

☐

 No

4

Do you have any dependants who rely on you financially?

☐

 Yes

☐

 No

5

Do you have any major financial commitments that could mean you need to access this money earlier than you currently think?

☐

 Yes

☐

 No

6

Are you experienced in investing?

☐

 Yes

☐


 No

Adviser notes

CONTINUE

to risk selection

In this case the discussion has concluded that risk profile 7 is more appropriate for this client. This is changed by clicking the button relating to the agreed risk profile. Where the profile has changed from the original questionnaire, the adviser is required to give a reason why. Once this has been done, click 'Set as selected risk profile'.

Select risk profile 

8 - Moderate to Adventurous

012345678910

less riskymore risky

Investment term (in years)

0 - 56 - 1011 - 1516 - 2021+


Summary

You are prepared to take a medium degree of risk with your investment in return for the prospect of improving longer term investment performance.

Short term capital protection is not important to you and you are willing to sacrifice some long term protection for the likelihood of greater returns.

A typical Moderate to Adventurous investor will be invested mainly in equities but with other assets included to provide some diversification. There may be a small amount of specialised equity within the portfolio.

Typical asset allocation



UK Government Bonds	7.5%
Corporate Bonds	3%
UK Equity	44.5%
Overseas Equity	34%
Specialist Equity	4%
Property	7%

SET AS SELECTED RISK PROFILE

and go to summary

10

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This screen summarises the questionnaire and subsequent decision about the client's risk profile. Click the 'Generate report' button to produce a report that summarises the client's risk profile. Click the 'Archive this report' button to save the report for this client.

Summary ⓘ

GENERATE REPORT

Questionnaire result

8 - Moderate to Adventurous

12345678910

The responses to the questionnaire suggest an attitude to risk of 8 - Moderate to Adventurous. However, there is a 15% chance of being 7 - Low end of Moderate to Adventurous and a 9% chance of being 9 - Adventurous.

Selected risk profile

8 - Moderate to Adventurous

012345678910

Investment term (in years)

0 - 56 - 1011 - 1516 - 2021+

Summary

You are prepared to take a medium degree of risk with your investment in return for the prospect of improving longer term investment performance.

Short term capital protection is not important to you and you are willing to sacrifice some long term protection for the likelihood of greater returns.

A typical Moderate to Adventurous investor will be invested mainly in equities but with other assets included to provide some diversification. There may be a small amount of specialised equity within the portfolio.

Typical asset allocation

UK Government Bonds	7.5%
Corporate Bonds	3%
UK Equity	44.5%
Overseas Equity	34%
Specialist Equity	4%
Property	7%

ARCHIVE THIS REPORT

Once a report has been archived it can be accessed at any time under the 'Archived reports' section.

EValue Risk profiler

Enter client name

Support

FAQ

Settings

Logout

Risk questionnaire

Additional questions

Risk selection

Summary

Archived reports

Archived reports

Report	Questionnaire result	Selected risk profile
Thursday, 7 November 2019	8 - Moderate to Adventurous	8 - Moderate to Adventurous

START NEW ASSESSMENT

Section 2: Completion by email

The following screens look at the process where a risk questionnaire is to be emailed to the client, in advance of a face to face meeting. On the first occasion that an adviser does this, they will be asked to complete their own email details so that they can be kept informed of the progress by the client.

Click 'Email client'.

Risk questionnaire

Let your client consider each question

START

Provide your client with access to the questionnaire tool

EMAIL CLIENT

Print a blank questionnaire

PRINT

Quick key version

DATA ENTRY

SKIP QUESTIONNAIRE

 and go to additional questions

The next step is to input the client’s name and email address. Then click ‘Send’.

Risk questionnaire

Email client

Provide your client with access to the questionnaire tool

Client name

Client email address

SEND

An email to the client is generated with a link to the questionnaire. The adviser receives confirmation that this has happened.


The client answers questions as before. Once complete the following message is sent to the client.

The adviser is now able to access the completed questionnaire. The next step is for the adviser and client to complete the additional questions and continue to risk selection, as we saw previously.

Section 3: Completion by paper/Data entry


Where it is preferred, the adviser can simply print a paper copy of the Risk questionnaire for completion with the client or alternatively they can select the Data entry option if they would like the questions without the pictures.

Risk questionnaire ⓘ




Let your client consider each question

START




Provide your client with access to the questionnaire tool

EMAIL CLIENT



Print a blank questionnaire

PRINT



Quick key version

DATA ENTRY

[SKIP QUESTIONNAIRE](#) and go to additional questions

Section 4: Summary

This document has aimed to demonstrate the ways in which the Risk Profiler can be used by a financial adviser to establish a client’s risk profile. It is intended that the tool’s use can be adapted to fit in with the adviser’s way of working, rather than cause unnecessary barriers to doing business.

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