

Risk profiler

What is risk?

There are a number of definitions of risk but one of the easiest to understand is “Risk is the chance you will make either a gain or loss when you invest, and importantly, the degree of that potential gain or loss”.

What is your risk profile?

A risk profiler is a questionnaire that you complete to help you and your authorised representative understand your attitude to risk and determine what type of investor you are. **Please take the time to answer these questions** as they will assist your authorised representative to develop and provide appropriate recommendations.

Please note that you may decline to provide the information requested, but you should be aware **that Local Government Super recommendations and obligations will be limited accordingly** and you will need to determine whether the advice provided suits your individual circumstances.

Please select the answer that best describes you	Your Response (circle one)	
	Client	Partner
1. When do you expect to retire?		
Already retired/less than 1 year	0	0
1 to 3 years	2	2
3 to 5 years	4	4
5 to 7 years	6	6
7 to 10 years	8	8
More than 10 years	10	10
2. How would you describe yourself as an investor?		
I do not want to incur a reduction in my investment due to market movements, ever	0	0
I am willing to accept a little risk to increase the chances of higher long term returns	6	6
I am willing to accept moderate risk to improve long term returns	12	12
I want to earn the highest possible return and am prepared to accept more risk than most in order to achieve this	18	18
3. How important is it that your investment keeps pace with inflation?		
Irrelevant - I need my capital protected in all circumstances	0	0
Fairly important - although protecting my capital is more important	6	6
Important - I am prepared to accept limited risk to increase the chance of achieving this	12	12
Very important - my investments need to grow significantly above inflation and I am prepared to accept risk in order to achieve this	18	18
4. Have you ever invested in shares or managed funds?		
No, but if there was a chance of a negative return that would worry me	0	0
Yes, but I didn't like the fluctuations in investment returns	4	4
No, but I would be comfortable with variations in returns	8	8
Yes, and I am comfortable with fluctuations in investment returns	12	12

	Client	Partner
5. If you had an unexpected windfall of \$50,000 and planned to invest it for at least ten years, which of these investment classes would you be most likely to choose? (assuming you only had one choice)		
Cash	0	0
Fixed interest	4	4
Property	8	8
Shares	12	12
6. What would you do if your super investment dropped 10% in six months?		
Switch all of my investment to cash immediately	0	0
Switch part of my investment to cash immediately	4	4
Wait a few months to see if markets improve before taking action	8	8
Do nothing as this is a normal part of the investment cycle	12	12
Invest more to take advantage of the lower buy-in cost while values are low	16	16
7. Bearing in mind growth assets (such as shares and property) are expected to produce higher returns over the long term, but can be susceptible to variable (including negative) returns, what sort of investment allocation would you prefer in your super fund?		
I only want very low risk assets	0	0
I'm happy to have up to 30% growth assets	5	5
I'd prefer to have a balanced portfolio with around 50% growth assets	10	10
I'm happy to have around 70% growth assets	15	15
I will only select investments that are expected to provide very high long-term returns	20	20

Your score

Score	Investment risk profile	Aligned investment option
0 – 18	CASH	CASH
19 – 41	CONSERVATIVE	CONSERVATIVE
42 – 64	MODERATE	BALANCED
65 – 87	ASSERTIVE	BALANCED GROWTH
88 – 106	AGGRESSIVE	HIGH GROWTH

Your acknowledgement

Please select one of the following:

I/We (full name/s): hereby acknowledge that:

The above investment risk profile is consistent with my/our investment risk requirements and profile. I/We have had the concept of investment risk explained to me/us and I/we am/are happy to receive advice which is consistent with, and does not exceed, the investment risk profile detailed above.

The above investment risk profile is not consistent with my/our risk requirements. After detailed investment risk profile discussions with my LGS authorised representative, I/we hereby confirm that my/our investment risk profile is as follows:

Client:

- Cash Assertive
 Conservative Aggressive
 Moderate _____

Partner:

- Cash Assertive
 Conservative Aggressive
 Moderate _____

Therefore, I/we am/are happy to receive advice which is consistent with, and does not exceed, the investment risk profile detailed above.

I/we have previously discussed my/our risk profile with a LGS authorised representative and confirm I/we consider that my/our current investment risk profile and strategy is appropriate and meets my/our needs. Where required and/or applicable, we are happy to receive advice which is consistent with, and does not exceed, the investment risk profile previously discussed.

I/we understand the risk profiler is an important tool which assists a LGS authorised representative to determine an individuals risk profile, however I/we are electing not to participate in completing the above at our discretion. Therefore, I/we instruct my/our LGS authorised representative to consider me/us as the following risk profile:

Client:

- Cash Assertive
 Conservative Aggressive
 Moderate _____

Partner:

- Cash Assertive
 Conservative Aggressive
 Moderate _____

Client signature: Date: / /

Partner signature: Date: / /