



Risk Profile Descriptions

Risk Profile 1: Lowest

You have selected profile 1. This means that your willingness to accept risk is in the 'lowest' profile.

The risk scale is made up of 10 profiles overall. This means that you are in the 'lowest' profile for how much risk you want to take with your investments.

Your risk profile is important in two ways to the type of investments you should consider. These are shown below.

How comfortable you are with the possibility of losing money on your investments

You are likely to be far less comfortable and able to adapt less well to losing money on your investments than someone who has a 'medium' or 'high' attitude to risk, for example, someone in profiles 5 to 10.

How much you want to invest in higher-risk investments to get better returns

Higher-risk investments such as shares generally offer higher returns over the long term, but the investments also fluctuate more (go up and down in value). This means that while people may make more money in the long term with higher-risk investments, they are more likely to lose money in the short term.

As your willingness to accept risk is in the 'lowest' profile, you are probably very concerned about the possibility of losing money. You would probably prefer your investment to go up and down less and make more modest returns than risk losing money for higher returns. Keeping your money safe, rather than exposing it to the risks of financial markets, is likely to be your priority. However, inflation can eat into the value of your investment, and so it could reduce in 'real terms'.

An investment portfolio for this risk profile will be invested in cash and cash-type assets, rather than higher-risk investments such as shares. When you have only cash in your portfolio, you can usually expect to get back the money you have invested.

Summary

- Your willingness to accept risk is in the 'lowest' profile.
- Your preferred investments will be in cash and cash-type assets.
- While your investment is extremely unlikely to fall in absolute value, inflation may mean its value in real terms may fall.

Risk Profile 2: Very low

You have selected profile 2. This means that your willingness to accept risk is ‘very low’.

The risk scale is made up of 10 profiles overall. This means that your willingness to accept risk is well below average.

Your risk profile is important in two ways to the type of investments you should consider. These are shown below.

How comfortable you are with the possibility of losing money on your investments

You are likely to be far less comfortable and able to adapt less well to losing money on your investments than someone who has a ‘medium’ or ‘high’ attitude to risk, for example, someone in profiles 5 to 10.

How much you want to invest in higher-risk investments to get better returns

Higher-risk investments such as shares generally offer higher returns over the long term, but the investments also fluctuate more (go up and down in value). This means that while people may make more money in the long term with higher-risk investments, they are more likely to lose money in the short term.

As your willingness to accept risk is ‘very low’, you are probably very concerned about the possibility of losing money. You would probably prefer your investment to go up and down less and make more modest returns than risk losing money for higher returns. This means you should not expect the value of your investments to rise much more than if you had kept your money in a bank account or other low-risk investment. This also means that inflation could reduce the purchasing power (real value) of your investments.

An investment portfolio appropriate for this risk profile may contain, for example, mainly lower- and medium-risk investments such as cash, cash-type assets, bonds and UK commercial property and fewer high-risk assets such as shares. While a portfolio like this should go up and down in value less than a ‘high-risk’ portfolio, the value of investments can always go down as well as up.

Summary

- Your willingness to accept risk is ‘very low’.
- Your priority is likely to be getting as much back from your investments as you put in.
- You are probably less concerned with making high returns on your investments.
- Your preferred investments are likely to be mainly lower- and medium-risk investments, such as cash, cash-type assets, bonds and UK commercial property and fewer high-risk assets such as shares.

Risk Profile 3: Low

You have selected profile 3. This means that your willingness to accept risk is 'low'.

The risk scale comprises 10 profiles overall. This means that your attitude to accepting risk is below average.

Your risk profile is important in two ways to the type of investments you should consider. These are shown below.

How comfortable you are with the possibility of losing money on your investments

You are likely to be less comfortable and less well able to adapt to losing money on your investments than someone who has a 'medium' or 'high' attitude to risk, for example, someone in profiles 5 to 10.

How much you want to invest in higher-risk investments to get better returns

Higher-risk investments such as shares generally offer higher returns over the long term, but the investments also fluctuate more (go up and down in value). This means that while people may make more money in the long term with higher-risk investments, they are more likely to lose money in the short term.

As your willingness to accept risk is 'low', you are probably concerned about the possibility of losing money, but do not want to completely ignore the possibility of making higher returns.

You probably want greater returns than are offered by bank accounts and other low-risk investments. As a result, you are prepared to accept some ups and downs. This means that you could make a loss on the amount you invest, particularly in the short term.

An investment portfolio appropriate for this risk profile may contain, for example, mainly lower-risk investments such as cash, cash-type assets and bonds and medium-risk investments like UK commercial property, and a minority of higher-risk investments such as UK and overseas shares. While a portfolio like this should go up and down in value less than a 'high-risk' portfolio, the value of investments can always go down as well as up.

Summary

- Your willingness to accept risk is 'low'.
- While you are likely to be concerned with not getting as much back from your investments as you put in, you may also want to make higher returns on your investments.
- Your preferred investments are likely to be mainly lower- and medium-risk investments such as cash, cash-type assets, bonds and UK commercial property, with a minority of higher-risk investments such as UK and overseas shares.

Risk Profile 4: Lowest medium

You have selected profile 4. This means that your willingness to accept risk is 'lowest medium'. The risk scale is made up of 10 profiles overall. This means that your attitude to accepting risk is below average.

Your risk profile is important in two ways to the type of investments you should consider. These are shown below.

How comfortable you are with the possibility of losing money on your investments You are likely to be less comfortable and less well able to adapt to losing money on your investments than someone who has a 'high medium' or 'high' attitude to risk, for example, someone in profiles 5 to 10.

How much you want to invest in higher-risk investments to get better returns

Higher-risk investments such as shares generally offer higher returns over the long term, but the investments also fluctuate more (go up and down in value). This means that while people may make more money in the long term with higher-risk investments, they are more likely to lose money in the short term.

As your willingness to accept risk is 'lowest medium', you are probably concerned about the possibility of losing money, but do not want to completely ignore the possibility of making higher returns. You probably want greater returns than are offered by bank accounts and other low-risk investments. As a result, you are prepared to accept some ups and downs. This means that you could make a loss on the amount you invest, particularly in the short term.

An investment portfolio appropriate for this risk profile may contain, for example, mainly lower- or medium-risk investments such as cash, cash-type assets, bonds or UK commercial property, typically with a fewer higher-risk investments such as UK and overseas shares. While a portfolio like this should go up and down in value less than a 'high-risk' portfolio, the value of investments can always go down as well as up.

Summary

- Your willingness to accept risk is 'lowest medium'.
- While you are likely to be concerned with not getting as much back from your investments as you put in, you may also want to make higher returns on your investments.
- Your preferred investments are likely to be mainly lower- or medium-risk investments such as cash, cash-type assets, bonds or UK commercial property, with typically fewer higher-risk investments such as UK and overseas shares.

Risk Profile 5: Low medium

You have selected profile 5. This means that your willingness to accept risk is 'low medium'.

The risk scale is made up of 10 profiles overall. This means that you are about average in how much risk you want to take in your investments.

Your risk profile is important in two ways to the type of investments you should consider. These are shown below.

How comfortable you are with the possibility of losing money on your investments

You are likely to be more comfortable and better able to adapt to losing money on your investments than someone whose attitude to accepting risk is lower, for example, someone in profiles 1 to 4.

However, you are probably not as comfortable as someone in profiles 7 to 10.

How much you want to invest in higher-risk investments to get better returns

Higher-risk investments such as shares generally offer higher returns over the long term, but the investments also fluctuate more (go up and down in value). This means that while people may make more money in the long term with higher-risk investments, they may lose money in the short term.

As your willingness to accept risk is 'low medium', you would probably prefer your investment to go up and down less and make more modest returns than risk losing money for higher returns. However, you are probably prepared to accept some falls in order to make higher returns than just investing in low-risk investments. This means that you could make a loss on the amount you invest, particularly in the short term.

An investment portfolio appropriate for this risk profile may contain, for example, a mix of lower and medium-risk investments such as cash, cash-type assets, bonds and UK commercial property, and higher-risk investments such as UK and overseas shares. While a portfolio like this should rise and fall in value less than a higher-risk portfolio, the value of investments can always go down as well as up.

Summary

- Your willingness to accept risk is 'low medium'.
- While you are likely to be concerned with not getting as much back from your investments as you put in, you also probably want to make higher returns on your investments.
- Your preferred investments are likely to be a mix of lower- and medium-risk investments which may include cash, cash-type assets, bonds and UK commercial property, and higher-risk investments such as UK and overseas shares.

Risk Profile 6: High medium

You have selected profile 6. This means that your willingness to accept risk is ‘high medium’. The risk scale is made up of 10 profiles overall. This means that you are about average in how much risk you want to take in your investments.

Your risk profile is important in two ways to the type of investments you should consider. These are shown below.

How comfortable you are with the possibility of losing money on your investments

You are likely to be more comfortable and better able to adapt to losing money on your investments than someone whose attitude to accepting risk is lower, for example, someone in profiles 1 to 4. However, you are probably not as comfortable as someone in profiles 7 to 10.

How much you want to invest in higher-risk investments to get better returns

Higher-risk investments such as shares generally offer higher returns over the long term, but the investments also fluctuate more (go up and down in value). This means that while people may make more money in the long term with higher-risk investments, they are more likely to lose money in the short term.

As your willingness to accept risk is ‘high medium’, you would probably prefer your investment to go up and down less and make more modest returns than risk losing money for higher returns. However, you are probably prepared to accept some falls in order to make higher returns than just investing in low-risk investments. This means that you could make a loss on the amount you invest, particularly in the short term.

An investment portfolio appropriate for this risk profile may contain, for example, mainly higher-risk investments such as UK and overseas shares, with some lower- and medium-risk investments such as cash, cash-type assets, bonds and UK commercial property. While a portfolio like this should rise and fall in value less than a higher-risk portfolio, the value of investments can always go down as well as up.

Summary

- Your willingness to accept risk is ‘high medium’.
- While you are likely to be concerned with not getting as much back from your investments as you put in, you probably also want to make higher returns on your investments.
- Your preferred investments are likely to include mainly higher-risk investments such as UK and overseas shares and typically some lower and medium-risk investments such as cash, cash-type assets, bonds and UK commercial property.

Risk Profile 7: Highest medium

You have selected profile 7. This means that your willingness to accept risk is 'highest medium'.

The risk scale is made up of 10 profiles overall. This means that you are above average in how much risk you want to take in your investments.

Your risk profile is important in two ways to the type of investments you should consider. These are shown below.

How comfortable you are with the possibility of losing money on your investments

You are likely to be more comfortable and better able to adapt to losing money on your investments than someone whose attitude to accepting risk is 'low' or 'medium', for example, someone in profiles 1 to 6.

How much you want to invest in higher-risk investments to get better returns

Higher-risk investments such as shares generally offer higher returns over the long term, but the investments also fluctuate more (go up and down in value). This means that while people may make more money in the long term with higher-risk investments, they are more likely to lose money in the short term.

As your willingness to accept risk is 'highest medium', you probably concentrate on getting higher returns on your investments. You are willing to accept the possibility of potential losses to pursue long-term investment growth.

An investment portfolio appropriate for this risk profile may contain, for example, mainly higher-risk investments such as UK and overseas shares, with a few, if any, lower- and medium-risk investments such as bonds and UK commercial property. Because of this, there is a possibility you may not get back as much money on your investments as you put in, particularly in the short term.

Summary

- Your willingness to accept risk is 'highest medium'.
- Your priority is likely to be making higher returns on your investments but you are probably still concerned about losing money due to market rises and falls.
- Your preferred investments are likely to contain mainly higher-risk investments such as UK and overseas shares with a few, if any, lower- and medium-risk investments such as bonds and UK commercial property.

Risk Profile 8: High

You have selected profile 8. This means that your willingness to accept risk is ‘high’.

The risk scale is made up of 10 profiles overall. This means that you are above average in how much risk you want to take in your investments.

Your risk profile is important in two ways to the type of investments you should consider. These are shown below.

How comfortable you are with the possibility of losing money on your investments. You are likely to be more comfortable and better able to adapt to losing money on your investments than someone whose attitude to accepting risk is ‘low’ or ‘medium’, for example, someone in profiles 1 to 6.

How much you want to invest in higher-risk investments to get better returns

Higher-risk investments such as shares generally offer higher returns over the long term, but the investments also fluctuate more (go up and down in value). This means that while people may make more money in the long term with higher-risk investments, they are more likely to lose money in the short term.

As your willingness to accept risk is ‘high’, you probably concentrate on getting higher returns on your investments. You are willing to accept the possibility of potential losses to pursue long-term investment growth.

An investment portfolio appropriate for this risk profile may contain, for example, mainly higher-risk investments such as UK and overseas shares, with very few, if any, lower- and medium-risk investments such as bonds and UK commercial property. Because of this, there is a possibility you may not get back as much money on your investments as you put in, particularly in the short term.

Summary

- Your willingness to accept risk is ‘high’.
- Your priority is likely to be making higher returns on your investments but you are probably still concerned about losing money due to market rises and falls.
- Your preferred investments are likely to contain mainly higher-risk investments such as UK and overseas shares with the occasional lower- and medium-risk investments such as bonds and UK commercial property.

Risk Profile 9: Very high

You have selected profile 9. This means that your willingness to accept risk is ‘very high’.

The risk scale is made up of 10 profiles overall. This means that you are well above average in how much risk you want to accept for your investments.

Your risk profile is important in two ways to the type of investments you should consider. These are shown below.

How comfortable you are with the possibility of losing money on your investments. You are likely to be more comfortable and better able to adapt to losing money on your investments than someone whose attitude to accepting risk is ‘low’ or ‘medium’, for example, someone in profiles 1 to 6.

How much you want to invest in higher risk investments to get better returns

Higher-risk investments such as shares generally offer higher returns over the long term, but the investments also fluctuate more (go up and down in value). This means that while people may make more money in the long term with higher-risk investments, they are more likely to lose money in the short term.

As your willingness to accept risk is ‘very high’, you concentrate on getting higher returns and are less concerned about losing money.

An investment portfolio appropriate for this risk profile may contain, for example, mainly higher-risk investments such as shares from outside the UK, and a large proportion of overseas shares, with very occasional lower-risk investments such as bonds. Because of this, there is a possibility you may not get back as much money from your investments as you put in, particularly in the short term.

Summary

- Your willingness to accept risk is ‘very high’.
- Your priority is likely to be making higher returns on your investments and so you accept that you may not get as much back from your investments as you put in.
- Your preferred investments are likely to contain a large percentage of higher-risk investments such as overseas shares.

Risk Profile 10: Highest

You have selected profile 10. This means that your willingness to accept risk is in the 'highest' profile.

The risk scale is made up of 10 profiles overall. This means that you are in the highest profile for how much risk you want to take in your investments.

Your risk profile is important in two ways to the type of investments you should consider. These are shown below.

How comfortable you are with the possibility of losing money on your investments.

You are likely to be much more comfortable and better able to adapt to losing money on your investments than someone whose attitude to accepting risk is 'low' or 'medium', for example, someone in profiles 1 to 6.

How much you want to invest in higher-risk investments to get better returns

Higher-risk investments such as shares generally offer higher returns over the long term, but the investments also fluctuate more (go up and down in value). This means that while people may make more money in the long term with higher-risk investments, they are more likely to lose money in the short term.

As your willingness to accept risk is in the 'highest' profile, you probably concentrate on getting higher returns and are less concerned about losing money.

An investment portfolio appropriate for this risk profile may contain, for example, only higher-risk investments such as overseas shares and no low-risk investments such as cash-type assets and bonds. Because of this, there is a possibility you may not get back as much money from your investments as you put in, particularly in the short term.

Summary

- Your willingness to accept risk is in the 'highest' profile.
- Your priority is likely to be making higher returns on your investments and so you accept that you may not get as much back from your investments as you put in.
- Your preferred investments are likely to contain higher-risk investments such as overseas shares.

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Dynamic Planner risk profile descriptions have been approved by the Plain English Campaign