

NEW NWM: Attitude To Risk Form Walkthrough



Attitude to Risk Profiler

Client Name:

Client's Full Name & Date of completion

Date:

Attitude To Risk (ATR) profiling questionnaires are designed to provide a standardised, objective and compliant measure of risk for all types of people, including those who have little or no financial understanding or experience of investing, as well as those who are very experienced investors.

An integral part of the advice process is to take into account a person's risk profile and their investment term when discussing their financial requirements and goals. It is for this reason that Nexus strongly advises all clients to complete the ATR questionnaire.

Nexus operates a robust method of identifying risk tolerance, and this provides an excellent starting point for a discussion about your financial goals, the nature of investment risk, and the trade-off between risk and reward.

This ATR questionnaire has been statistically tested to determine its validity, reliability and accuracy and has been validated by experts in occupational psychology and psychometric statistics.

Attitude to Risk Profiler - Risk Definitions

Attitude to Risk	Risk Definition
Low Risk	You require a high degree of security and are willing to accept low growth in return. The portfolio will invest in ultra-conservative or near money strategies.
Medium/Low Risk	You are seeking capital growth with minimal price volatility, achieved through a conservative strategy.
Medium Risk	You are seeking the potential of growth with moderate volatility, achieved through a balanced strategy.
Medium/High Risk	You are seeking the potential for superior capital growth and are willing to accept higher volatility through a fairly aggressive portfolio strategy.
High Risk	You are seeking the possibility of fast appreciation of capital and are willing to accept very high volatility by investing in an aggressive or equity portfolio strategy.

Attitude to Risk Profiler - Questionnaire

Consider each statement or question and select the response from the options provided that best fits your opinion - complete the questionnaire by placing one letter in the column 'Your Choice'.

	Statement	Options	Your Choice
1	I would enjoy exploring investment opportunities for my money	a. I strongly disagree with this statement b. I disagree with this statement c. I neither agree nor disagree with this statement d. I agree with this statement e. I strongly agree with this statement	d.
2	I would go for the best possible return even if there were risk involved	a. Always b. Most likely c. Sometimes d. Less likely e. Never	b.
3	Compared to other people, how would you describe your typical attitude when making important financial decisions?	a. Very adventurous b. Adventurous c. Average d. Cautious e. Very cautious	b.
4	Compared to others, what amount of risk have you taken with your past financial decisions?	a. Very large b. Large c. Average d. Small e. Very small	c.
5	To reach my financial goal, I prefer an investment which is safe and grows slowly but steadily, even if it means lower growth overall	a. I strongly disagree with this statement b. I disagree with this statement c. I neither agree nor disagree with this statement d. I agree with this statement e. I strongly agree with this statement	b.
6	I am looking for high investment growth. I am willing to accept the possibility of greater losses to achieve this.	a. I strongly disagree with this statement b. I disagree with this statement c. I neither agree nor disagree with this statement d. I agree with this statement e. I strongly agree with this statement	d.
7	If you had money to invest, how much would you be willing to place in an investment with high possible returns but an equal element of risk?	a. All of it b. Most of it c. Some of it d. A little of it e. None of it	c.
8	How would a close friend describe your attitude to taking financial risk?	a. Daring b. Sometimes adventurous c. Willing to take some risk d. Careful e. Cautious	c.
9	If you had picked an investment with potential for large gains but also the risk of large losses how would you feel?	a. Excited by the potential for gain b. Optimistic, but not overly so c. Neither excited nor frightened d. Disturbed if the investment value were to go down e. Frightened by the potential for loss	b.

Indicate the most applicable answer of the client to each statement mentioned.

10	I would prefer small certain gains to large uncertain ones.	<ul style="list-style-type: none"> a. I strongly disagree with this statement b. I disagree with this statement c. I neither agree nor disagree with this statement d. I agree with this statement e. I strongly agree with this statement 	b.
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(continuation)
Indicate the most applicable answer of the client to each statement mentioned.

	Statement	Options	Your Choice
11	Imagine you have some money to invest and a choice of two investment products, which option would you choose?	<ul style="list-style-type: none"> a. The highest annual return but risk losing all of the initial investment b. An above average annual return but some risk of losing much of the initial investment c. An average annual return but some risk of losing part of the initial investment d. A below average annual return but with little risk of losing any of the initial investment e. A low average annual return but with no risk of losing f. any of the initial investment 	C.
12	When considering a major financial decision which statement BEST describes the way you think about the possible losses or the possible gains?	<ul style="list-style-type: none"> a. I'm excited about the possible gains b. I'm optimistic about the possible gains c. I think about both the possible gains and losses d. I am more aware of the risks of possible losses e. I worry about the possible losses 	C.
13	I want my investment money to be safe even if it means lower returns	<ul style="list-style-type: none"> a. I strongly disagree with this statement b. I disagree with this statement c. I neither agree nor disagree with this statement d. I agree with this statement e. I strongly agree with this statement 	C.

Attitude to Risk Profiler - Scoring

To score the questionnaire, circle the letter corresponding to the client's answer for each question, and transfer the score to the right hand column. Then total the scores.

Question	Client Answer					Score
1.	a. 1	b. 2	c. 3	d. 4	e. 5	4
2.	a. 5	b. 4	c. 3	d. 2	e. 1	4
3.	a. 5	b. 4	c. 3	d. 2	e. 1	4
4.	a. 5	b. 4	c. 3	d. 2	e. 1	4
5.	a. 5	b. 4	c. 3	d. 2	e. 1	4
6.	a. 1	b. 2	c. 3	d. 4	e. 5	4
7.	a. 5	b. 4	c. 3	d. 2	e. 1	3
8.	a. 5	b. 4	c. 3	d. 2	e. 1	3
9.	a. 5	b. 4	c. 3	d. 2	e. 1	4
10.	a. 5	b. 4	c. 3	d. 2	e. 1	4
11.	a. 5	b. 4	c. 3	d. 2	e. 1	3
12.	a. 5	b. 4	c. 3	d. 2	e. 1	3
13.	a. 5	b. 4	c. 3	d. 2	e. 1	3
Total						46

Provide here the score as per client's answer above statements mentioned.

Auto-sum calculation for the total score

Attitude to Risk

Score Range	Attitude to Risk Indicated
13 - 19	Low Risk
20 - 32	Medium/Low Risk
33 - 45	Medium Risk
46 - 58	Medium/High Risk
59 - 65	High Risk

Based on the total score above, mark the result here

Please ensure that the "Attitude to Risk" results are noted in the Suitability Report in page no. 4