

RISK PROFILE QUESTIONNAIRE

Client details

Date	
Time/Location	
Client name 1	
Client name 2	
Entity/SMSF name (if applicable)	

Prepared by

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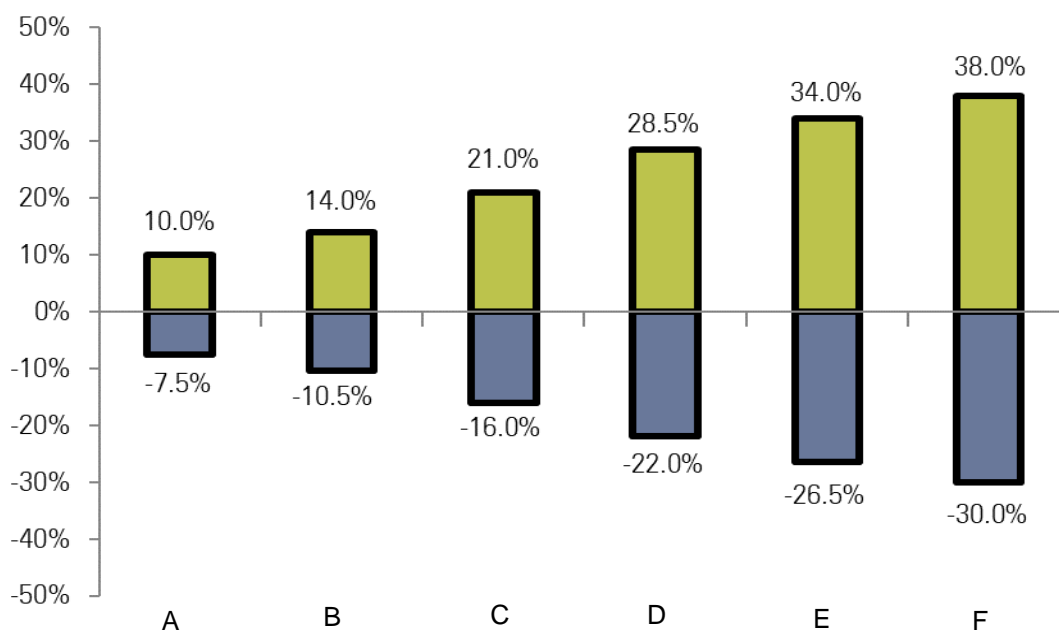
RISK PROFILE QUESTIONNAIRE

Risk tolerance questions	Point(s)	Client 1	Client 2	Entity (or Joint)
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1. Over the next year, is there an amount you cannot afford to have fall in value? For example, you may require funds to make a purchase or payment.

a. Yes – specify the amount \$_____	N/A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. No	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. The graph below shows the potential one-year performance of six investment portfolios. The green bars show the potential gains, while the blue bars show the potential loss each portfolio could experience.



Note - actual portfolio outcomes could fall outside these ranges

Assuming annual returns fall in this range most of the time, which of these portfolios would you prefer?

a. Portfolio A	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Portfolio B	2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Portfolio C	4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Portfolio D	5	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Portfolio E	8	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Portfolio F	14	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. Investment markets go up and down. If your diversified investment portfolio fell by 20% over a short period, how would you react?

a. I would not change my portfolio.	14	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. I would wait at least one year before changing to options that are more conservative.	8	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. I would wait at least three months before changing to options that are more conservative.	4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. I would immediately change to options that are more conservative.	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Risk tolerance questions	Point(s)	Client 1	Client 2	Entity (or Joint)
4. For many investors, the possibility of losing money is a key concern. How do you feel about investment losses?				
a. Investment losses make me very uncomfortable . I check my investments often, so I can sell quickly if they begin to lose money.	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Investment losses make me uncomfortable , but not uncomfortable enough to sell immediately. If losses occur over several months , I would probably sell.	4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Investment losses in the short-term do not bother me . I would wait an entire year before making changes.	8	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. I understand that investments can have losses, but also that I may have a better chance of reaching my investment goals by sticking to the strategy over the long-term. I would not make changes .	14	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Which of the following choices best reflects your attitude toward inflation and risk? Inflation is an economic situation in which the general price of goods and services increases resulting in the same dollar buying less goods and services than before.				
a. My main goal is to avoid loss, even though I may only keep pace with inflation.	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. My main goal is to earn slightly more than inflation while taking on a low level of risk.	4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. My main goal is to increase investment returns and can accept short-term losses. However, I am not comfortable with the larger losses and performance shifts that may be experienced with the most aggressive investments.	8	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. My main goal is to maximise investment returns, and will accept the larger potential losses and performance shifts (especially in the short-term) that can be associated with pursuing higher returns.	14	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Most investments go up and down. If your portfolio incurred a loss during one year, would you sell down your portfolio?				
a. Only if the investment loses 10%	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Only if the investment loses 15%	2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Only if the investment loses 20%	4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Only if the investment loses 25%	5	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Only if the investment loses 30%	8	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. I would not sell despite any loss	14	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Risk tolerance questions	Point(s)	Client 1	Client 2	Entity (or Joint)
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7. Investments with higher returns generally have higher risk (that is a higher chance of loss). Investments with lower returns generally have lower risk or chance of loss. Which of the following statements best describes your attitude to risk?

a. I am willing to accept lower returns to limit my chance of loss.	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. I am willing to bear some risk and chance for loss to achieve higher returns, but prefer most of my portfolio to be invested in investments with low return/risk.	3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. I am willing to accept moderate risk to achieve higher returns. Minimising risk and maximising return are equally important to me.	5	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. I am willing to accept high risk to achieve high returns on my investments.	8	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. I am only concerned with maximising investment returns. I am not concerned with risk or loss and will accept significant short-term fluctuations in my portfolio.	16	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8. The table shows the hypothetical value of six sample portfolios after one year. The investment is \$100,000 at the beginning of the year. Three return scenarios are shown: very strong, average and very poor. Which portfolio would you prefer to hold?

1-year Return Scenario	Very strong (\$)	Average (\$)	Very poor (\$)
Portfolio 1	\$ 110,000	\$ 102,750	\$ 92,500
Portfolio 2	\$ 114,000	\$ 103,500	\$ 89,500
Portfolio 3	\$ 121,000	\$ 104,500	\$ 84,000
Portfolio 4	\$ 128,500	\$ 105,500	\$ 78,000
Portfolio 5	\$ 134,000	\$ 106,250	\$ 73,500
Portfolio 6	\$ 138,000	\$ 106,750	\$ 70,000

Note - this is a hypothetical example portfolio designed to elicit a psychological response.
Actual portfolio outcomes may be different to the ranges shown above.

a. Portfolio 1	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Portfolio 2	2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Portfolio 3	4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Portfolio 4	5	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Portfolio 5	8	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Portfolio 6	14	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

RISK PROFILE RESULTS

- **Question 1** is not scored. If you cannot afford for an amount to fall in value over the next year, that amount should be invested in a cash account or equivalent.
- **The scores for questions 2 and 8 should be the same.** If not, then the questionnaire should be revisited.

Client 1

Total points		Risk profile	
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Client 2

Total points		Risk profile	
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Entity (or Joint)

Total points		Risk profile	
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RISK PROFILE OVERVIEW

Based on your answers to the previous risk profiling questions, you have fallen within the following risk profile.

Risk profile	Points	Time frame	Description
Defensive	0-11	3 years	<p>The Defensive risk profile is designed for investors with a minimum three-year timeframe or those that seek a portfolio invested predominantly in interest bearing assets, with a small proportion of growth assets. This portfolio also suits investors who give a high priority to the preservation of capital (while understanding loss is still possible) and are therefore willing to accept lower potential investment performance, hence the 85 percent exposure to defensive assets (cash and fixed interest).</p> <p><i>If the risk tolerance score is zero, a cash account should be considered.</i></p>
Conservative	12-29	3 years	<p>The Conservative risk profile is designed for investors with a minimum three-year timeframe or those who seek a diversified portfolio of interest bearing and growth asset classes, with an emphasis on interest bearing assets. This portfolio also suits investors seeking a lower level of investment value volatility, and therefore willing to accept lower potential investment performance, hence the 70 percent exposure to defensive assets (cash and fixed interest).</p>
Balanced	30-44	5 years	<p>The Balanced risk profile is designed for investors with a minimum five-year timeframe. This portfolio also suits investors who desire a modest level of capital stability but are willing to accept moderate investment value volatility in return for commensurate potential investment performance, hence the 50 percent exposure to growth assets (shares, listed property and infrastructure) and 50 percent exposure to defensive assets (cash and fixed interest).</p>
Growth	45-59	7 years	<p>The Growth risk profile is designed for investors with a minimum seven-year timeframe or those who are willing to accept higher levels of investment value volatility compared to more defensive options in return for higher potential investment performance. Some exposure to interest bearing assets is still desired, but the primary concern is a higher return, hence the 70 percent exposure to growth assets (shares, listed property and infrastructure).</p>
High growth	60-74	9 years	<p>The High Growth risk profile is designed for investors with a minimum nine-year timeframe or those who are willing to accept high levels of investment value volatility in return for high potential investment performance. The 85 percent exposure to growth assets (shares, listed property and infrastructure) means that capital stability is only a minor consideration.</p>
High growth plus	75-100	10 years +	<p>The High Growth Plus profile is designed for investors with a minimum ten-year timeframe or those who are willing to accept very high levels of investment value volatility to maximise potential investment performance. The 95 percent exposure to growth assets (shares, listed property and infrastructure) means that capital stability is not a consideration.</p>

Strategic Asset Allocation and Risk Profiles

This table provides an overview of the defensive/growth splits and underlying asset allocations for the new risk profiles.

Assets classes	Defensive	Conservative	Balanced	Growth	High Growth	High Growth Plus
Defensive Assets						
Cash	28%	21%	10%	4%	2%	2%
Fixed Interest – Australian	31%	25%	20%	12%	5%	0%
Fixed Interest – International	26%	21%	17%	10%	5%	0%
Diversified Alternatives **(Defensive)	0%	3%	3%	4%	3%	3%
Growth Assets						
Australian Shares	5%	10%	18%	25%	31%	38%
International Shares*	7%	12%	21%	30%	38%	46%
Australian Listed Property	0%	0%	0%	2%	3%	0%
International Listed Property	0%	2%	4%	3%	4%	4%
Global Infrastructure	3%	3%	4%	6%	6%	4%
Diversified Alternatives **(Growth)	0%	3%	3%	4%	3%	3%
Total Defensive Assets	85%	70%	50%	30%	15%	5%
Total Growth Assets	15%	30%	50%	70%	85%	95%
Additional Information						
Minimum investment Timeframe (years)	3	3	5	7	9	10

* International share allocation can be a combination of hedged and unhedged strategies; a ratio of 50% / 50% is recommended. International Shares may also include an allocation to emerging markets depending upon client's circumstances.

** Diversified Alternatives have been classified as both defensive and growth assets at a ratio of 50% / 50%. For this purpose we have split the asset class into growth and defensive for the table and on Compass/Xplan.

Client risk profile acknowledgement

Client risk profile acknowledgement		Client 1	Client 2	Entity (or Joint)
Agree	I agree with the category assigned above and believe this is a true reflection of my attitude towards risk and understand that this profile will be considered in the advice process.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Disagree	I disagree with the category assigned (please complete the alteration of risk profile section on the following pages).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Alteration of risk profile

After completing the questionnaire if for some reason you want to deviate from the risk profile result you can use this section to adjust your risk profile. The reason for change should be clearly documented below.

Client 1

Altered risk profile	
Rationale behind the alteration	
Consequences of alteration (completed by adviser)	

Client 2

Altered risk profile	
Rationale behind the alteration	
Consequences of alteration (completed by adviser)	

Entity (or Joint)

Altered risk profile	
Rationale behind the alteration	
Consequences of alteration (completed by adviser)	

Client risk profile declaration

I hereby declare and acknowledge the following:

- I confirm that the details recorded in the Risk Profile Questionnaire are correct and are a true reflection of my attitude towards risk.
- I confirm that I have read and understood my agreed risk profile, and where the risk profile has been adjusted I have agreed and understood the reason for the adjustment and the consequences of the adjustment.
- I give permission for the information provided in this Risk Profile Questionnaire to be disclosed to and used by those who will be involved in providing or implementing financial advice to me, including:
 - Alliance Wealth Pty Ltd (the Licensee),
 - The parent group of the Licensee – Centrepoint Alliance Limited,
 - Financial product providers that our financial adviser recommends to me,
 - Service providers engaged to provide financial planning-related services including but not limited to paraplanning, compliance, administration, estate planning and financial services software. This includes service providers located outside of Australia, including the Philippines, Vietnam, Malaysia, India and potentially other countries in South East Asia. For a current list of service providers engaged by Centrepoint Alliance please visit www.centrepointalliance.com.au/centrepointpartners, and
 - Companies involved in communicating the information in this Risk Profile Questionnaire to any of the above parties, such as by electronic mail services, cloud storage services and/or document creation services.
- My permission extends to electronic communication of the information provided in this Risk Profile Questionnaire.

Client authorisation

Client 1 signature			
Full name		Date	
Client 2 signature			
Full name		Date	

Entity risk profile declaration

I confirm that the details recorded in the risk profile questionnaire are correct and are a true reflection of my attitude towards risk in my capacity as trustee/director of the entity listed below.

Entity authorisation

Entity name			
Trustee 1/Director 1 signature			
Full name		Date	
Trustee 2/Director 2 signature			
Full name		Date	

Adviser declaration

Adviser signature			
Full name	Terry Evreniadis	Date	