

My risk profile

It is important to understand the risks associated with investing as there is a chance that you will receive less from your investments than you expect. There is a direct relationship between risk and return, meaning that there are greater risks associated with potentially higher returns and vice versa. For example, the Aggressive Fund can produce very high returns – however it comes with the very real risk that you might lose money over a shorter period of time.

Step 1 – Answer the questions below. This will help you decide what may be the best investment option for you.

Questions	Select option	Corresponding score
In how many years time do you expect to withdraw funds? e.g. for retirement.	0 – 2	1
	3 – 5	2
	6 – 9	3
	10 – 11	4
	12 +	5
Given current term deposit (TD) rates, the return that I expect to receive from this investment is:	TD returns with minimal risk of capital loss	1
	TD returns plus 1% p.a.	2
	TD returns plus 2% p.a.	3
	TD returns plus 3% - 4% p.a.	4
	TD returns plus 5% p.a. or more	5
Which sentence best reflects your investment attitude?	I don't want to see my fund lose value at any time	1
	I'm willing to accept a minor loss of value for a month or so	2
	I'm comfortable with my investments losing their value for a few months, provided it's likely they'll return to their original value	3
	I'm prepared to see my investments reduce in value for a year, provided this gives the prospects of superior gains over the long term	4
	I'd expect to see my investments reduce in value for a year or more, which I am comfortable with as my investment goal is based on the long term	5
Investment markets can go up and down in value. By how much could the value of your fund go down over one year before you would start feeling uncomfortable?	Any fall in value would make me feel uncomfortable	1
	1 – 5%	2
	6 – 10%	3
	11 – 15%	4
	16% or more	5
How would you be likely to react if your investment's value fell by over 15% over a six month period?	I'd be very concerned and move all my money to cash	1
	I'd be concerned and might move some money to cash	2
	I'd be a little concerned and monitor the situation for the next few months	3
	I wouldn't be concerned as it is a long-term investment	4
	I'd consider placing more in the investment	5
How would you describe your understanding of the financial markets and investments?	My investment understanding is limited to bank savings accounts and term deposits	1
	I'm familiar with investments outside of bank savings accounts and term deposits, but my understanding is limited	2
	I understand that different types of investments have different levels of risk	3
	I have experience with managed funds (which include shares) and I know that their values will fall at times	4
	I invest directly in investments such as shares myself and I understand their potential risks and rewards	5
What was your total score?		

Step 2 – Match your score to a risk profile below.

Score	Risk Profile	Description	The Investment Strategy suited to this profile is:
6 – 9	Conservative	You want to take a more cautious approach to investing and accept a smaller amount of risk to potentially achieve a more stable return.	Cash Fund or Conservative Fund
10 – 13	Moderate	You place a strong emphasis on the security of your savings over time but are prepared to accept some investment risk to achieve a moderate return.	Moderate Fund
14 – 19	Balanced	You want to grow your savings, at the same time being prepared to accept a medium level of investment risk to potentially achieve a medium return.	Balanced Fund
20 – 25	Growth	You want to grow your savings, at the same time being prepared to accept a high level of investment risk to potentially achieve a high return.	Growth Fund
26 – 30	Aggressive	You want to maximise capital growth in your savings and are comfortable with accepting a higher level of investment risk to potentially achieve a higher return.	Aggressive Fund or Global Equities Fund