Catholic Super

Risk profile questionnaire.

Understanding your attitude to investment risk

Investment risk can be defined as the chance that the actual value of, or return from, an investment may be less than its expected value or return.

Understanding your attitude to investment risk is probably the most important factor to consider before investing. To achieve higher returns you need to be prepared to accept a higher risk of capital loss. This is because the funds and assets that offer high returns are generally more volatile than those producing lower returns. This is often referred to as the 'risk/return trade-off'.

Some investors find it easy to ignore movements in the market and to focus on their long-term investment goals. However, others become anxious when their investments decrease in value, even by a small amount.

Financial risk tolerance involves an individual's level of confidence to make good financial decisions. Financial risk tolerance also considers an individual's views about borrowing, and how much risk in terms of financial loss they are willing to accept to achieve their long-term financial goals.

About this document

By answering the questions below you'll get a basic understanding of your attitude to investment risk and what investments might be best suited to you.

This questionnaire has been designed to give you a clearer picture of you as an investor by defining your investor profile. Your investor profile is based on your attitude to risk (investment risk profile).

The results of this questionnaire does not constitute financial advice or a recommendation to switch investments, and should only be used as a guide to understand more about you. There are other factors such as individual circumstances which may impact investment decisions which are not covered in this questionnaire.

You should not act on the results of this questionnaire without seeking financial advice. We recommend discussing your answers with a qualified Financial Planner. They can hold a genuine discussion around your attitude to risk and with this, (and any other information you provide) will be equipped to develop a plan that's right for you.

We also highlight that members who hold assets jointly often have differing views regarding the level of risk they are prepared to accept – So if you are answering the questions with a partner, please score your responses separately.

Get in touch with us

Contact our Helpline **1300 655 002**

Financial Advice appointments **1800 065 753** or **Book a time**

Visit our website **csf.com.au**

Mail **Catholic Super GPO Box 4303 Melbourne VIC 3001**

Head office **Level 12, 330 Collins Street Melbourne VIC 3000**

1. What type of investor are you?

1.1 How would you describe your understanding of financial and investment markets?

Response	Score	Your response	Partner's response
Don't understand investing and I would rather rely on someone else to advise me on investing.	1	○	○
Don't really understand the financial and investment market.	2	○	○
Believe I have a reasonable understanding of investing and I understand the importance of diversifying my investments.	3	○	○
Have a good understanding of investing so I understand that different market sectors offer varying income, growth and taxation options.	4	○	○
I am an experienced investor. I understand all the investment sectors and the various factors which can influence investment performance.	5	○	○

1.2 How would you describe your confidence in making investment decisions?

Response	Score	Your response	Partner's response
I am not confident making investment decisions so I usually don't do any investing or I rely heavily on a financial planner for advice.	1	○	○
I am not very confident making investment decisions but I still give it a go.	2	○	○
I am reasonably confident.	3	○	○
I am confident in my knowledge of investments so feel pretty confident that I make the right decision.	4	○	○
I am very confident when it comes to investing, I have thorough knowledge of investing and how to watch the markets to allow me to make an educated decision.	5	○	○

1.3 As an investor I would describe myself as:

Response	Score	Your response	Partner's response
A very inexperienced investor.	1	○	○
A fairly inexperienced investor.	2	○	○
A fairly experienced investor.	3	○	○
An experienced investor.	4	○	○
A very experienced investor.	5	○	○

Total for this page	

1.4 How would you describe your reaction to a significant drop in investment value (eg: a 20% decline in 1 year)?

Response	Score	Your response	Partner's response
I would transfer my investment into a bank account or similar secure investment.	1	◯	◯
I would transfer some of the investment into an alternative investment portfolio.	2	◯	◯
I would wait until the market picked up so I could recover the loss and then move my investment to another investment portfolio.	3	◯	◯
I would leave the investment alone as originally intended.	4	◯	◯
I would see the opportunity to invest further at a discounted price.	5	◯	◯

1.5 Achieving high returns over the long term is more important to me than safe investing.

Response	Score	Your response	Partner's response
Strongly disagree.	1	◯	◯
Disagree.	2	◯	◯
Neutral.	3	◯	◯
Agree.	4	◯	◯
Strongly agree.	5	◯	◯

1.6 Are greater returns over the long term important to you and are you willing to experience the fluctuations of the market?

Response	Score	Your response	Partner's response
I am not comfortable with experiencing the potential fluctuations of the market in the pursuit of higher returns.	1	◯	◯
I am a little uncomfortable with experiencing fluctuations in the market.	2	◯	◯
I am rather comfortable with the fluctuations assuming the volatility is limited.	3	◯	◯
I am comfortable with reasonable market fluctuations in the pursuit of greater returns.	4	◯	◯
I am very comfortable with market fluctuations and understand they fluctuate over the short-term but they usually result in a greater return over the long term.	5	◯	◯

Total for this page	

1.7 How would you describe your overall investment decisions?

Response	Score	Your response	Partner's response
I have never really invested before other than my superannuation.	1	○	○
I have never lost on investments as I usually invest in secure assets.	2	○	○
I think the returns have been average. I would like to start making greater returns.	3	○	○
I have experienced some losses with my/our investments but I am willing to keep trying.	4	○	○
I have made better than average returns on investments and have experienced some fluctuations.	5	○	○

1.8 How would you describe your attitude to risk versus return?

Response	Score	Your response	Partner's response
I am a very low risk taker, I need the security.	1	○	○
I am a low risk taker.	2	○	○
I am an average risk taker, not overly concerned with security.	3	○	○
I am a high risk taker, short term security is not an issue for me.	4	○	○
I am a very high risk taker, security is not a concern to me.	5	○	○

Total for this page	
Total for questions 1.1 – 1.8	

2. Your time horizon

2.1 When will you retire and start spending your savings?

Response	Score	Your response	Partner's response
Retired or retiring in 2 years time	1	○	○
Retire between 2 and 4 years time.	2	○	○
Retire between 5 and 8 years time.	3	○	○
Retire between 9 and 10 years time.	4	○	○
Retire sometime after 10 years.	5	○	○

2.2 How long do you expect your savings will last in retirement?

Response	Score	Your response	Partner's response
I expect it to last between 1 and 2 years.	1	○	○
I expect it to last between 3 and 5 years.	2	○	○
I expect it to last between 6 and 8 years time.	3	○	○
I expect it to last between 9 and 10 years time.	4	○	○
I expect it to last more than 10 years.	5	○	○

Total for questions 2.1 – 2.2	

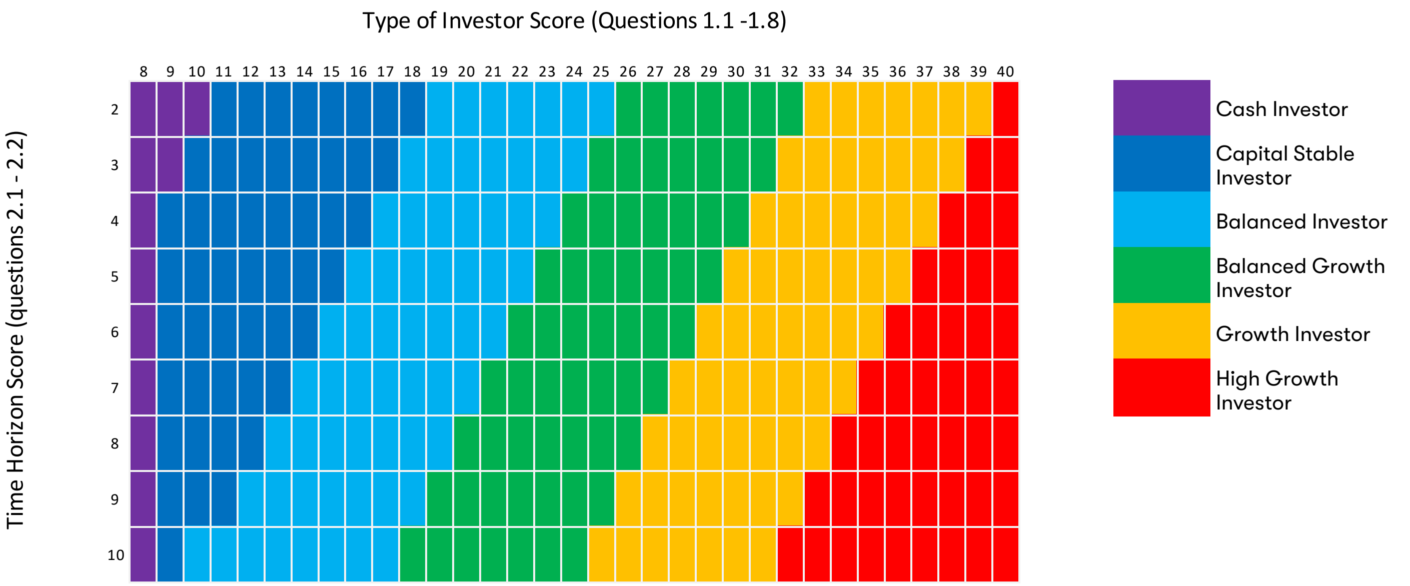
3. Score

	Your score	Partner's score
Total Score 1. Type of Investor Questions 1.1 – 1.8		
Total Score 2. Time Horizon Questions 2.1-2.2		

Using the table below, you can determine your calculated risk profile by simply:

- Locating the column with your "Type of Investor" score on the top line.
- Locating the row with your "Time Horizon" score on the left-hand side.
- Where the column and rows intersect identifies your most likely investment profile.

For example: A total score of 29 for Type of Investor and a total score of 7 for Time Horizon will place you in a "Growth Investor" risk profile.



Better understanding your calculated risk profile

In determining an appropriate asset allocation, it is important you consider what type of investor you are and what level of investment risk is appropriate. The table below summarises asset allocation benchmarks based on the type of investor risk profile.

Cash Investor • For the person looking to limit downside risk • Chance of a negative return 1 in every 20 years	The investor's main objective is stability of capital. They are not seeking any capital growth over the short to medium term and are seeking to avoid risk but understand that some income assets can lose value. A low level of returns and volatility can be expected. An appropriate asset mix for a Cash Investor is: • About 100% in income assets (such as cash, fixed interest) • About 0% in growth assets (such as shares, property).
Capital Stable Investor • A very low risk taker • Chance of a negative return 1 in every 10 years	The investor's main objective is stability of income. They are seeking some capital growth over the short to medium term while minimising the risk of capital loss. A low level of volatility and lower returns can be expected. An appropriate asset mix for a Capital Stable Investor is: • About 65% in income assets (such as cash, fixed interest) • About 35% in growth assets (such as shares, property).
Balanced Investor • A low risk taker • Chance of a negative return 1 in every 8 years	The investor's main objective is to maintain stable returns. They are seeking moderate capital growth over the short to medium term with moderate levels of volatility. An appropriate asset mix for a Balanced Investor is: • About 48% in income assets (such as cash, fixed interest) • About 52% in growth assets (such as shares, property).
Balanced Growth Investor • An average risk taker • Chance of a negative return 1 in every 6 years	The investor's main objective is to achieve favourable returns over the long term. They are seeking moderate to high levels of capital growth over the long term. Returns are likely to be volatile and a risk of capital loss over short to medium term periods is substantial. An appropriate asset mix for a Balanced Growth Investor is: • About 30% in income assets (such as cash, fixed interest) • About 70% in growth assets (such as shares, property).
Growth Investor • A high risk taker • Chance of a negative return 1 in every 5 years	The investor's main objective is to achieve a medium to high level of growth over the long term. They are seeking attractive returns over the long term. They are prepared to accept higher volatility and moderate risks to achieve these returns. An appropriate asset mix for a Growth Investor is: • About 18% in income assets (such as cash, fixed interest) • About 82% in growth assets (such as shares, property).
High Growth Investor • A very high risk taker • Chance of a negative return 1 in every 4 years	The investor's main objective is to achieve high long-term growth. They are seeking strong investment returns over the long term and are prepared to tolerate a high level of fluctuation in returns over the short to medium term. An appropriate asset mix for a High Growth Investor is: • About 7% in income assets (such as cash, fixed interest) • About 93% in growth assets (such as shares, property).