

Factsheet: Risk Profiler

What is it?

Risk profiler comprises an 'off-the-shelf' psychometric questionnaire to help advisers establish the client's attitude to risk. It also assesses how comfortable the client is with the bumpiness of the investment journey as well as communicating investment risk in several ways. This includes the visual use of a risk scale, descriptions, and illustrates the chance of being in neighbouring risk categories.

Why is it important?

A client's investments need to reflect the level of financial risk he or she is prepared to take. By including data on an individual's capacity for loss, their investment goals and the timeframe they have in mind, Risk Profiler offers reassurance of best practice that more than meets FSA requirements.

Who should use it?

Risk Profiler should be used by advisers who wish to ensure they have a compliant risk suitability process.

The range of questionnaires that form the basis of the profiler means that it can be used by the broadest possible spectrum of investors.

How should it be used?

Accessible on or off-line, clients are asked to answer a series of specific questions without any explanation or potential for influence from their advisers. The Risk Profiler tool presents a series of questions relating to the issue of investment risk that can be reviewed to ensure suitability for purpose.

Information gathered and results generated via Risk Profiler are used to form the basis of more broadly-focused advisory processes and interaction with other eValue solutions.

Profile boundaries are established through consensus on the basis of input from several independent groups of

financial experts responding to the risk questionnaire as it is presented.

Steps are taken to ensure that the questionnaire is long enough to provide reliable data, whilst also not being so long that it impairs the client's experience.

When an individual's risk profile is successfully generated, a summary of typical asset allocations is automatically produced and recorded.

When is it updated?

The Risk Profiler tool maintains three core 'off-the-shelf' questionnaires that match responses to 5,7 and 10 risk profiles.

The questionnaires are updated every 12 to 24 months with new questions recommended to enhance the reliability of the profiling process and to ensure compliance with any new statutory requirements.

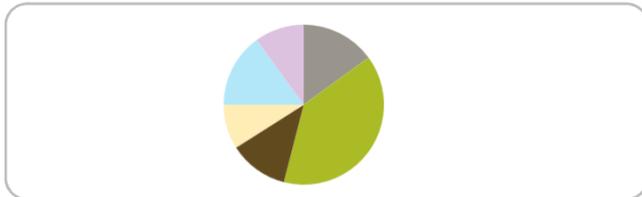


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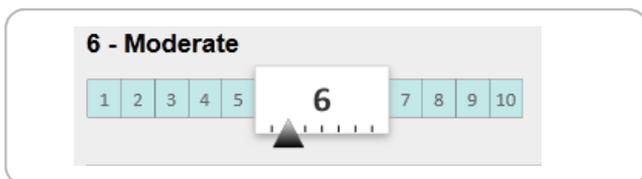
Key Differentiators – At a glance



Asset allocations vary by term



Smiley faces to show bumpiness of investment journey



Positioning within the risk band is given



The term of investment is taken into account when assessing the risk profile

Plus

- Suitable for use by a broad spectrum of investors
- Bespoke and “off the shelf” questionnaires can be produced
- All questions are validated by experts and trialled with hundreds of investors
- Result from the risk profiling questionnaire is automatically linked to other online financial planning tools
- Can complete the questionnaire on and off-line
- Offers FCA recommended best practice elements to ensure investment recommendations made are suitable to a client’s risk profile