

Financial Needs Analysis and Risk Profile Analyser



The rate of return on your invested capital is just one of many aspects to consider before making an investment. Income versus capital growth, the investment time horizon, and performance fluctuations are just as important to bear in mind.

The Risk Profile Analyser shows us how comfortable you are with investment risk or fluctuations in your return on investment. The Financial Needs Analysis provides us with the information required to assess your financial situation, your investment experience and your financial needs and objectives. With this information at hand, we can assist you in constructing a portfolio or selecting a product best suited to your unique financial position and risk profile.

1. Client information

Surname/Company name			
First names in full			
ID/Passport/Registration number		Existing account number if applicable	
Client type	<input type="checkbox"/> Legal entity	<input type="checkbox"/> Natural person	
If legal entity, please specify entity type			
<input type="checkbox"/> Public Company	<input type="checkbox"/> Close Corporation	<input type="checkbox"/> Trust	<input type="checkbox"/> Non-profit organisation
<input type="checkbox"/> Retirement Fund	<input type="checkbox"/> Government or wholly government owned	<input type="checkbox"/> Other	
If other, please specify			
Registration type			
<input type="checkbox"/> Registered SA company/CC	<input type="checkbox"/> Registered foreign company/CC	<input type="checkbox"/> SA trust	<input type="checkbox"/> Foreign trust
<input type="checkbox"/> Other			
If other, please specify			
Registered name			
Trading as			
Registration/IT number		Date of registration	

2. Risk profile analyser: Client considerations

1. What is your primary investment objective?

Aggressive growth	Capital appreciation	Income	Long term inflation hedge	Capital protection
5	4	3	2	1

2. What is the time horizon to reach your investment goals?

0 - 11 months	2 - 5 years	6 - 10 years	11 - 20 years	21+ years
2	6	8	10	12

3. How secure are your current and future sources of income?

Not secure	Somewhat secure	Secure	Expected to increase	Very secure
1	2	3	4	5

4. In your opinion, which option most accurately describes your financial status?

Extremely poor	Poor	Stable	Strong	Very strong
1	2	3	4	5

Part A Score:



3. Risk profile analyser: Risk tolerance

1. Which of the following would best describe your level of investment knowledge?

Very limited little to no knowledge	Basic understand difference between stocks and bonds	Average aware of different investment options and levels of risk	Extensive thorough understanding of investment products and strategies
1	2	3	4

2. How do you rate yourself when taking investment risks?

We very rarely take risks	We like certainty	We are careful	We take calculated risks	We are comfortable taking risks
1	2	3	4	5

3. Approximately how often do you check the value of your investments?

Once a year	Once every quarter	Several times a year	Monthly	Daily
5	4	3	2	1

4. What do you consider to be more important: the return your investment will generate (income) or the long-term capital growth?

100% income	Mostly income with some capital growth	Fairly even split between income and long-term capital growth	Mostly capital growth with some income generation	100% capital growth
1	2	3	4	5

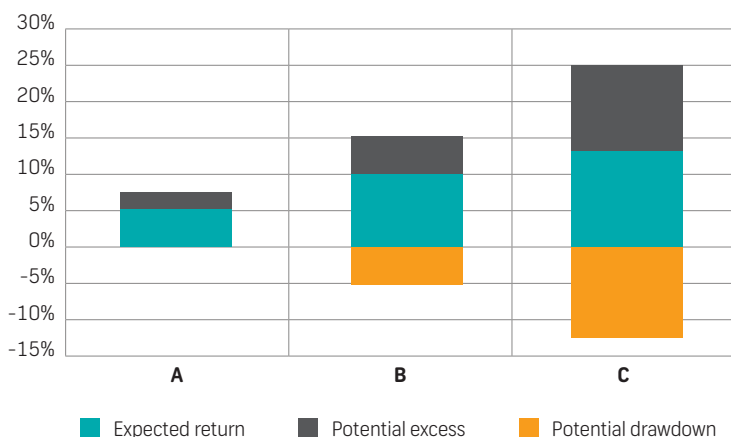
5. How long can you comfortably endure temporary losses in exchange for the prospect of higher returns over the long term?

Could stand a decrease in value for 5 years	Could stand a decrease in value for 3 years	Could stand a decrease in value for 1 year	Could stand a decrease in value for 6 months	Not prepared to endure a decrease in value
5	4	3	2	1

6. If you owned an investment that fell by 20%, what would you do?

Sell all of the remaining investment	Sell a portion of the remaining investment	Hold the investment and sell nothing	Buy more of the investment
1	2	3	4

7. In general, investments that fluctuate the most carry the highest potential returns over the long term. What variation (range) of return would you be comfortable with?



Portfolio A
1
Portfolio B
2
Portfolio C
3

Note: a drawdown is the reduction of capital after a series of losing trades. This is normally calculated by getting the difference between a relative peak in capital minus a relative trough. Traders normally note this down as a percentage of their trading account.

Part B Score:



4. Financial Needs Analysis: Investment Objectives

1. Which of the following investments would you feel more comfortable owning?

Cash	Bonds and Preference Shares	Property	Shares	Derivatives
1	2	3	4	5

2. How would you respond to the following statement? You would like to protect the money that you invest, even if it means getting very little long-term growth.

Strongly agree	Mostly agree	Neutral	Mostly disagree	Strongly disagree
1	2	3	4	5

3. How would you respond to the following statement? You would like to get as much long-term growth from your investment funds as possible, regardless of the volatility (fluctuations) in your investment returns.

Strongly agree	Mostly agree	Neutral	Mostly disagree	Strongly disagree
5	4	3	2	1

4. How would you respond to the following statement? You have an adequate emergency fund that will cover most emergencies.

Strongly agree	Mostly agree	Neutral	Mostly disagree	Strongly disagree
5	4	3	2	1

Part C Score:

Your score

Part A: Client considerations	
Part B: Risk tolerance	
Part C: Investment objectives	
Total	

5. Your risk profile

0-19 Conservative	<p>A conservative investor considers investment losses in any given year to be unacceptable. Conservative investors are typically those with either a short term goal (less than 3 years), or those who are seeking a regular income stream. These portfolios tilt away from equity investments into more preservation investments.</p> <p>Typical Investments in Portfolio: Property, Fixed Income, Cash & Money Market</p>
20-59 Moderate	<p>Moderate investors do not mind a measure of fluctuation in their investment returns, but would be uncomfortable with significant upward and downward moves. The typical portfolio will combine equities with other less volatile asset classes.</p> <p>Typical Investments in Portfolio: Equity, Property, Fixed Income, Cash & Money Market</p>
60-80 Aggressive	<p>Aggressive investors want long-term growth and understand that a loss in one year or short term volatility may occur in pursuit thereof. Aggressive investors are willing to take higher risks in order to achieve potentially higher returns and tend to concentrate on equity investments.</p> <p>Typical Investments in Portfolio: Equity and Property</p>



6. Summary of assets and liabilities

	Local assets and liabilities	Offshore assets and liabilities
Fixed property – Commercial	R	R
Fixed property - Other	R	R
Business interests	R	R
Cash, money market etc	R	R
Share portfolio, unit trusts	R	R
Policies	R	R
Other	R	R
Total assets*	R	R
Short term liabilities	R	R
Mortgage loans	R	R
Other long term loans	R	R
Total liabilities*	R	R
Net value*	R	R

7. Summary of income and expenses

	Amount per annum
Income	
Revenue	R
Investment income (interest and dividends)	R
Other income (rental, etc)	R
Total annual income*	R
Expenses	
Operating expenses	R
Other expenses	R
Total expenses	R
Net annual income	R



8. Portfolio Manager: Comments and proposed solution

Signature

Date:

Name		Capacity	
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9. Client: Comments

Signature

Date:

Name		Capacity	
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FNB SPM contact details

Johannesburg: 0800 256 256 / +27 11 282 8734 | **Cape Town:** 087 335 6015 / 087 736 6270 | **Durban:** 087 335 0925 | **Pretoria:** 087 335 3833
shares.fnb.co.za

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