



risktype compass™

Investor Report



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Simon Sample

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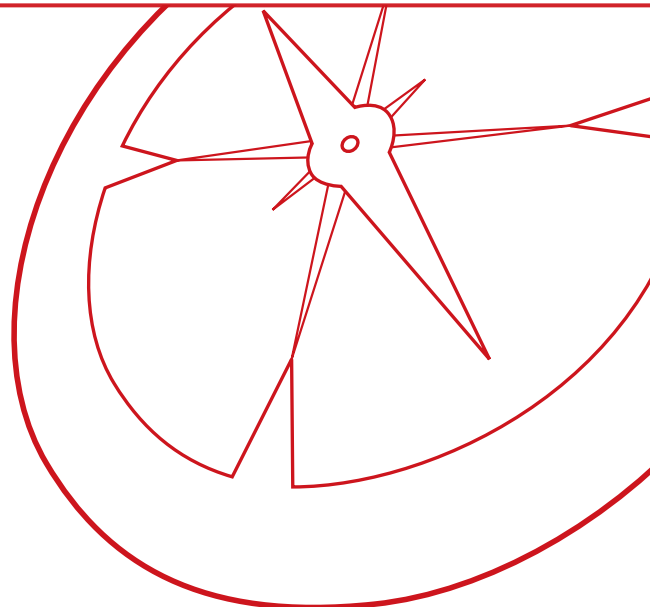
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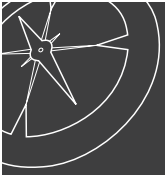
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Introduction

Understanding this Report

Any financial investment involves some risk but the degree of risk you are exposed to can vary considerably from one investment vehicle to another. You will need to decide what level of risk you would be comfortable with. This Risk Type Compass® report has been designed to help you in exploring your current predisposition to risk and your capacity to manage the risks involved in making investments.

Two key factors determine your approach to investment risk. Firstly, there are aspects of your natural temperament that will establish your general reaction to any kind of risk or uncertainty (Risk Type). Secondly, experience and personal circumstances will also influence your attitude towards different areas of risk (Risk Attitude). These two factors have been explored through your completion of the Risk Type Compass® questionnaire and everything from page three in this report is based on your responses to those questions.

Risk Type

The Risk Type Compass® assessment places you in one of eight Risk Types. Your Risk Type reflects your natural temperament, the foundation upon which your risk taking tendencies have been built – to what extent you are, for example, naturally adventurous and optimistic as opposed to being cautious and anxious about uncertainty, or to what extent you plan things carefully or act on impulse. Risk Type is deeply rooted and has a broad influence on how much risk you are willing to take, how much uncertainty you can cope with and how you react when things go wrong.

Risk Attitude

Risk Attitude is focused on the effects of life experience and your personal circumstances and how these also contribute to your risk taking behavior. Risk Attitude may vary from situation to situation. For example, previous experience of investment would influence your willingness to take investment risk, as would your financial circumstances. To give you a feel for how your capacity to deal with different kinds of risk has developed, this report highlights the variability in your Risk Attitude across five important areas of risk taking, including financial risk.

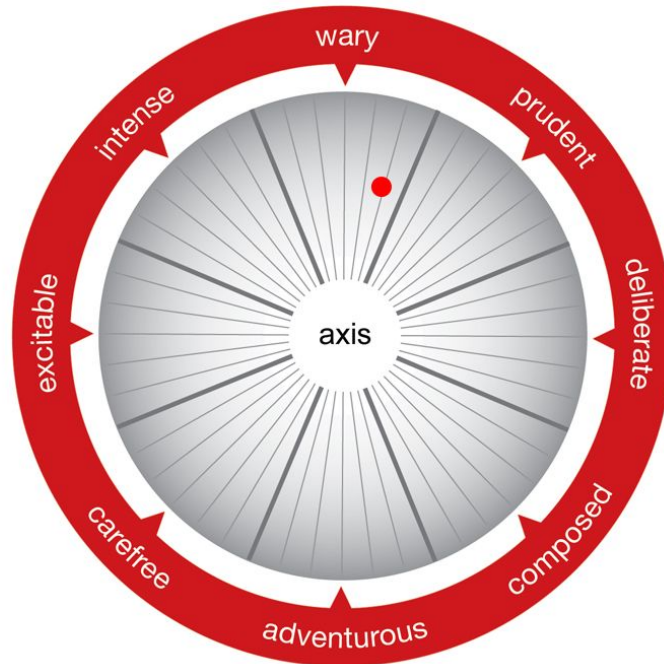


Risk Behavior

Taken together, consideration of your Risk Type and Risk Attitude will guide you to a better understanding of your current appetite for financial risk. The key to effective use of this report is to appreciate that Risk Type is deeply rooted and unlikely to change, whilst Risk Attitude will change as a consequence of experience, exposure and events. This report will give you the opportunity to review and reflect on your risk taking behavior. It is hoped that this will help you to make informed decisions about the suitability of different investment opportunities.

How strongly do you reflect your Risk Type?

The marker (●) denotes which of the 8 Risk Types best fits your disposition towards risk. The nearer it is to the outside edge, the more accurate that type description will be for you. For those nearer the center, their Risk Type will color their disposition towards risk, but not so intensely. The Risk Type Compass® is a continuous spectrum, with each type sharing some characteristics with its neighbors and with facing types being opposites. This assessment identifies you as a moderate example of the Wary Risk Type. Your marker falls close to a type boundary, so it will also be worth reading the neighboring type description.



Risk Type: Wary

This Risk Type combines anxiety about risk with a methodical approach and a shrewd and persistent skepticism. The most extreme examples are fearful of uncertainty and ultra sensitive about vulnerability and risk. Strongly attracted to the idea of securing the future but difficult to reassure, they seem to seek an unattainable ideal.

Risk Type descriptions are informed generalisations based on decades of personality research and experienced profile interpretation. While the essence of a type description will be accurate for the majority of those falling into that group, individuals will vary in particular details and in the degree to which type characteristics dominate their overall persona.

The following pages will help you to consider your fit with this Risk Type.

Any personality characteristic will have its advantages and its disadvantages, depending on the situation. What works for someone in one context may work against them in another. This page highlights some of the most common benefits and limitations associated with your position on the Risk Type Compass®. The bullet points below will be most characteristic of the more extreme Risk Types - those positioned nearest to the outer edge. Those closer to the Axis will be less influenced by these points. Those falling within the Axis center circle will be neutral in respect of Risk Type characteristics but there will be particular benefits as well as disadvantages associated with this central position.

Upside tendencies of this Risk Type:

The following highlights the potential benefits for this Risk Type in relation to decision making about investments:

- Anxious about insecurity and risk, they will be alert to the shortcomings of any proposal
- People like this tend to comply with the rules set out by the regulatory body
- They tend to be keen to research and seek detailed information before making decisions
- They are likely to think carefully about advice or feedback from their Financial Adviser
- Although anxious and emotional they are likely to have a planned and organized approach
- They are likely to learn from their mistakes and plan at length to avoid repeating them
- Such people may have specific guiding passions that influence their investment agenda

Downside tendencies of this Risk Type:

The following highlights the potential disadvantages for this Risk Type in relation to decision-making about investment:

- These people can be so focused on security that their decision making is slow
- People like this may be so wary of risk that they miss good opportunities
- They may be tied to the rulebook and reluctant to try a more experimental approach
- These people can be inflexible and resistant to changing their decisions or strategies
- Their changeable moods may mean that initial enthusiasm is soon replaced by apprehension
- Their reactions are prone to be colored by the emotional intensity of their feelings
- These people may dwell on past experiences of poorly performing investments

Your most prominent characteristics:

This assessment identifies you as a moderate example of the Wary Risk Type.

The following points identify the most distinct characteristics for you, as defined by your questionnaire responses. They may help you to moderate or elaborate your Risk Type description:

- It seems that you may sometimes lack confidence and feel unsure of yourself.
- You probably do not allow intuitions or feelings to overwhelm the logic of your decisions.
- You appear to prefer a tried and tested approach and at times may be reluctant to accept change.
- You may be less inclined than others to seek new experiences and excitement.
- You prefer to manage exposure to extreme activities, ventures or risk carefully.
- You seem to be a compliant individual who will respect rules, regulations and authority.

The following may also help you to understand your position on the Risk Type Compass® :

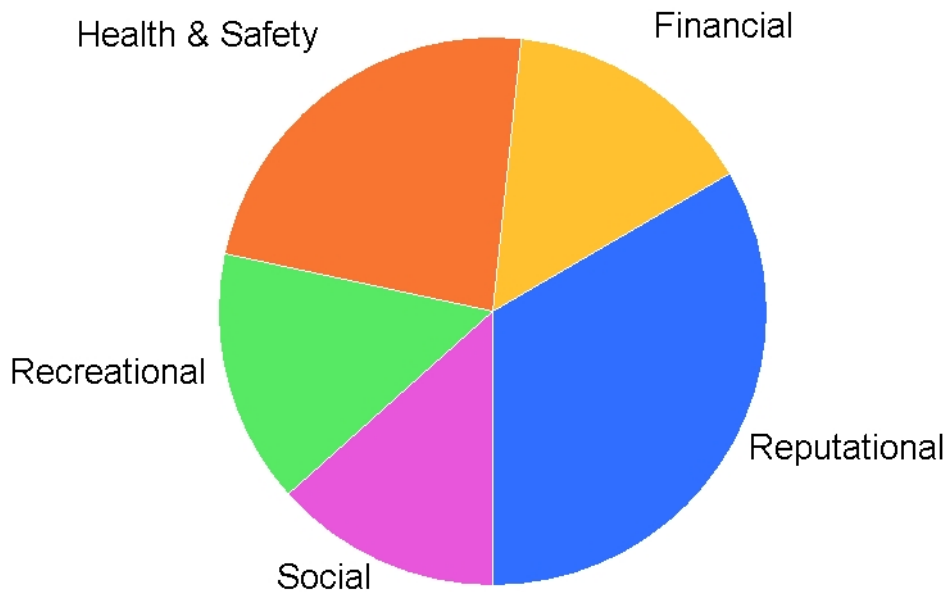
Opposite Type: Adventurous

At the root of this Risk Type is a combination of impulsiveness and fearlessness. Extreme examples of this Type are people who combine a deeply constitutional calmness with impulsiveness and a disregard for custom, tradition or convention. They are imperturbable and seemingly oblivious to risk. Their decision-making is likely to be influenced by both their lack of anxiety and their impulsiveness.

Neighboring Type: Prudent

At the root of this Risk Type is a high level of self-control and detailed planning. This type is organized, systematic, and conforming. Conservative and conventional in their approach, such people prefer continuity to variety and are most comfortable operating within established and familiar procedures. They like change to be gradual and evolutionary rather than radical. Generally very cautious and suspicious of any new ventures, they may find reassurance in sticking with what they know.

Although Risk Type establishes your baseline disposition towards risk in general, this will be moderated by life experience and by your personal circumstances. Risk Attitude may therefore vary over time and in respect of different kinds of risk. Below we compare your attitudes to Financial Risk with four other domains: Social Risk, Health & Safety Risk, Reputational Risk and Recreational Risk.



Where you are currently most comfortable taking risks

The size of the segments in the graphic show how relatively comfortable you currently are in taking financial risk as compared to other domains. Rather than comparing you to other people, this graphic is about your own preferences. The segments show which kinds of risk you are most comfortable with.

Your Risk Attitude profile

These results suggest that your Risk Attitude will be quite variable, influencing the amount of risk you are prepared to take in different situations and circumstances. It is not unusual for people to be more comfortable taking risks in areas where they are on familiar territory, where they have experience and expertise, or in situations that are not critical in any way. However, this variability of attitude will have a moderating effect on the way that one's Risk Type plays out in different environments.

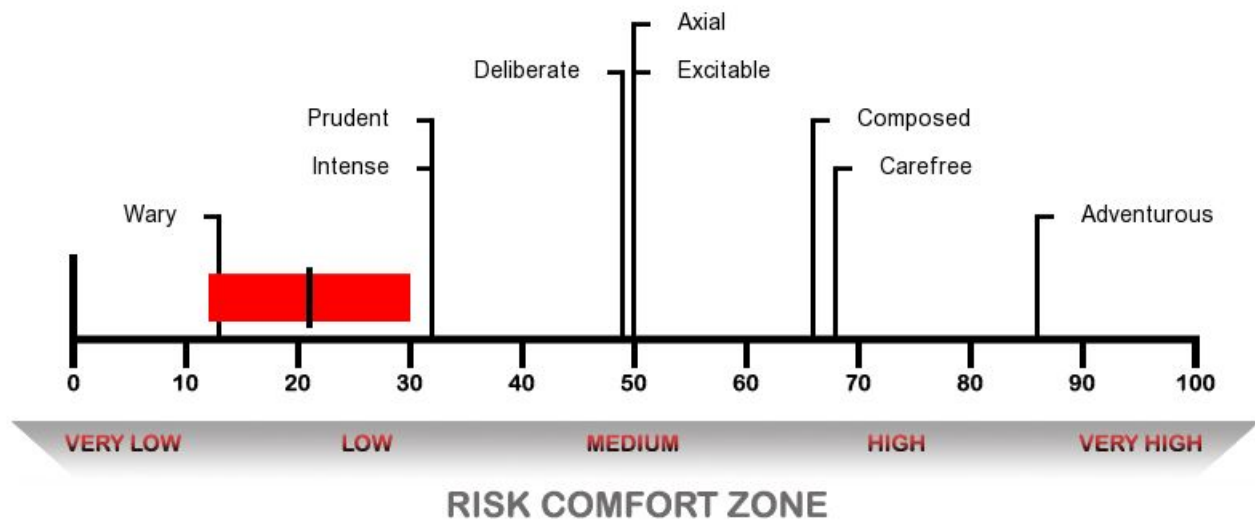
Of the five areas where Risk Attitude has been assessed, the Reputational area is the one in which your attitude will most influence the risks you are prepared to take. In some matters of principle you may therefore be prepared to be more flexible and risk-taking than suggested by your Risk Type.

The area where your attitude seems to be most cautious and conservative is Social Risk.

So far as attitude to Financial Risk is concerned, it falls between these extremes but suggests that you may nevertheless be a little less comfortable with financial risk than expected from your Risk Type.

The graphic below shows your Risk Tolerance Index (RTi), an overall estimate of your tolerance for risk based on both your Risk Type and your Risk Attitude. Your marker's position on the Risk Type Compass defines your RTi, and the extent to which your attitude varies for different types of risk situations defines your Comfort Zone. This is represented in the graphic below by the bar on the chart. The average RTi scores for strong examples of each Risk Type are also mapped onto the RTi scale as points of reference.

The banner under the RTi scale indicates a recommended risk category for financial products. This should be taken as a guide for decision-making. Financial products will vary considerably even within these three categories, so your position on the scale and whether you are near the top or bottom of a risk category needs to be taken into account when discussing recommendations with your Financial Adviser.



The marker within the bar in this RTi graphic marks the level of risk tolerance associated with the Risk Type rating. The length of the bar indicates the variability in Risk Tolerance suggested by differences in Risk Attitude across the five risk domains. Your actual Financial Risk Tolerance level will lie within this range.

Summary for: **Simon Sample**

| | |
|-----------------------------------|-----------------|
| Your Risk Type: | Wary |
| Your Attitude Variation: | High |
| Your RTi: | 21 |
| Investment Recommendation: | Low Risk |

The responses to the items on the Risk Type Compass® Consistency scale indicate that the profile is valid and interpretable.