

Risk Profile Analyser

Collective Investments (Unit Trusts): Kenya

Return on investment is merely one of the factors you need to consider when selecting an investment portfolio. Equally important is how comfortable you are with fluctuation in market values, your requirements for regular income versus capital growth and your investment time frame. It is also important to ensure that your investments are suited to your specific personal needs and objectives. This means your investments should suit your tax situation, how long you are investing for and amongst other things, your risk profile. Your risk profile is a measure of how comfortable you are with investment risk, or variability of return. Your risk profile is a summary of your current situation, which is likely to change over time. You should periodically review your profile to ensure it remains consistent with your circumstances. It should only be used as a guide and not a substitute for a detailed financial plan. A risk profiler does not take into account your individual investment objectives, existing financial situation or particular needs, which should all be considered before making an investment decision.

To complete your risk profile, answer every question by selecting the appropriate option that best matches your personal situation. The Risk Profile Analyser is points based, so once you have completed all the questions, total up the points you have marked and evaluate your risk profile. The questionnaire does not constitute investment advice. You will be solely responsible for the investment plan or plans you choose. We recommend that you consult a qualified financial planner who will take into account your personal financial position.

INVESTOR'S DETAILS

TITLE	<input type="text"/>
NAME & SURNAME / ENTITY NAME	<input type="text"/>
FINANCIAL ADVISER	<input type="text"/>
FSP/BROKERAGE NAME	<input type="text"/>
BROKER CODE	<input type="text"/> LICENCE NUMBER <input type="text"/>
LEAD GENERATOR NAME	<input type="text"/>

INVESTOR PROFILE QUIZ

Option	Select	Score
1. My current age:		
a) Under 31		15
b) 31 to 40		12
c) 41 to 50		9
d) 51 to 60		1
e) Over 60		0
2. The current value of my savings/capital (including equity in property, shares, KShs, provident funds, etc), is equal to:		
a) Less than half of my current (or last earned) annual income		0
b) Half of my annual income (salary, pension, interest, etc.)		1
c) The amount of my gross income in one year		4
d) Double my current (or last earned) annual income		8
e) Three times my current (or last earned) annual income		10
e) Five times my current (or last earned) annual income		12
3. Within the next years I expect my income to:		
a) Decline in real terms		0



Option	Select	Score
b) Stay about the same (gains equal to inflation)		1
c) Increase gradually (slightly faster than inflation)		4
d) Increase dramatically (much faster than inflation)		10
e) Fluctuate and be unpredictable (Select this option if you only have investment income)		0
4. Regarding dependents (minor or adult) and other major costs that I need to incur before retirement		
a) I will be able to meet all expenses for dependents (including education) and other costs out of my income		9
b) I will have to withdraw a small portion of my savings to pay for dependents and other costs		6
c) I will have to withdraw more than half of my savings to pay for dependents and other costs		3
d) I expect that paying for dependents and other costs will leave me with very little savings when I retire		0
e) I do not have dependents or major costs to worry about		9
5. Based on my lifestyle and medical history, I expect my risk of serious health problems over the next 10 years to be:		
a) Above average		0
b) Average		2
c) Low		5
e) Almost nil		10
6. My investment experience is best described as follows:		
a) I have never invested in equities, either directly or through unit trusts, and do not understand these things		0
b) I have invested a small amount of money in equities or unit trusts and/or I know what these things are		1
c) I have invested a fair amount of money in equities or unit trusts and/or have a good understanding of equities		5
d) I have invested in commodities, options and international shares and/or am very knowledgeable about investment		8
e) I have a company retirement plan and/or other investments, but I'm not sure where I'm invested and/or I don't fully understand the different asset classes		0
7. I plan to start withdrawing money from my savings in:		
a) Less than 5 years		1
b) Five to ten years		2
c) Eleven to fifteen years		8
d) More than fifteen years		13
e) I am already using my savings		0
8. How do you/would you react to fluctuations in the market?		
a) I am (or would be) very concerned if my investments lose value and am (or would be) inclined to sell immediately		0
b) If an investment loses 5% percent over a quarter, I am (or would be) likely to sell and invest elsewhere		1
c) I wait (or would wait) until I have watched the performance of an investment for at least a year before making changes		4
d) Even if poor market conditions result in significant losses over several years, I will try and stick to a consistent long-term investment plan		8
9. You invest KShs 100,000 for ten years. Given the best and worst case scenarios below, which investment option would you choose (Please note that the best and worst case scenarios are equally probable)?		
a) Best case outcome: KShs 500,000 - Worst case outcome: KShs 50,000		6
b) Best case outcome: KShs 850,000 - Worst case outcome: KShs 20,000		10
c) Best case outcome: KShs 300,000 - Worst case outcome: KShs 65,000		2
d) Best case outcome: KShs 150,000 - Worst case outcome: KShs 100,000		0
10. When I buy car insurance I:		



a) Choose the lowest excess to ensure maximum cover even though my policy costs more		0
b) Choose a moderate level of excess in order to reduce the premium		1
c) Choose a high excess in order to pay a low premium even though losses may not be covered		3
d) Choose to carry no insurance		5

RISK AND CATEGORY DETAILS FOR TOTAL SCORE

Points	Category	Category Details
Less than 30 points	Conservative investor	Conservative investors are investors who want stability and are more concerned with protecting their current investments than increasing the real value of their investments. A conservative investor is generally seeking to preserve capital and as a trade-off is usually prepared to accept lower investment returns.
30 to 49 points	Moderately conservative investor	Moderately conservative investors are investors who want to protect their capital and achieve some real increase in the value of their investments. This investor is usually seeking a diversified investment portfolio with exposure to a broad range of investment sectors.
50 to 69 points	Moderate investor	Moderate investors are long-term investors who want reasonable but relatively stable growth. Some fluctuations are tolerable, but investors want less risk than that attributable to a fully equity based investment. This investor is usually seeking a diversified investment portfolio with exposure to a broad range of investment sectors.
70 to 89 points	Moderately aggressive investor	Moderately aggressive investors are long-term investors who want good real growth in their capital. A fair amount of risk is acceptable. They are generally willing to trade some risk for greater long-term returns and typically will have a longer investment objective.
Greater than 90 points	Aggressive investor	Aggressive investors are long-term investors who want high capital growth. Substantial year-to-year fluctuations in value are acceptable in exchange for a potentially high long-term return. An aggressive investor is comfortable accepting high volatility in their capital value, with the risk of short to medium-term periods of negative returns. They are willing to trade higher risk for greater long-term returns and typically will have a long investment objective.

DECLARATION

I/We agree to provide all documentation and information required and understand that STANLIB is prohibited from processing any transaction on my/our behalf until all such documentation has been provided. I/We confirm that all information provided herein is true and correct and that I/we have read and understood the contents of this form.

SIGNATURE OF CLIENT/ AUTHORISED SIGNATORY		DATE		-		-				
		SIGNED AT								
SIGNATURE OF CLIENT/ AUTHORISED SIGNATORY		DATE		-		-				
		SIGNED AT								
SIGNATURE OF CLIENT/ AUTHORISED SIGNATORY		DATE		-		-				
		SIGNED AT								
SIGNATURE OF FINANCIAL ADVISER / BUSINESS CONSULTANT		DATE		-		-				
		SIGNED AT								

