

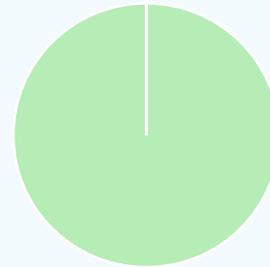
DEFINITIONS & BROAD ASSET ALLOCATION MODELS OF RISK CATEGORIES 1 – 10

This PDF describes the illustrative risk categories that are determined by the scoring method applied to the answers to the questions in the online risk assessment.

RISK CATEGORY 1

If you fall into Risk Category 1, you are extremely risk averse. You are likely to have little or no experience of investing and you might find investment matters difficult to understand. You might find that it takes you a long time to decide what to do when it comes to investing and you will be anxious about putting your money in anything other than bank accounts.

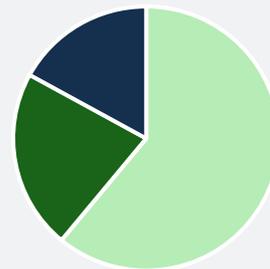
Risk Category 1 is cash based (Low-Risk Assets).



RISK CATEGORY 2

If you fall into Risk Category 2, you do not like taking investment risk. It is likely that you have limited experience of investing and you might find some investment matters difficult to understand. It probably takes you a long time to decide what to do when it comes to investing and you might be anxious about making investment decisions. You would generally prefer to keep your money in a bank account, but you can tolerate a little investment risk.

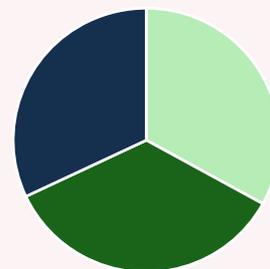
Risk Category 2 is predominately cash based, with some exposure to Medium and Higher-Risk Assets.



RISK CATEGORY 3

If you fall into Risk Category 3, you are prepared to take a little investment risk. You probably have fairly limited investment experience and although you have some understanding of investment matters you do find some things tricky. You might take quite a long time make a decision about investing and be quite anxious about whether your decision is correct. You generally like to keep money in a bank account or lower risk assets, but you understand that by taking some investment risk you will have the opportunity to enjoy some higher returns.

Risk Category 3 is usually equally spread between Lower, Medium and Higher-Risk Assets.



■ Low-Risk Assets (cash, money markets and gilts)

■ Medium-Risk Assets (government loans and corporate bonds)

■ Higher-Risk Assets (commercial property and company shares in developed markets)

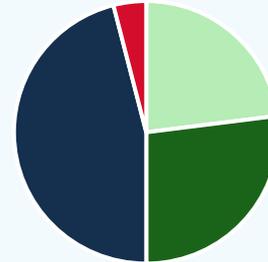
■ Very-High-Risk Assets (company shares in emerging markets and specialist investments)

DEFINITIONS & BROAD ASSET ALLOCATION MODELS OF RISK CATEGORIES

RISK CATEGORY 4

If you fall into Risk Category 4, you are prepared to take a modest amount of investment risk. You probably have some degree of investment experience, but you can find some investment topics difficult. You are likely to take your time when you make investment decisions, and you can find the process quite daunting. You understand that investments can experience losses as well as gains but are willing to accept some investment risk in exchange for the opportunity of greater returns.

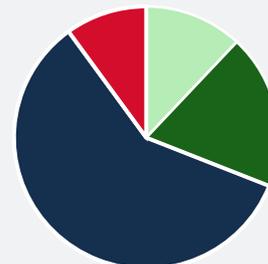
Risk Category 4 is usually spread between Lower/Medium-Risk Assets and Higher-Risk Assets.



RISK CATEGORY 5

If you fall into Risk Category 5, you are willing to accept investment risk. You probably have experience of investing and have a good understanding of how investments work. You generally make investment decisions quite quickly and are pretty confident about those decisions. You understand that investments will experience losses as well as gains and you are prepared to accept higher investment risk in exchange for the potential of higher returns.

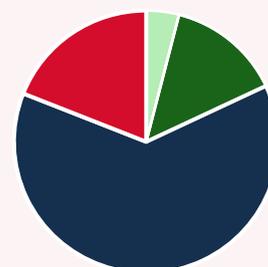
Risk Category 5 is primarily invested in Higher-Risk Assets but has exposure to Lower/Medium-Risk and Very-High-Risk Assets.



RISK CATEGORY 6

If you fall into Risk Category 6, you are prepared to take on investment risk. You will have some experience of investing and you understand how investments work. You normally make investment decisions quickly and you are confident that your decisions are correct. You appreciate that investment markets will go down as well as up and you are willing to seek higher rewards in exchange for taking higher risk.

Risk Category 6 is predominantly invested in Higher-Risk Assets but has exposure to Very-High-Risk and some Lower/Medium-Risk Assets.



Low-Risk Assets (cash, money markets and gilts)

Medium-Risk Assets (government loans and corporate bonds)

Higher-Risk Assets (commercial property and company shares in developed markets)

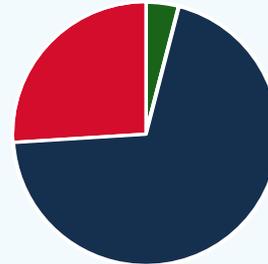
Very-High-Risk Assets (company shares in emerging markets and specialist investments)

DEFINITIONS & BROAD ASSET ALLOCATION MODELS OF RISK CATEGORIES

RISK CATEGORY 7

If you fall into Risk Category 7, you are quite keen to take investment risk. You will have experience of investing and you will be confident in your understanding of investment matters. You generally make investment decisions very quickly and you are certain that your decisions are correct. You fully understand that investment markets will go down as well as up and you are willing to pursue greater rewards in the knowledge that you will be taking greater risk.

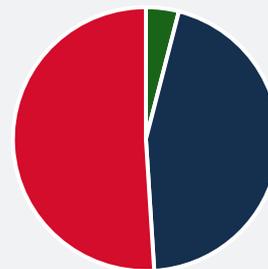
Risk Category 7 is mostly invested in Higher-Risk Assets but also features Very-High-Risk Assets and some Medium-Risk Assets.



RISK CATEGORY 8

If you fall into Risk Category 8, you are quite eager to take investment risk. You will have quite a lot of experience of investing and you will understand how investments work. When you make an investment decision you will do so promptly and confidently. You appreciate that taking investment risk can lead to greater returns, but you understand that there is a trade-off for that risk, which can mean your investments lose value.

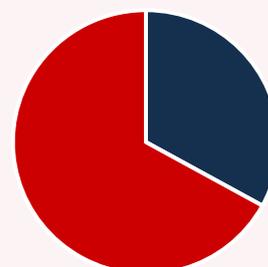
Risk Category 8 is invested in Very-High-Risk Assets and Higher-Risk Assets but also features a small amount of Medium-Risk Assets.



RISK CATEGORY 9

If you fall into Risk Category 9, you are very keen to expose your assets to investment risk. You will have substantial experience of investing and a deep understanding about how investments work. When you make an investment decision you will do so swiftly and with conviction. You recognise that taking significant investment risk might result in superior investment returns, but that the price of this potential is the considerable possibility for investment losses.

Risk Category 9 is primarily invested in Very-High-Risk Assets, with sizeable exposure to Higher-Risk Assets.



Low-Risk Assets (cash, money markets and gilts)

Medium-Risk Assets (government loans and corporate bonds)

Higher-Risk Assets (commercial property and company shares in developed markets)

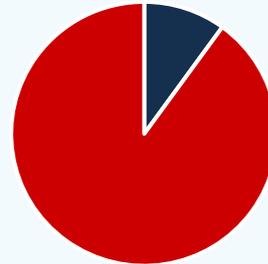
Very-High-Risk Assets (company shares in emerging markets and specialist investments)

DEFINITIONS & BROAD ASSET ALLOCATION MODELS OF RISK CATEGORIES

RISK CATEGORY 10

If you fall into Risk Category 10, you are very eager to expose your assets to higher levels of investment risk. You will have significant experience of investing and a profound understanding about investments and how investment markets work. You make investment decisions quickly and with self-assurance and you are very comfortable about taking investment risk. You accept that taking considerable investment risk can result in significant investment losses but believe that the potential for greater returns means the risk is warranted.

Risk Category 10 is predominantly invested in Very-High-Risk Assets, with some exposure to Higher-Risk Assets.



■ Low-Risk Assets (cash, money markets and gilts)

■ Higher-Risk Assets (commercial property and company shares in developed markets)

■ Medium-Risk Assets (government loans and corporate bonds)

■ Very-High-Risk Assets (company shares in emerging markets and specialist investments)