



ATTITUDE TO RISK QUESTIONNAIRE

Name 1st Client (CL1)	
Name 2nd Client (CL2)	

This questionnaire has been designed to assess your knowledge, experience, and attitude towards investment risk and capacity for loss; in particular the relationship between risk and reward. There are several aspects of investment risk, including how you feel about risk, how much risk you can afford to (or wish to) take and the risk of not meeting a particular “goal” or “objective”.

Understanding your attitude to risk will allow recommendations to be better tailored to your needs. Your answers will be used as a guide in any discussion with your adviser regarding investment advice. Any subsequent recommendations will take your answers into account but will not have a direct bearing on any particular product or funds that may be recommended as a result.

In order to establish your attitude to risk, please complete this questionnaire.

Nexus IFA Ltd & Nexus Financial Planning are both Appointed Representatives of In Partnership, a trading style of The Whitechurch Network Limited which is Authorised and Regulated by the Financial Conduct Authority.

*Nexus IFA Ltd, 2-4 York Buildings, Cornhill, Bridgwater, Somerset, TA6 3BS
Tel: 01278 439494 | Email: office@nexusifa.co.uk
Reg. in England & Wales No. 07542873 | Reg. Office: As above*

Dec. 2024

EACH CLIENT (CL1 & CL2) PLEASE TICK IN THE APPROPRIATE BOX FOR EVERY QUESTION & NOTE SCORE IN TOTALS COLUMN

Risk Questions		Strongly Disagree	Disagree	No Strong Opinion	Agree	Strongly Agree	Totals
		CL1 CL2	CL1 CL2	CL1 CL2	CL1 CL2	CL1 CL2	CL1 CL2
1	People who know me would describe me as a cautious person.	4 	3 	2 	1 	0 	
2	I feel comfortable about investing in the stock market.	0 	1 	2 	3 	4 	
3	I generally look for safer investments, even if that means lower returns.	4 	3 	2 	1 	0 	
4	Usually it takes me a long time to make up my mind on investment matters.	4 	3 	2 	1 	0 	
5	I associate the word "risk" with the idea of "opportunity".	0 	1 	2 	3 	4 	
6	I generally prefer bank deposits to riskier investments.	4 	3 	2 	1 	0 	
7	I find investment matters easy to understand.	0 	1 	2 	3 	4 	
8	I am willing to take substantial investment risk to earn substantial returns.	0 	1 	2 	3 	4 	
9	I've little experience of investing in stocks, shares and investment funds.	4 	3 	2 	1 	0 	
10	I tend to be anxious about the investment decisions I've made.	4 	3 	2 	1 	0 	
11	I'd rather take my chances with higher risk investments than have to save more.	0 	1 	2 	3 	4 	
12	I'm not comfortable with the ups and downs of stockmarket investments.	4 	3 	2 	1 	0 	
ATR Score:							
ATR Level				Score Range			
Cautious				0 to 9			
Moderately Cautious				10 to 15			
Balanced				16 to 26			
Moderately Adventurous				27 to 35			
Adventurous				36 to 48			

Notes on discussion for agreed risk strategy with client(s):

--

Attitude To Risk	Description
Cautious	Cautious Investors are risk averse and typically have very limited experience and understanding of investments. They often take a long time to make investment decisions and tend to be anxious about any investment decisions they have made. They tend to associate risk with potential loss rather than opportunity. They typically look for investments with lower investment risk rather than seeking higher returns. They generally prefer bank accounts and are less willing to invest in stocks, shares and investment funds. Some cautious investors will be unwilling to take any investment risk at all. Cautious investors are more risk averse than about 90% of the investing population (i.e. compared to 9 people out of 10).
Moderately Cautious	Moderately Cautious Investors have fairly limited experience and understanding of investments. They often take a long time to make investment decisions and tend to be anxious about any investment decisions they have made. They are inclined to associate risk with potential loss rather than opportunity. They may prefer bank accounts or lower risk investments to higher returning but riskier investments (such as stocks, shares and investment funds). However, they may be willing to take some risk, once the relationship between risk and higher returns has been explained to them. Moderately Cautious Investors are more risk averse than about 70% of the investing population (i.e. compared to 7 people out of 10).
Balanced	Balanced Investors have an attitude to risk in the middle 50% of the investing population and are neither very risk averse nor inclined to seek riskier investments. They often have some experience and understanding of investments. They can usually make investment decisions without too much hesitation or anxiety. They may find more comfort in banks accounts and lower risk investments than stocks, shares and investment funds, but understand that investment risk may be required to meet their investment goals.
Moderately Adventurous	Moderately Adventurous Investors usually have some experience and understanding of investments. They tend to make investment decisions fairly quickly and are not generally anxious about the investment decisions they have made. They normally view risk as a source of opportunity rather than a threat and will understand how taking investment risk can help meet their investment goals. The potentially higher returns from higher investment risk will make investing in stocks, shares and investment funds more appealing than lower risk investments and bank deposits. Moderately adventurous investors are more tolerant of risk than about 80% of the investing population (i.e. compared to 8 people in 10).
Adventurous	Adventurous Investors often have substantial experience and understanding of investments. They usually make investment decisions quickly and are not likely to be anxious about the investment decisions they have made. They typically view risk as a source of opportunity rather than a threat and will understand how taking investment risk can help meet their investment goals. They are comfortable investing in stocks, shares and investment funds and prefer riskier, but potentially higher returning, investments to keeping money in bank deposits. Adventurous Investors are more risk tolerant than about 95% of the investing population (i.e. compared to 95 people out of 100).

Capacity for Loss Questions

EACH CLIENT (CL1 & CL2) PLEASE TICK IN THE APPROPRIATE BOXES FOR EVERY QUESTION

	Strongly Disagree	Disagree	No Strong Opinion	Agree	Strongly Agree
	CL1 CL2	CL1 CL2	CL1 CL2	CL1 CL2	CL1 CL2
I am flexible about my investment horizon – I could wait before using my investment.					
I don't have any significant outstanding debts and don't expect to incur any during the period of my investment (e.g., mortgage or credit cards).					
It would be relatively easy for me to cut my spending in retirement if circumstances require.					
My spouse or partner (or another family member) is likely to be able and willing to support me financially if circumstances require.					
	Less than 3 Yrs	3 – 9 Yrs	10 – 14 Yrs	15 Yrs +	
I will need to start spending my investment at the following point in the future. My investment horizon is:					

Capacity for Loss boundaries

Each Strategic Asset Allocation (SAA) is targeted to achieve the highest possible return but restricted to not having a Capacity for Loss value greater than the boundaries specified in the table below:

Attitude to Risk	Capacity for Loss	Max Gain	Mean Gain
Cautious	-6.50%	17.43%	5.53%
Moderately Cautious	-11.50%	23.60%	6.69%
Balanced	-16.50%	27.97%	7.39%
Moderately Adventurous	-21.50%	32.39%	7.97%
Adventurous	-24.00%	40.01%	8.58%

The Capacity for Loss figure is based on:

- No minimum allocation to any particular asset class.
- The capacity for loss figures have a tolerance of 10% so that at any one time the particular allocations may be different from the table above.
- The SAAs are created assuming a projection term of 10 years.
- They are reviewed on a bi-annual basis.
- The SAAs are based on lump sum accumulation and not on regular income.

Your **Capacity for Loss** is the amount you can **afford/are able to lose** on an investment, and reflects your ability to absorb falls in the value of your investment. If any loss of capital would have a materially detrimental effect on the standard of living, this should be taken into account in assessing the risk that you are able to take.

Your **Tolerance for Loss** is the amount you would be **willing to lose** on an investment.

PLEASE COMPLETE THE TABLES BELOW:

EACH CLIENT (CL1 & CL2) PLEASE TICK IN THE APPROPRIATE BOXES

Capacity for Loss				
<i>Amount client can afford/is able to lose in any 1 year as a %</i>				
Cautious	Moderately Cautious	Balanced	Moderately Adventurous	Adventurous
Up to 6.5%	Up to 11.5%	Up to 16.5%	Up to 21.5%	Up to 24.0% +
CL1 CL2	CL1 CL2	CL1 CL2	CL1 CL2	CL1 CL2

Tolerance For Loss				
<i>Amount client willing to lose in any 1 year as a %</i>				
Cautious	Moderately Cautious	Balanced	Moderately Adventurous	Adventurous
4.0% - 6.5%	9.0% - 11.5%	14.0% - 16.5%	19.0% - 21.5%	21.5% - 24.0% +
CL1 CL2	CL1 CL2	CL1 CL2	CL1 CL2	CL1 CL2

Agreed Risk Profile to Proceed with				
Refer to Page 3 for detailed descriptions				
Cautious	Moderately Cautious	Balanced	Moderately Adventurous	Adventurous
CL1 CL2	CL1 CL2	CL1 CL2	CL1 CL2	CL1 CL2

Targets and Goals			
CLIENT 1 - Retirement Age/Investment Term		Age	OR Years
Please complete ONE of the following options which best matches your targets and goals:			
At the end of my investment term I require an approximate fund value of:		£	
At retirement, I will require an anticipated annual income of:		£	per year
I currently require a total <input type="checkbox"/>/additional <input type="checkbox"/>* income from my investments of:		£	per year
I have no specific investment target in mind; however I am looking for medium to long term returns in excess of target inflation.**			<input type="checkbox"/>
CLIENT 2 - Retirement Age/Investment Term		Age	OR Years
Please complete ONE of the following options which best matches your targets and goals:			
At the end of my investment term I require an approximate fund value of:		£	
At retirement, I will require an anticipated annual income of:		£	per year
I currently require a total <input type="checkbox"/>/additional <input type="checkbox"/>* income from my investments of:		£	per year
I have no specific investment target in mind; however I am looking for medium to long term returns in excess of target inflation.**			<input type="checkbox"/>
* Tick as applicable			
**Inflation is currently assumed at 2% (the Bank of England Inflation target) throughout the term of your investment.			
The above assumptions are purely for illustrative purposes and cannot be guaranteed.			

NOTES - If income is required to commence, increase or reduce, please give reasons below (i.e. additional living expenses, supporting children through higher education, etc.):

Suggested Required Income at Retirement

If you are unsure of your target income requirements we will use this table to calculate your suggested income. Our suggestions are based on research into people's income needs in retirement by the Pensions Commission (2005) and updated using earning inflation*. For example, someone who earned £20,000 a year may need a retirement income of around £14,000 a year to live off.

Salary range (pre-retirement gross earnings)	Percentage of salary needed in retirement
Up to 14,100	80%
£14,100 to £25,999	70%
£26,000 to £37,199	67%
£37,200 to £59,599	60%
£59,600 and above	50%

*Pension Policy Institute 2021 - <https://www.pensionspolicyinstitute.org.uk/media/lbwo3ojh/20210609-adequate-retirement-income-final.pdf>

I/We have fully understood and completed the questions on this form to the best of my/our knowledge and belief. I/We understand that the information provided will be taken into account and inform the advice offered.

1st Client Signature		Date:
Email Address		
2nd Client Signature		Date:
Email Address		