

0 CASH You are not prepared to take any investment risk and it is crucial that your capital is protected. You are prepared to take the inflationary risk this implies with cash investing and accept lower long term returns to meet your risk level.

1 SAFEGUARD Although a risk averse investor, you are prepared to accept low levels of risk for the prospect of higher returns than cash in the long term. You are not likely to want to invest in equities above a 10% threshold. The vast majority of the portfolio is held in fixed interest with a small property and cash holding to provide some diversification.

2 DEFENSIVE Although a low risk investor you are comfortable in taking a small amount of investment risk, however capital protection is still fairly important. You are not likely to want to invest in equities above a 20% threshold. The vast majority is held in fixed interest with a small holding in property and cash. The range of assets provides diversification to reduce the overall risk.

3 CAUTIOUS Although a cautious investor, you are prepared to accept low levels of risk for the prospect of slightly higher returns, but would still like to ensure that capital protection is considered. You are not likely to want to invest in equities above a 30% threshold. The majority is held in fixed interest with a small holding in property and cash. The range of assets provides diversification to reduce the overall risk.

4 CONSERVATIVE Although a fairly cautious investor, you are prepared to accept a reasonable level of risk for the prospect of more attractive potential returns, but would still like to ensure that capital protection is considered. You are not likely to want to invest in equities above a 40% threshold. Almost half of the portfolio is held in Fixed Interest, with the balanced in property and a small holding in cash. The range of assets provides diversification to reduce the overall risk.

5 BALANCED You prefer a balanced approach to investment and are willing to accept medium risk in the hope of higher returns. Equities are the majority holding at a 50% threshold with fixed interest representing just in excess of a third of the portfolio with the remainder held in property and a small cash presence. The range of assets provides diversification benefits.

6 PROGRESSIVE You are comfortable in taking a reasonable amount of risk in order to increase the chance of achieving a better return. Capital protection is less important to you than the return on the investment. Equities are the majority (60%) holding, with Fixed interest, Property representing the remaining balance, with a very small cash holding (2%). The range of assets provides diversification benefits.

7 ADVENTUROUS You are prepared to take risk with your investment in return for the prospect of the improving longer term investment performance as short term capital protection is not important. You are likely to want to invest in equities as the majority (70%) of your holding, with a fifth of the portfolio held in fixed interest and the remainder in property, with a very small holding (2%). The range of assets provides diversification benefits

8 DYNAMIC You will accept a higher than average risk for the prospect of high returns. You are not concerned with short term volatility as your investments may fluctuate in value and you may get back less than you invest. You are likely to want to invest in equities as the vast majority (80%) of your holding, with the remainder is held in fixed interest and property with a very small cash holding (2%) to provide some diversification.

9 AGGRESSIVE This category is reserved for those investors who are prepared to take high levels of risk in order to obtain the potential for substantial returns, although substantial falls in value may be equally as likely and you may get back less than you invest. You are likely to want to invest in equities for the vast majority (90%) of your holding, with the remainder invested in fixed interest and property in equal measures and a very small cash holding (1%).

10 SPECULATIVE This category is reserved for those investors who are prepared to take the highest of investment risks in order to obtain the potential for substantial returns, although substantial falls in value may be equally as likely and you may get back less than you invest. You are likely to want to solely invest in equities for the full allocation (100%) and concentration risk may also create high level value swings.

RISK PROFILE QUESTIONNAIRE

We run 10 Model Portfolios that are aligned to ten Attitude to Risk categories. They are designed based on the level of risk, one being the lowest risk and ten being highest.

The difference between each portfolio is their weighting of asset classes i.e. what percentage of your investment is placed into each asset class.

During the interview stage of the Hartey Wealth Management Programme™, we discuss with you your results and establish your investment preferences and marry you to one of our ten investment portfolios.

YOUR RESULTS

Please mark your total score in the space provided. The results are discussed in full between yourself and your adviser. The results here are to ascertain your attitude to risk and capacity for loss towards your investment portfolio.

HOW WE USE YOUR RESULTS

How you invest is discussed in full entirely between yourself and your adviser.

If you are on the border of two approaches, your Adviser will help you decide which category is more suitable.

For instance if you were to take your retirement date into account this might help you make a choice. For example, if it is:

- Quite a way off:** you might go for the approach that has the higher growth potential of the two,
- or
- Just round the corner:** you may want to opt for the one that should have fewer ups and downs.

RESULTS PORTFOLIO			
0	0	Cash	Rolling 5yr target returns
1-2	1	Safeguard	CPI + 0.00%
3-4	2	Defensive	CPI + 0.50%
5-6	3	Cautious	CPI + 1.00%
7-8	4	Conservative	CPI + 1.50%
9-10	5	Balanced	CPI + 2.00%
11-12	6	Progressive	CPI + 2.50%
13-14	7	Adventurous	CPI + 3.00%
15-16	8	Dynamic	CPI + 3.50%
17-18	9	Aggressive	CPI + 4.00%
19-20	10	Speculative	CPI + 4.50%



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Risk Ladder[™]
understanding risk

RISK PROFILE QUESTIONNAIRE

10 simple questions to help determine your attitude to risk and capacity for loss.



10 SIMPLE SCORED QUESTIONS TO DETERMINE YOUR ATTITUDE TO RISK

CLIENT 1 (C1)

FIRST NAME	
SURNAME	

CLIENT 2 (C2)

FIRST NAME	
SURNAME	

1 When it comes to investing, would you describe yourself?

C1	C2	Please tick your choice	T1	T2
<input type="checkbox"/>	<input type="checkbox"/>	Inexperienced	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	Reasonably experienced	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	Experienced	<input type="checkbox"/>	<input type="checkbox"/>

2 Your Bank or Building Society offers you a windfall payment, which you can take in cash, shares or a mixture of both. The shares have a 50/50 chance of doubling in value, or becoming worthless over the next year. What would you do?

C1	C2	Please tick your choice	T1	T2
<input type="checkbox"/>	<input type="checkbox"/>	Take it all in cash	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	Take half in cash and half shares	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	Take it all in shares	<input type="checkbox"/>	<input type="checkbox"/>

3 When it comes to investing, what are you most concerned about?

C1	C2	
<input type="checkbox"/>	<input type="checkbox"/>	Limiting loss is more Important than getting above average returns
<input type="checkbox"/>	<input type="checkbox"/>	Limiting loss and achieving above-average returns are equally important
<input type="checkbox"/>	<input type="checkbox"/>	Achieving above-average returns is more important than limiting loss

4 If you were investing in the UK stock market and it suddenly fell by 40%, what would you do?

C1	C2		T1	T2
<input type="checkbox"/>	<input type="checkbox"/>	Please tick your choice		
<input type="checkbox"/>	<input type="checkbox"/>	Get out quickly		
<input type="checkbox"/>	<input type="checkbox"/>	Sell some of my investment		
<input type="checkbox"/>	<input type="checkbox"/>	Stay put		

5 The chart below shows how much you could make or lose in a year with three imaginary investments of £100,000. But you won't know in advance what the results will be. Which one would you invest in?

Please tick your choice

C1	C2	Potential Loss	Potential Profit
<input type="checkbox"/>	<input type="checkbox"/>	£10,000	£20,000
<input type="checkbox"/>	<input type="checkbox"/>	£30,000	£40,000
<input type="checkbox"/>	<input type="checkbox"/>	£50,000	£60,000

6 You are appearing on a hit game show "Win a Million!" But you don't know the answer to the next question. What would you do?

C1	C2	Please tick your choice	T1	T2
<input type="checkbox"/>	<input type="checkbox"/>	Not answer and take £50,000		
<input type="checkbox"/>	<input type="checkbox"/>	Eliminate 2 wrong answers, leaving a choice of 2. If you guess right you'll have £75,000. If not, you'll only get £25,000		
<input type="checkbox"/>	<input type="checkbox"/>	Guess the answer. If you're right you'll have £100,000. If not you'll get nothing		

7 You're offered a new sales job with a choice of three options. Which one would you take?

C1	C2	
<input type="checkbox"/>	<input type="checkbox"/>	£30,000 a year
<input type="checkbox"/>	<input type="checkbox"/>	£25,000 a year, plus a bonus of £0 - £10,000
<input type="checkbox"/>	<input type="checkbox"/>	£20,000 a year, plus a "sky is the limit" performance bonus

8 How would you end this statement? "Accepting that my investment in for a term of 5 years it is important to invest..."

C1	C2		T1	T2
<input type="checkbox"/>	<input type="checkbox"/>	Please tick your choice		
<input type="checkbox"/>	<input type="checkbox"/>	Mostly in lower risk investments but also some in shares		
<input type="checkbox"/>	<input type="checkbox"/>	Mostly in shares, but also in other investments		
<input type="checkbox"/>	<input type="checkbox"/>	All in shares		

9 What is your Capacity For Loss for the proposed transaction:

C1	C2	Please tick your choice	T1	T2
<input type="checkbox"/>	<input type="checkbox"/>	I need the value of the investment to be returned in full to maintain my lifestyle	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	A reduction in value of over 20% would not impact on my lifestyle	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	A reduction in value of over 50% would not impact on my lifestyle	<input type="checkbox"/>	<input type="checkbox"/>

10 Two years ago you invested £100,000 in a stock market fund. But the value recently fell to £85,000. What would you do?

C1	C2	T1	T2
<input type="checkbox"/>	<input type="checkbox"/>	Switch what's left into something safer that's less likely to fail, but offers lower returns	
<input type="checkbox"/>	<input type="checkbox"/>	Stay where you are, in the hope of recouping your losses when the market picks up again	
<input type="checkbox"/>	<input type="checkbox"/>	Stay where you are and invest more money while share prices are low, in the hope of making more money when the market picks up again	

The below questions may have a bearing on the level of risk taken. If you are investing for the short to medium term or have a need for income from capital, it may be appropriate to reduce your level of risk. Conversely, if you are investing for a considerable time you may wish to increase the level of risk.

For how long do you anticipate investing your capital?

C1

C2

Please tick your choice

☐

☐

Up to 5 years

☐

☐

Between 5 and 10 years

☐

☐

Over 10 years

Are you investing for long term capital growth, income or a combination of the two?

C1

C2

Please tick your choice

☐

☐

Income

☐

☐

Growth and Income

☐

☐

Long term capital growth

Please indicate how you would like ESG & Sustainability to be addressed for your investment.

<input type="checkbox"/>	ESG & Sustainability <u>is not integrated</u> for your portfolio.
<input type="checkbox"/>	ESG & Sustainability <u>is integrated</u> for your portfolio.
<input type="checkbox"/>	ESG & Sustainability is the main focus for your portfolio

CLIENT 1 RESULTS										
OUTCOME SCORE										
RISK RATING GENERATED										
RISK RATING GENERATED	Investments	Pensions								
Reason for change from Risk Rating Generated to Risk Rating Agreed (If Applicable)										
SIGNED										
DATE			/			/				

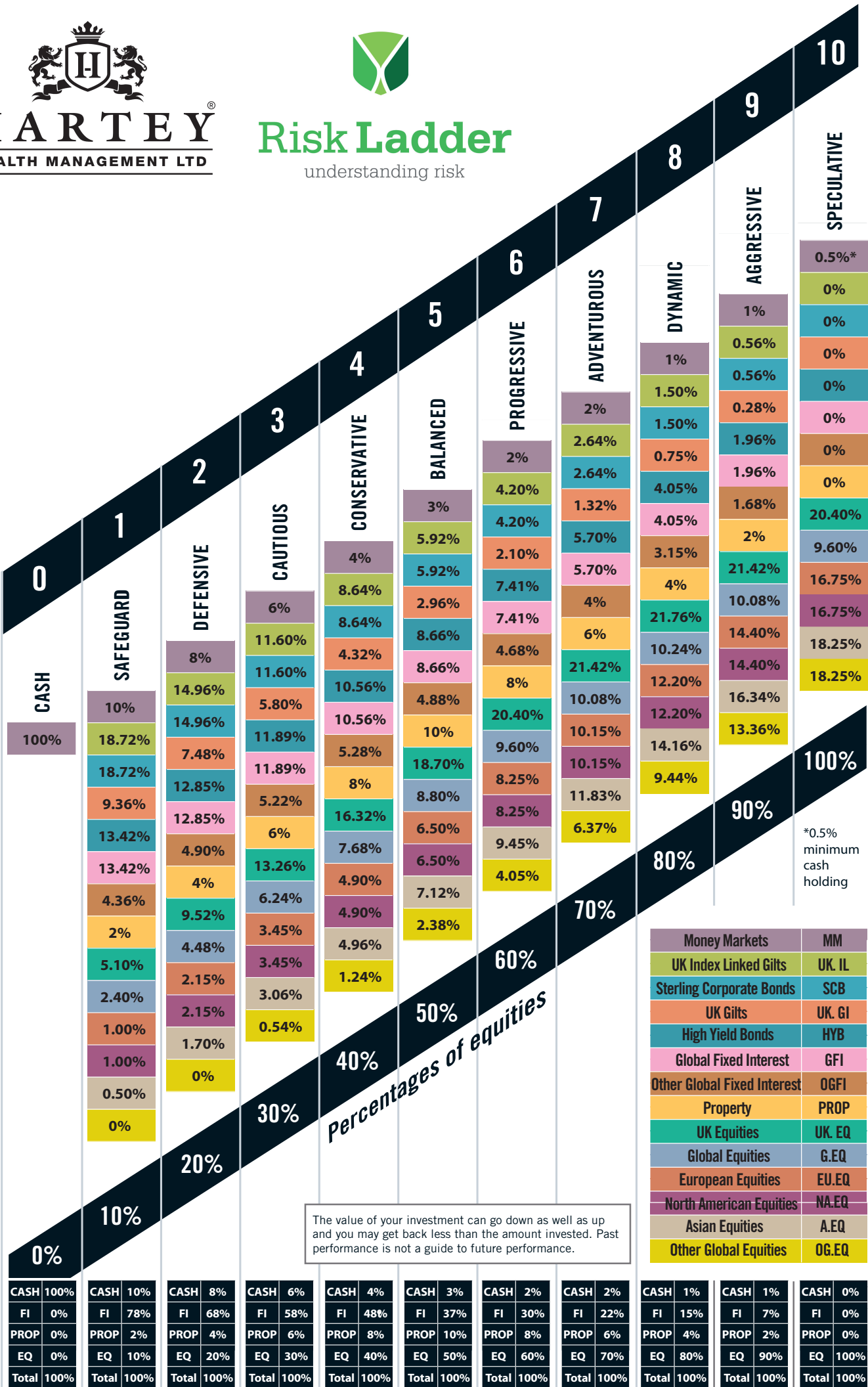
CLIENT 2 RESULTS					
OUTCOME SCORE					
RISK RATING GENERATED					
RISK RATING GENERATED	Investments	Pensions			
Reason for change from Risk Rating Generated to Risk Rating Agreed (If Applicable)					
SIGNED					
DATE	<div> <div></div> <div></div> <div>/</div> <div></div> <div></div> <div>/</div> <div></div> <div></div> <div></div> <div></div> </div>				

CLIENT 1 AND CLIENT 2 JOINT RESULTS
RISK RATING AGREED FOR INVESTMENTS ONLY



Risk Ladder

understanding risk



Please note, this risk ladder is an example only. The amounts within each portfolio can fluctuate therefore may be subject to change