



Cornerstone  
Asset Management

## Attitude to Risk Questionnaire Trustee

# About Risk

At Cornerstone we believe that correctly understanding investment risk is a fundamental part of creating the most appropriate financial plan. It is for this reason we have created and use a structured approach to help you understand investment risk and, with the help of your Cornerstone adviser, agree what level of investment risk is appropriate to meet your investment objectives.

We use a questionnaire consisting of ten questions designed specifically to capture your views, knowledge and understanding of certain financial aspects which are all related to investment risk. Depending on how you answer the questions we will generate your risk score which will vary from zero to six, with zero being very low risk and six being very high risk. We accept that no questionnaire, irrespective of the number or questions or the range of answers can tell an investor what degree of investment risk to take. However, it is a very helpful tool to enable you and your Cornerstone adviser to have a detailed discussion around investment risk and agree the most appropriate profile.

Once you have completed all three sections of this document, please return it and we will analyse your details and generate your risk score. We will then contact you to discuss and agree which investment risk profile is appropriate.

## **Investment Objectives**

Please detail your investment objectives.

# Knowledge and Experience Assessment

Please complete the following questionnaire to confirm your experience of advice received and products purchased over the past 10 years: (Please tick all that apply)

	Advice Received	Product Purchased
▲ Building Society deposit/savings accounts	<input type="checkbox"/>	<input type="checkbox"/>
▲ Regular savings vehicles such as endowments	<input type="checkbox"/>	<input type="checkbox"/>
▲ Lump sum investment bonds	<input type="checkbox"/>	<input type="checkbox"/>
▲ Unit trust/OEIC/non-cash ISA	<input type="checkbox"/>	<input type="checkbox"/>
▲ Regular and/or single premium personal pension contracts	<input type="checkbox"/>	<input type="checkbox"/>
▲ More complex pension arrangements such as SIPP's and Unsecured Pension/Income Withdrawal	<input type="checkbox"/>	<input type="checkbox"/>
▲ Shares, Gilts, Corporate Bonds	<input type="checkbox"/>	<input type="checkbox"/>
▲ Tax Planning (including Inheritance Tax planning)	<input type="checkbox"/>	<input type="checkbox"/>
▲ Structured investment products	<input type="checkbox"/>	<input type="checkbox"/>
▲ Investment portfolios such as advised / discretionary portfolios	<input type="checkbox"/>	<input type="checkbox"/>

Which of the following descriptions best describes your knowledge and experience?

	Please tick one
▲ This would be my first investment – I have no previous knowledge or experience of investments.	<input type="checkbox"/>
▲ This would be my first investment – although I have some knowledge of how investments work.	<input type="checkbox"/>
▲ I have previously invested in investment or pension products – I have some knowledge of investments and how they work.	<input type="checkbox"/>
▲ I have previously invested in a range of investment or pension products and take an active interest in following investment markets – I have a strong knowledge of investments and how they work.	<input type="checkbox"/>

Are there any particular issues which we should be aware of in terms of your level of education, profession, or former profession which are relevant to your investment knowledge or experience?

# Attitude to Risk Questionnaire

Question 1 How would you, as trustee(s), describe your attitude towards risk for this investment?	Please tick one box
You would prefer little or no risk. Your main concern is the safety of this investment.	<input type="checkbox"/>
You can accept small, short-term losses but are concerned about the safety of this investment.	<input type="checkbox"/>
You are seeking a balance between safety and investment growth potential.	<input type="checkbox"/>
You are seeking investment growth and are prepared to accept some losses for potentially higher growth.	<input type="checkbox"/>
You are willing to accept significant risk and potential losses in the pursuit of higher long-term growth.	<input type="checkbox"/>

Question 2 For this investment you prefer capital security to the opportunity of achieving capital growth.	Please tick one box
Strongly agree	<input type="checkbox"/>
Agree	<input type="checkbox"/>
Neither agree or disagree	<input type="checkbox"/>
Disagree	<input type="checkbox"/>
Strongly disagree	<input type="checkbox"/>

Question 3 You have little knowledge of stock markets and do not understand the concept of risk and reward.	Please tick one box
Strongly agree	<input type="checkbox"/>
Agree	<input type="checkbox"/>
Neither agree or disagree	<input type="checkbox"/>
Disagree	<input type="checkbox"/>
Strongly disagree	<input type="checkbox"/>

Question 4 What level of easily accessible cash is available within the trust to cover on-going fees, expenses and commitments?	Please tick one box
None	<input type="checkbox"/>
Very little. Enough to cover one months' fees and expenses.	<input type="checkbox"/>
Some. Enough to cover reasonable three months' fees and expenses.	<input type="checkbox"/>
A good amount. Enough to cover six months' fees and expenses.	<input type="checkbox"/>
A significant amount. Enough to cover twelve months' fees and expenses.	<input type="checkbox"/>

<b>Question 5</b> What percentage of the trust property are you looking to invest now?	<b>Please tick one box</b>
More than 95%	<input type="checkbox"/>
More than 75%	<input type="checkbox"/>
Between 50% and 75%	<input type="checkbox"/>
Between 25% and 50%	<input type="checkbox"/>
Less than 25%	<input type="checkbox"/>

<b>Question 6</b> From past experience how confident are you in making good financial decisions?	<b>Please tick one box</b>
I/we have no confidence	<input type="checkbox"/>
I/we have little confidence	<input type="checkbox"/>
I am/we are reasonably confident	<input type="checkbox"/>
I/we have a great deal of confidence	<input type="checkbox"/>
I/we have complete confidence	<input type="checkbox"/>

<b>Question 7</b> What level of loss, over the period of one year, would make you consider changing or selling the trust investments?	<b>Please tick one box</b>
Less than 5%	<input type="checkbox"/>
Between 5% and 10%	<input type="checkbox"/>
Between 10% and 20%	<input type="checkbox"/>
Between 20% and 25%	<input type="checkbox"/>
More than 25%	<input type="checkbox"/>

<b>Question 8</b> What is your investment time horizon?	<b>Please tick one box</b>
Less than 2 years	<input type="checkbox"/>
2 to 5 years	<input type="checkbox"/>
5 to 10 years	<input type="checkbox"/>
10 to 15 years	<input type="checkbox"/>
More than 15 years	<input type="checkbox"/>

Question 9 You associate the word “risk” more with the idea of loss rather than the idea of opportunity.	Please tick one box
Strongly agree	<input type="checkbox"/>
Agree	<input type="checkbox"/>
Neither agree or disagree	<input type="checkbox"/>
Disagree	<input type="checkbox"/>
Strongly disagree	<input type="checkbox"/>

Question 10 You would be concerned if the value of the trust investments fell and rose rapidly.	Please tick one box
Strongly agree	<input type="checkbox"/>
Agree	<input type="checkbox"/>
Neither agree or disagree	<input type="checkbox"/>
Disagree	<input type="checkbox"/>
Strongly disagree	<input type="checkbox"/>

Your adviser will discuss the risk score from the questionnaire and agree what risk is appropriate.

**Comments/Notes**

# Attitude to Risk

## Descriptions

Please tick one	Risk Category	Description
<input type="checkbox"/>	Low	A low risk investor is cautious and is looking for an investment where the return should be slightly better than that available from a high street deposit account and accepts that the value of the investment could fall as well as rise. They would feel uncomfortable however if their investments were to rise and fall in value very rapidly, and if the value of their investments were to fall by more than 5% in one year.
<input type="checkbox"/>	Low to Moderate	A low to moderate risk investor is looking for a balance of risk and reward, seeking higher returns than those available from a high street deposit account. Whilst they would be willing to accept some fluctuation in the value of their investments as a result, they would feel comfortable if their investments were to fall up to 10% in one year.
<input type="checkbox"/>	Moderate	A moderate risk investor is looking for a balance of risk and reward, seeking higher returns than those available from a high street deposit account and willing to accept a moderate amount of fluctuation in the value of their investments as a result. However, they would feel uncomfortable if their investments were to fall by more than 15% in one year.
<input type="checkbox"/>	Moderate to High	A moderate to high risk investor is willing to accept a higher level of risk on their investment in return for potentially higher returns, and accept that the value of their investments could fluctuate significantly as a result. They would feel comfortable if their investments were to fall up to 20% in one year and would see this as a time to ride out the storm rather than to purchase more.
<input type="checkbox"/>	High	A high risk investor is willing to accept a much higher level of risk on their investment in return for higher returns in the long run. They are willing to accept a good amount of short-term fluctuation in the value of their investments as a result. They would feel comfortable if their investments were to fall up to 25% in one year and may well see this as an ideal time to purchase investments because of their cheaper asset values.
<input type="checkbox"/>	Very High	A very high risk investor is willing to accept a much higher level of risk on their investment in return for higher returns in the long run, and is willing to accept a good amount of short-term fluctuation in the value of their investments as a result. They would feel comfortable if their investments were to fall in value more than 30% in one year and may well see this as an ideal time to purchase investments because of their cheaper asset values.

### Client Declaration

I/We confirm that I/we have answered these questions honestly and will discuss my/our attitude towards investment risk with my/our Cornerstone adviser before agreeing a suitable risk profile.

Client Signature



Client Name



Date



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