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INVESTOR RISK PROFILE

THIS IS AN IMPORTANT AND CONFIDENTIAL DOCUMENT. PLEASE READ IT CAREFULLY

The Corporations Act requires that a Financial Adviser's recommendations are consistent with your financial needs and objectives, and have a reasonable basis. This means that appropriate investigations must be conducted by the Adviser into your financial objectives, situation and particular needs.

An important step in these investigations is to carefully evaluate your "Risk Profile" because this is the main determinant as to where your portfolio assets should be invested.

Risk profiling is a process for finding your optimal level of investment risk, by balancing your risk required, your risk capacity, and your individual risk tolerance.

What Level of Risk is Required?	***Risk Required*** is the risk associated with the return needed to achieve your financial goals from the financial resources available. So, how much return (and therefore risk) do you need to achieve your financial goals?
What is Your Risk Capacity?	***Risk Capacity*** is the level of financial risk you can afford to take. For example, someone age 45 who is saving and regularly adding to their portfolio can afford to take more investment risk than someone who is age 75 and regularly drawing from their portfolio.
What is Your Risk Tolerance?	***Risk Tolerance*** is the level of financial risk that you are emotionally comfortable with. For example, if the value of your investments fell by 15%, are you not concerned, will you be worried, or will you panic and sell?

There are different approaches to risk profiling. Executive Wealth Solutions undertakes a three tier approach to this important step of the financial planning process:

1. Education

This ensures that you understand your investment decisions in light of your own situation, objectives and needs. This step involves an introduction to key concepts relating to investing and risk such as volatility, diversification, asset allocation and the relationship between risk and return.

2. Questionnaire

This covers information essential to properly determining your Risk Profile including but not limited to:

- Your investment time horizon;
- Your objectives and requirements in relation to capital security, income and capital growth;
- Your investment experience and preference;
- Your attitude to risk including tolerance of the risk that the advice will not produce the expected benefits and tolerance of the risk of capital loss.

3. Discussion

We must then discuss your personal Risk Required, Risk Capacity, and Risk Tolerance. Quite often these personal risk capacities are not balanced, and may conflict with each other. If an imbalance exists it is important that you understand the consequences of this imbalance. Only then you can make appropriate adjustments, so that your investment portfolio is compatible for achieving your financial goals and objectives.

SECTION 1 – EDUCATION

What is risk?

Risk can be defined as the possibility of something bad happening or things not turning out the way you would like. In the world of investment, risk is the term used for the possibility of losing a portion of your money or uncertainty of not achieving your expectations.

To some people, risk may represent an opportunity to accumulate wealth faster. Whilst risky assets can drop in value, they can also offer a greater increase in the value of your money. For example, a speculative "start-up" company has the potential to grow rapidly in value and provide generous rewards for investors, but could also fail to succeed, resulting in investors losing a large portion of funds.

So, to different people, risk can be a positive or negative thing. Part of this process is to find out what risk means to you.

Volatility

The extent to which the price of an investment will fluctuate is usually called "volatility". It can also be an indication of the stability of the investment. Generally, a high level of volatility of an investment indicates that the investment is also high-risk. Safe investments, such as cash in your bank account, will have a low level of volatility because the value of your cash account will not fluctuate up and down on a daily basis. Shares on the stock market, however, can be considered highly volatile, as the share price can move up and down every day, in some cases significantly.

One way of reducing volatility is to hold your investments for a long period of time, as the fluctuations are smoothed out over time.

Another way of managing the risk, or volatility, in your portfolio is to spread your money across different investments. This is referred to as diversification.

Diversification

Diversification involves spreading your money across a range of different investments, depending on your goals, the amount of time you have available to invest and the amount of investment risk you're comfortable with.

Diversification is important because every type of investment has its ups and downs. Owning a diverse range of investments should help you achieve smoother, more consistent investment returns over time.

The more ways you diversify, the more you can potentially reduce your risk. For example, you can invest:

- Across different asset classes (e.g. cash, fixed interest, property and shares)
- In more than one investment within each type (e.g. invest in several different industries and companies when investing in shares)
- In more than one type of fund,
- More than one fund manager, when investing in managed funds
- Inside and outside of superannuation.

Asset allocation

The term "asset class" is used to describe the different types of investments available to you to invest your money in. The asset classes that you will commonly see are cash, fixed interest, property and shares.

Asset allocation is the name given to the mix of different asset classes within an investor's portfolio, or how much of each asset class your investment portfolio will contain. When you have considered how much risk you are willing to take on, your financial adviser will be able to determine the asset allocation that is most appropriate for you.

Risk vs. Return- The trade off

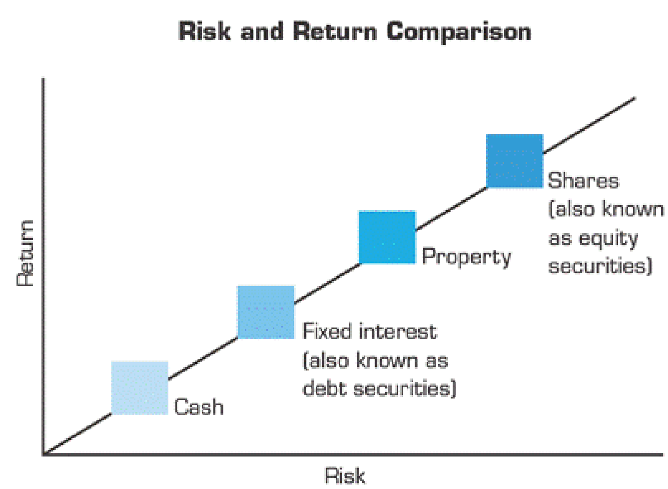
There is a reason that investors may choose to invest in products from higher risk asset classes instead of investing in low risk, highly stable asset classes: **the higher the investment's level of risk is, the greater the potential return.** This is known as the risk-return trade off.

It is important to think about how much risk you are willing to take on in your investments to achieve your desired level of return. Should you require stability and security in your investments, you should probably keep your money mostly in investments such as cash and fixed interest, to reduce the risk of losing money.

Likewise, should you have time on your side and no need to access your money for more than ten years, and you are comfortable with fluctuations in the value of your investment, you should have a larger exposure to shares and property. Over the long term, you will likely be rewarded with a higher capital value, than if you left your money in the bank.

You should also be aware of the effects of inflation on cash investments. Inflation (rise in the prices of goods and services) erodes the value of your savings or money in the bank. For example, if you are earning 3% p.a. interest in the bank and inflation is at 4% p.a., your "real earnings" are (-1%) p.a. when the real purchasing power of these funds are considered.

The chart below shows an investment rule of thumb: that cash is the least risky, but gives the lowest return over time, whereas, shares are the most risky, but should give you a higher return over time.



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SECTION 2 - RISK TOLERANCE QUESTIONNAIRE

Name of Client (1) ______________________

Name of Client (2) ______________________

Date Prepared ______________________

Financial Adviser's Name ***Mr David Lenarduzzi***

Scope of Investor Risk Profile ☐ Complete financial advice ☐ Investment only (non super) ☐ Superannuation only

After reviewing the educational information above, please complete the Risk Tolerance Questionnaire. Your responses will assist us in determining your Risk Profile and Investment Strategy. In our meeting we will discuss your risk profile in detail

	Client 1	*Client 2*	*Score*
1. Which of the following best describes your current stage of life?			
Retired. No longer working, you must rely on existing funds and investments to maintain your lifestyle	☐	☐	**2**
Preparing for retirement. You probably own your home and have few financial commitments, however, you want to ensure that you can afford a comfortable retirement.	☐	☐	**4**
Mature family. You are in your peak earning years and have got the mortgage under control. Children you may have are growing up and have either left home or are less financially dependent. You are starting to think about retirement, although it may be many years away.	☐	☐	**6**
Young family. This is the peak home purchasing stage. You have a mortgage and a small amount of savings. Maybe dissatisfied with your financial position and the amount of money saved	☐	☐	**8**
A couple without children. You may be preparing for the future by establishing and furnishing a home	☐	☐	**10**
Single with few financial commitments. You want to accumulate wealth for the future.	☐	☐	**12**
2. What kind of risk taker would you describe yourself as?			
Low	☐	☐	**2**
Moderately Low	☐	☐	**4**
Average	☐	☐	**6**
Moderately High	☐	☐	**8**
High	☐	☐	**10**
3. When you think of the word "risk", what word best describes your thoughts?			
Danger	☐	☐	**2**
Uncertainty	☐	☐	**4**
Caution	☐	☐	**6**
Opportunity	☐	☐	**8**
Excitement	☐	☐	**10**

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	Client 1	Client 2	Score
4. How do you manage when you are faced with an important decision?			
I prefer not to be the decision maker	☐	☐	**2**
I worry whether I will make the right decision	☐	☐	**4**
I wonder what the right decision is	☐	☐	**6**
I am confident I will make the right decision	☐	☐	**8**
I enjoy being the decision maker	☐	☐	**10**
5. When faced with a major financial decision, what are you most concerned about?			
Always the possible losses	☐	☐	**2**
Usually the possible losses	☐	☐	**4**
Neutral	☐	☐	**6**
Usually the possible gains	☐	☐	**8**
Always the possible gains	☐	☐	**10**
6. Imagine you were in a job where you could choose between salary, bonus or a mix of both. Which would you choose?			
All salary	☐	☐	**2**
Mainly salary with a small potential bonus	☐	☐	**4**
Average salary with a modest potential bonus	☐	☐	**6**
Below average salary with a reasonable potential bonus	☐	☐	**8**
Low salary with a large potential bonus	☐	☐	**10**
7. What is your investment knowledge and experience?			
No experience with investing and virtually no knowledge	☐	☐	**2**
Some experience with investing but have very little knowledge	☐	☐	**4**
Some experience with investing and gained some knowledge	☐	☐	**6**
Adequate experience with investing and adequate knowledge for my investment needs	☐	☐	**8**
Extensive experience with investing based on my own research and knowledge	☐	☐	**10**
8. How long do you intend to invest? (For superannuation investors, unless you are within 8 years of gaining access to your superannuation, please select 'long term')			
Parking (less than 2 years)	☐	☐	**2**
Short term (2-4 years)	☐	☐	**4**
Medium term (4-6 years)	☐	☐	**6**
Medium-long term (6-8 years)	☐	☐	**8**
Long term (more than 8 years)	☐	☐	**10**

	Client 1	Client 2	Score
9. Will you need access to the funds invested during the term of the investment? (For superannuation investors, unless you are retired, please select 'no')			
Yes	☐	☐	**-10**
No	☐	☐	**0**
10. If you didn't need your capital for more than 10 years, for how long would you be prepared to see your investment performing poorly before you cashed it in?			
You would cash it in if there was any loss in value	☐	☐	**2**
Up to 6 months	☐	☐	**4**
Up to 1 year	☐	☐	**6**
Up to 2 years	☐	☐	**8**
More than 2 years	☐	☐	**10**
11. In the light of current interest rates, what return do you reasonably expect to achieve from your investments?			
A return without investment capital ever falling in value	☐	☐	**2**
Current inflation rate plus 1-2%	☐	☐	**4**
Current inflation rate plus 3-5%	☐	☐	**6**
Current inflation rate plus 6-8%	☐	☐	**8**
Over 8%	☐	☐	**10**
12. What would you do if your investment dropped in value from $100,000 to $80,000?			
Move the entire investment to cash	☐	☐	**2**
Move some of the investment to cash	☐	☐	**4**
Do nothing & wait for it to recover	☐	☐	**6**
Buy more of the investment	☐	☐	**8**
13. What is the most aggressive investment you've ever made?			
Bank Account	☐	☐	**2**
Own home	☐	☐	**4**
Investment property	☐	☐	**6**
Managed funds	☐	☐	**8**
Shares	☐	☐	**10**
14. Have you ever borrowed money to make an investment (other than for your home)?			
Yes	☐	☐	**8**
No	☐	☐	**0**

	Client 1	Client 2	Score
15. How do you feel about borrowing money to invest?			
I am concerned	☐	☐	**2**
I am open to this strategy	☐	☐	**4**
I am comfortable	☐	☐	**6**
I am very comfortable	☐	☐	**8**
16. Imagine you have set a goal to retire at a particular age and have also determined the lifestyle you would like in retirement. Your financial adviser informs you that in order to achieve the lifestyle you desire if you are to retire at that specified age, you will need to make investments of a higher risk that you would not normally be comfortable with. Which of the following options would you feel most comfortable with?			
I would rather alter my retirement goals than take any more investment risk	☐	☐	**0**
I would take a combination of higher risk investments as well as altering my retirement goals	☐	☐	**4**
I would rather take a higher risk investment than alter my retirement goals	☐	☐	**8**
Total Risk Tolerance Score	0	0	

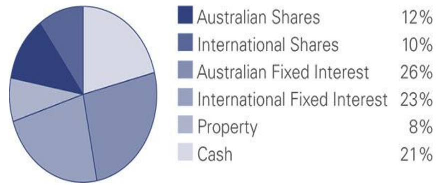
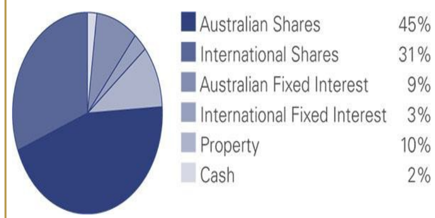
SECTION 3 - YOUR RISK PROFILE & ASSET ALLOCATION

Based on the above questionnaire, your risk profile is:

TOTAL SCORE	RISK PROFILE	CLIENT 1	CLIENT 2
15 – 24	Cash	☐	☐
25 – 60	Moderately Conservative	☐	☐
61 – 100	Balanced	☐	☐
101 – 130	Growth	☐	☐
131 – 144	High Growth	☐	☐

A brief summary, as well as the benchmark asset allocation for your risk profile, is provided below. Please review this now. You should discuss with your adviser if you are comfortable with this asset allocation, considering its risk and return characteristics and your goals.

Your recommended portfolio may vary to that listed below in order to meet your specific goals and circumstances or take into account existing investments you may have. In addition, your portfolio may include other investments that do not fit into one of the investment categories listed below, such as private business equity. In all cases, a variance within a particular asset class is allowed to cater for individual circumstances, economic events and current valuations for asset classes.

PROFILE	OBJECTIVE	SUITABILITY	LONG TERM OBJECTIVE	MINIMUM INVESTMENT TERM	ASSET ALLOCATION
Cash	Your risk profile suggests you have an extremely low willingness to accept risk or have a short time-frame for investing.	The only appropriate investment is a cash based investment such as bank accounts, cash management trusts and term deposits.	Not Applicable	0 – 3 years	
Moderately Conservative	Your risk profile suggests you are most concerned with keeping what you have, you really don't like risk. As a result, you are prepared to accept lower returns to reduce the risk of losing capital. • Over any 12 month period returns can range from +15% to (-10.0%) • Average return over 10 years is 5.5% per annum	You would generally prefer an investment mix that is positioned defensively to produce a stable return with a higher proportion invested in fixed interest and cash and a smaller proportion of money in shares and property investments	CPI + 1.5%	3 years	
Balanced	Your risk profile suggests you are prepared to experience short term fluctuations in performance for potentially higher returns over the long term. You seek a balanced portfolio to achieve medium to long term financial goals. • Over any 12 month period returns can range from +25% to (-15.0%) • Average return over 10 years is 6.5% per annum	You would generally prefer a diversified portfolio with a bias towards growth assets such as shares and property.	CPI + 3%	5 years	
Growth	Your risk profile suggests you are prepared to accept short term fluctuations in performance for potentially greater returns over the longer term. You focus on assets with greater growth potential • Over any 12 month period returns can range from +35% to (-25.0%) • Average return over 10 years is 7.5% per annum	You would generally prefer a diversified portfolio with a strong bias towards growth investments such as shares and property.	CPI +4.5%	7 years	
High Growth	Your risk profile suggests you accept there will be very large fluctuations in the value of your investment capital. You are comfortable to invest in high risk investments. You are prepared to accept large short term losses to pursue potential long term gains. • Over any 12 month period returns can range from +45% to (-35.0%) • Average return over 10 years is 8.5% per annum	You would generally prefer a portfolio comprising solely of growth assets such as shares and property.	CPI + 5.5%	9 years	

SECTION 4 - REVIEW & DECLARATION

If the Risk Profile outcome shown above does not accurately reflect your attitude towards investing and your personal circumstances, please review and revise your response to the questions. You may also wish to review all the investor profiles above and choose the one that mostly reflects the way you approach investing.

Alternate Investor Risk Profile Selected
Where there is a difference between the investor profile selected and the profile indicated by the questionnaire, please note below the revised profile you have selected, and the reasons for this selection.

Selected Risk Profile:

RISK PROFILE CATEGORIES	CLIENT 1	CLIENT 2
Cash	☐	☐
Moderately Conservative	☐	☐
Balanced	☐	☐
Growth	☐	☐
High Growth	☐	☐

Reasons For Selection:

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Conclusion

The information collected in this document and the discussions you have with your adviser, represent a starting point only. It is possible that your risk profile will change over time.

For example, providing a theoretical answer to a question about your comfort level with losing money might be quite different to the reality of seeing your portfolio value drop. Experiencing events first hand might impact your tolerance to risk.

It is important to regularly review your risk tolerance with your adviser. Over time your needs and goals will change, and it is possible that your risk profile may also change.

Client Declaration

1. I/We confirm that the information contained in this form is true and correct to the best of my/our knowledge.
2. I/We give permission for this information to be used for the provision of advice and I/we understand that the investment recommendations will be based on the information supplied in this form.
3. I/We understand the concept of risk and return and acknowledge that the risk profile agreed to is an adequate reflection of my/our tolerance of investment risk.

	Signature	*Date*
Client 1:	....	....
Client 2:	....	....
Financial Adviser:	....	....

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PLEASE NOW COMPLETE THE EWS DATA COLLECTION FORM

Your completed Risk Profile Form, Data Collection Form, and supporting documents, should be returned via email to;
admin@ewsifa.com.au

Once we receive these documents we will contact you within 48 hours to confirm receipt, and discuss the next steps.

This is an important document. Thank you for taking time to complete it.