



# risktype compass™

Investor Report



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**Sophie Sample**

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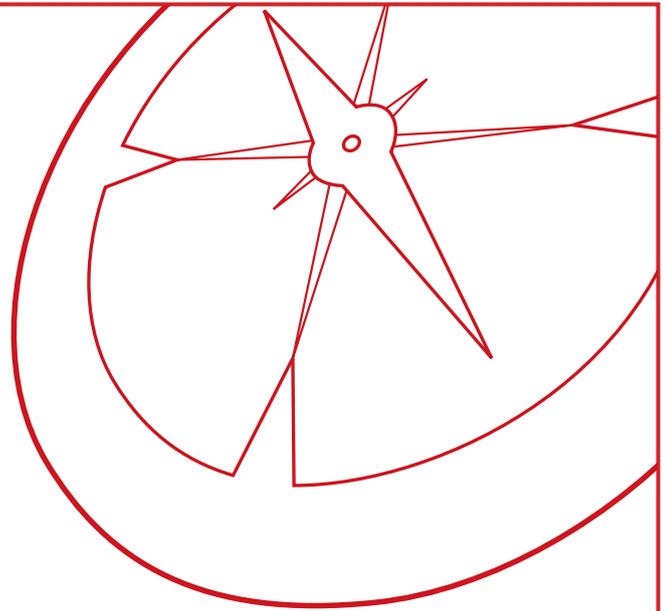
Emotion: Feelings and intuition

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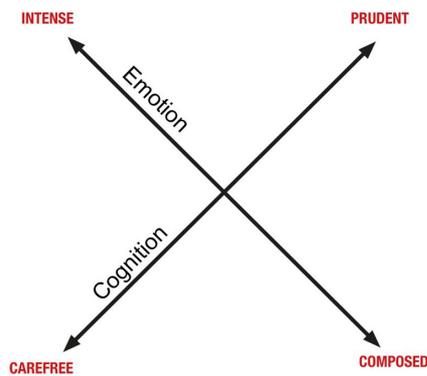


# Introduction

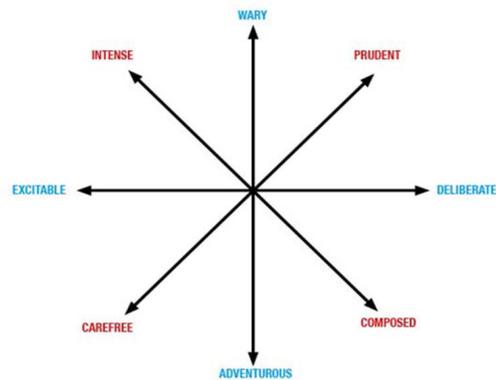
## Understanding this Report

Risk Type characteristics are shaped by two features of human nature; Emotion and Cognition. Emotion is concerned with your feelings and intuitive responses; your reaction to threat, insecurity or loss. Cognition is about your 'need to know'; the thinking and reasoning processes used to reduce ambiguity and uncertainty and to make sense of your world. Natural variations in Cognition and in Emotion are reflected in individual differences in risk disposition. Your own position on the Risk Type Compass reflects the interaction between these two neurological systems. To facilitate interpretation and communication, the continuously incremented 360° spectrum of the Risk Type Compass is segmented into eight Risk Types.

1)



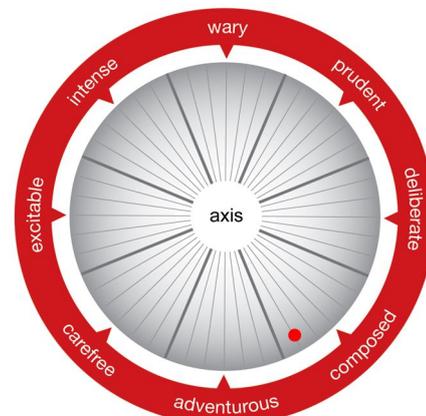
2)



3)



4)



*The two axes each represent one of the neurological systems that contribute to decision making; Emotion and Cognition (1). These scales and the dynamic interaction between them generate eight Risk Types and give them their distinctive and recognisable character (2). The prevalence of Risk Types is remarkably even (3). Scores on the Emotion and Cognition scales position each individual within the compass. The Axial group (10%) have a balanced risk perspective and are effectively neutral in terms of Risk Type influence (4).*

Understanding the world of risk is extremely challenging – even to risk experts and professionals. Each Risk Type navigates this complexity using their own internal compass; viewing the world of risk from a different, but often complementary, perspective. This report will assist you in developing a confident, honest self-awareness about the ways you perceive and react to risk and the advantages and limitations implied by your Risk Type. Your unique risk dispositions exert a persistent influence on the decisions you make; a critical factor in your effectiveness and your success. Self-awareness enables personal responsibility and effectiveness in managing those risk dispositions.



# Introduction

## Risk Type Definitions

### The Spectrum of Risk Types

Ranked according to risk comfort zone

**WARY:** Shrewd, vigilant, controlling

Ultra sensitive about vulnerability and exposure to risk in any situation, they are zealous about eliminating uncertainty and fervently seek to establish order and control events.

**INTENSE:** Apprehensive, risk aware, ardent

They invest enthusiastically in people and projects but are alert to the prospect of things going wrong. Feeling strongly about disappointment, they don't make the same mistake twice.

**PRUDENT:** Systematic, orthodox, detailed

Their primary concern is to establish clarity and order in objectives and processes. They adopt a systematic and methodical approach and seek to eliminate all ambiguity.

**EXCITABLE:** Enthusiastic, anxious, committed

Decisions are fueled by enthusiasm for exciting ideas and opportunities but tempered by sensitive risk antennae. They may wrestle over decisions but will go in deep once committed.

**THE AXIAL GROUP:** Balanced, proportionate, conventional

Conservative and equitable, their central position allows a uniquely balanced view and appreciation of the other Risk Type extremes; potentially a mediating influence in any group.

**DELIBERATE:** Analytical, investigative, calm, business-like

Calm, calculated and sure-footed, they are not easily unnerved, but they test the ground thoroughly and like to do things 'by the book'. They like to plan ahead and be well prepared.

**CAREFREE:** Audacious, curious, unconventional

They see opportunity before risk and relish the adrenaline of the on-the-fly decision making required in fast moving situations and at times of urgency or change.

**COMPOSED:** Calm, resilient, optimistic

Strangers to anxiety and dispassionate in their decision making, they deal well with stress and will be a steadying and reassuring influence through challenging times.

**ADVENTUROUS:** Intrepid, enterprising, undaunted

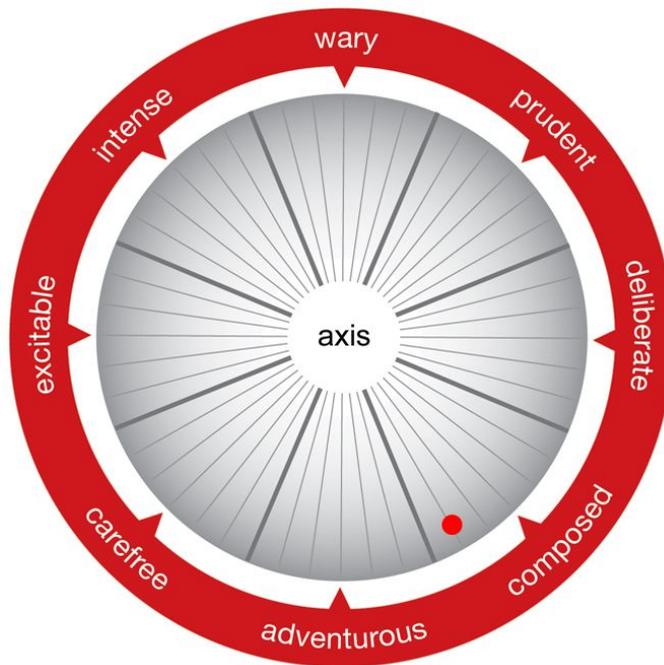
Fearless and confident, they enjoy the excitement of breaking new ground and reaching for ambitious objectives. They will be frustrated by resistance and keen to take things forward.

## Your Risk Type: Composed

At the root of this Risk Type is a high level of poise, self-belief, optimism and resilience. The most extreme examples are calm, unemotional and quite unflappable. Although others may be unsettled or close to panic, they remain steady and patient and rarely show signs of anxiety, an oasis of calm and seemingly almost oblivious to risk.

At a more general level, this type will always be relatively untroubled, and more even-tempered than most. They seem to take whatever life throws at them and maintain a positive outlook. Even when things go wrong, they don't dwell on regrets, harbour grudges or bear resentment. The Composed Type manages stress well, rides out any turbulence and stays on-task. Not reckless, but not averse to risk either, this type keeps their nerve and sees things through.

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.



## 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 centre, their Risk Type will colour their disposition towards risk, but not so intensely. The Risk Type Compass® is a continuous spectrum, with each type sharing some characteristics with its neighbours and with facing types being opposites. This assessment identifies you as a very strong example of the Composed Risk Type. Your marker falls close to a type boundary, so it will also be worth reading the neighbouring type description.

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 centre 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 points highlight the potential benefits for people of this Risk Type:**

- This type is likely to be calm and level-headed in situations that unsettle others
- They are able to remain effective and unperturbed when things go wrong
- Whatever happens, they are likely to remain composed, consistent and even-handed
- They are unlikely to dwell on their mistakes or past decisions that cannot be changed
- Such people tend to have confidence in their own ability
- They are likely to be up-beat and optimistic about the future
- People like this tend to be patient, purposeful and deliberate

### Downside tendencies of this Risk Type

**The following points highlight the potential disadvantages for people of this Risk Type:**

- This type can be so optimistic that they fail to evaluate or anticipate risk
- Certainty about their decisions may make them slow to pick up signs of difficulty
- Being so confident in their opinions, they may miss vital new information
- They can appear unaware of the level of risk associated with a proposal
- These people may ignore or dismiss negative feedback about their performance
- They can be so sure of themselves that they may seem self-important or arrogant
- Not much concerned about risk themselves, expectations of others may be unrealistic

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

### Opposite Type: Intense

At the root of this Risk Type is anxiety and worry about risk, people who expect the worst. This type is characterised by anxiety, strength of feeling and a tendency to become very involved at a personal level in things. Such people are highly-strung and alert to any risk or threat to their wellbeing. They invest a lot emotionally in their decisions and commitments and take it personally when things don't work out. Such people can therefore be very passionate about things but their mood can vary dramatically and today's enthusiastic endorsement can turn into tomorrow's critical rejection.

### Neighbouring Type: Adventurous

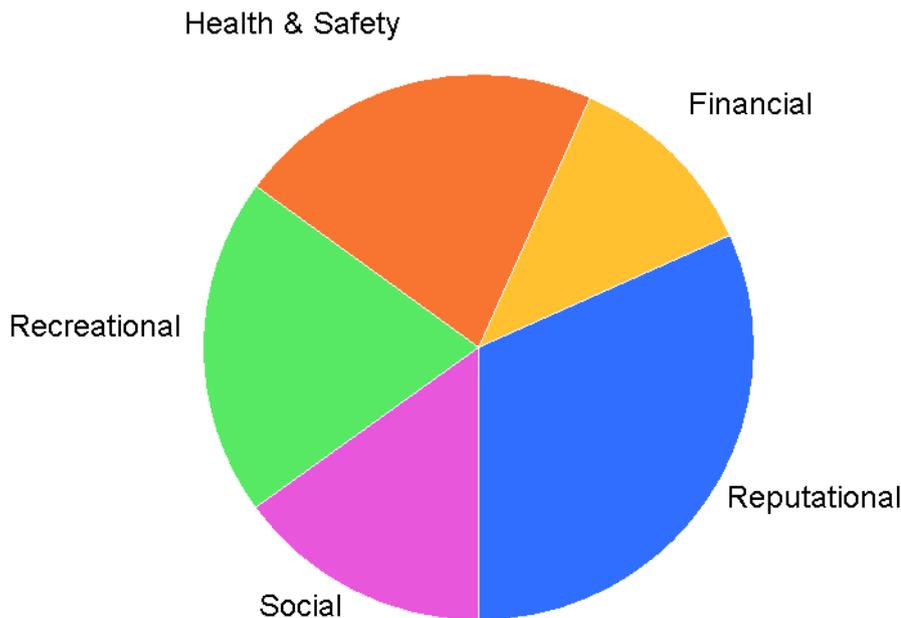
At the root of this Risk Type is a combination of impulsiveness and fearlessness. Extreme examples of this Type are people who combine a deeply constitutional calmness with impulsiveness and a disregard for custom, tradition or convention. They are imperturbable and seemingly oblivious to risk. Their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

### Your most prominent characteristics:

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:

- You will rarely worry about things unnecessarily, nor easily become apprehensive.
- You seem practical, down to earth and unsentimental.
- You are likely to be a patient person who can accept that it may take time to achieve an objective.
- You seem compliant; someone who will respect rules, regulations and authority.
- You are excitement seeking and may get involved in extreme activities.
- You are not easily fazed by events and will generally take things in your stride.
- You are unlikely to be resentful or to dwell on past disappointments.
- You are even-tempered and have belief in your own worth.

The size of the segments in the graphic represent your comfort with taking risks in each domain, *at this point in time*. Risk perception is always subjective and we continually recalibrate it in line with our experience, exposure and developing skills. Events are most challenging when new or unexpected. We extend our capacity for risk taking as we 'master' the challenges and uncertainties in particular domains. Although your risk dispositions remain stable over time, in effect, familiarity extends your 'comfort zone' and your competence.



#### Key:

Financial: Confidence in making financial decisions and investment choices.

Reputational: Tolerant about behaviours that may offend others' sense of propriety.

Social: Comfortable opening conversations, being in the limelight and addressing groups.

Recreational: Readiness to pursue challenging and potentially dangerous activities.

Health & Safety: Inattentive to matters that may impact on health or wellbeing.

### Your Risk Attitude profile

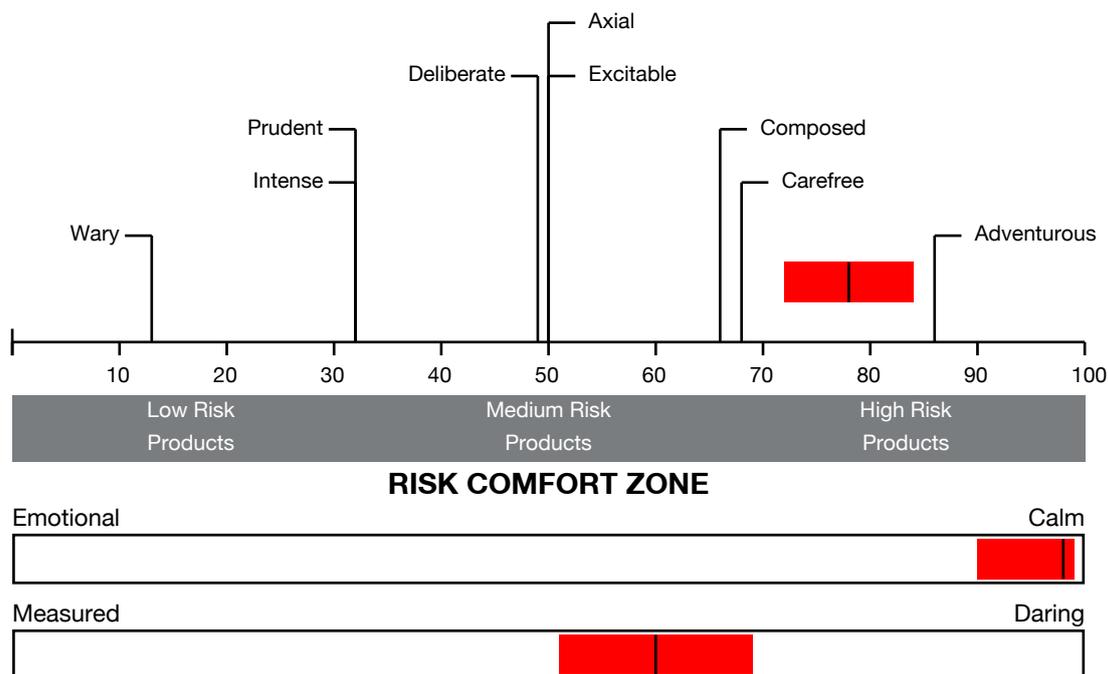
These results suggest that your Risk Attitude will be quite variable, influencing the amount of risk you are prepared to take in different situations and circumstances. It is not unusual for people to be more comfortable taking risks in areas where they are on familiar territory, where they have experience 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 Financial Risk.

The graphics below show your Risk Tolerance Index (RTi) and your position on the two bipolar personality scales from which it is derived. The RTi graphic indicates your overall risk tolerance; your Comfort Zone for dealing with risk. It is positioned amongst markers for strong examples of each of the Risk Types as points of reference. In all three scales, your position is marked as the mid-point in a red bar reflecting the margins of error; a reminder that psychological assessments are estimates, rather than absolute measurements.

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.



RTC Global Norm 3.0.0

Summary for: <b>Sophie Sample</b>	
<b>Risk Type:</b>	<b>Composed (very strong)</b>
<b>Attitude Variation:</b>	<b>High</b>
<b>RTi:</b>	<b>78</b>
<b>Comfort Zone:</b>	<b>High Risk</b>

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