

Financial Risk Profile Report

Mr. User Man



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Dear Mr. User Man,

Congratulations for successfully completing your financial risk profile assessment questionnaire and taking your first step towards a well informed and well planned financial future. We sincerely thank you for giving us an opportunity to contribute to your financial plan with the help of this financial risk profile assessment technique.

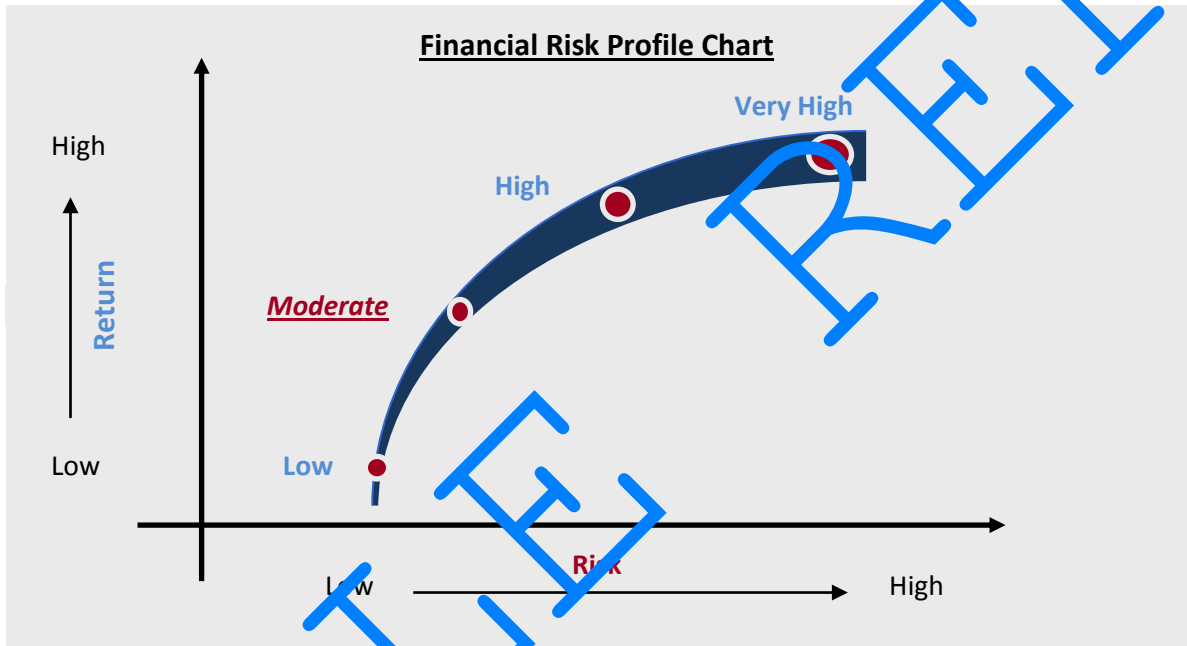
Risk in financial context means the uncertainty of returns. Some investors may be willing to withstand higher risk to earn higher returns while others may prefer lower risk and be content with lower returns. Your financial risk profile is assessed solely on the details provided by you in the financial risk profile assessment questionnaire. The financial risk profile is determined on the basis of two parameters viz. your Risk Capacity and Risk Tolerance. Your answers to the **first ten questions** indicate your **risk taking capacity** which is your ability to take risk while the **next ten questions** indicate your **tolerance to risk** which is your aptitude to take risk.

The degree of risk of your responses to the risk profiling questionnaire is shown below. Considering the nature of your responses to all the 20 questions, each response is categorised and highlighted under the appropriate risk grade. The maximum points for each answer are 4. A Low Risk grade answer gets 1 point, a Moderate Risk grade answer gets 2 points, a High Risk grade answer gets 3 points and a Very High Risk grade answer gets full 4 points.

Question No.	Degree of Risk				Score	
	Low	Moderate	High	Very High		
1					3	
2					2	
3					2	
4					3	
5					4	
6					3	
7					3	
8					2	
9					2	26 out of 40
10					2	65%
11					2	
12					3	
13					2	
14					1	
15					3	
16					1	
17					4	
18					2	
19					2	23 out of 40
20					3	58%

Financial Risk Profile Score Card		
	Score	Degree of Risk
Risk Capacity	65%	Moderate
Risk Tolerance	58%	Moderate
Financial Risk Profile	Moderate	

The above score card shows that your Risk Capacity is 'Moderate' and your Risk Tolerance is 'Moderate'. The overall financial risk profile which is the outcome of risk capacity and risk tolerance scores have been classified into four categories viz. Low, Moderate, High and Very High. In the final question of financial risk profile assessment questionnaire, you have estimated your risk profile to be 'High'. However, based on the scores, your overall financial risk profile turns out to be 'Moderate'. Your financial risk profile position on a Risk-Return chart is indicated below.



Risk and return are directly proportional to each other i.e. the risk associated increases with increase in returns and vice versa. Low risk indicates lower but stable returns whereas high risk indicates higher but unstable returns. It can be seen from the above graph that the risk and the associated returns go on increasing from the Conservative Profile (low risk profile) to the Aggressive Profile (high risk profile).

Personality Traits

As highlighted above, your Financial Risk Profile is 'Moderate' which is slightly more aggressive than the 'Low' risk profile.

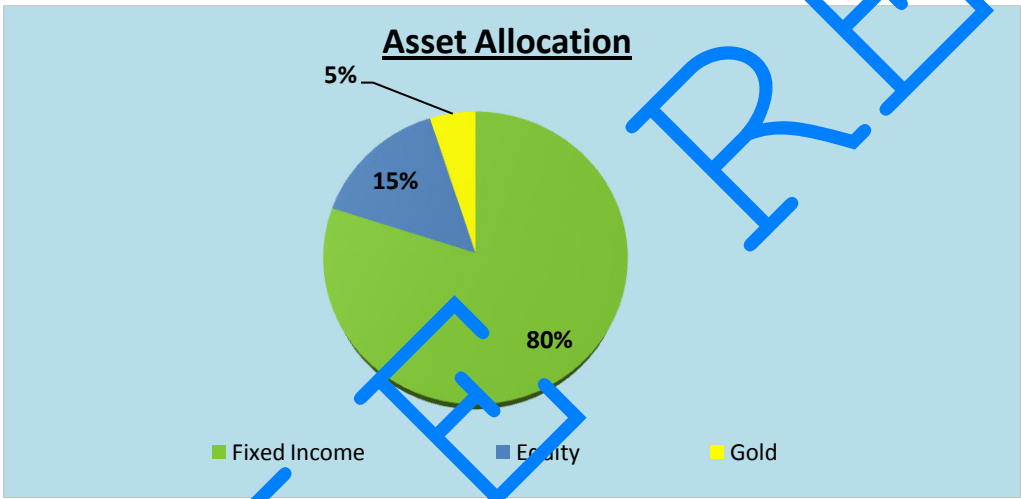
As per your financial risk profile, your personality traits as an investor can be highlighted as follows:

- Your primary aim is protection of capital invested along with moderate growth
- You are not much comfortable with fluctuations in the value of your investments
- You understand that taking less but calculated risks will help you earn moderate returns in the long run
- You may prefer to maintain a balance between low and high risk investments by allocating part of your investment assets in 'Fixed Income' investments for generating stable returns and part in 'Equity' related investment avenues for achieving long term growth

Asset Allocation

Age and financial risk profile are important factors to be considered when determine the asset allocation. The model asset allocation for each of the risk profiles is formulated based on the age group the person belongs to. With this strategy, for the same risk profile, a young person will be given higher allocation to **Equity** (Shares, Equity Funds, etc.) and elderly person will be given lower allocation to Equity. This is because Equity is a riskier asset class as compared to **Fixed Income** (Bonds, Bank Deposits, etc.) as an asset class and the risk bearing capacity of young people may be assumed to be higher as compared to the elderly.

Asset Allocation			
Asset Class	Fixed Income	Equity	Gold
Percentage	80%	15%	5%



The above asset allocation only suggests the proportion of Fixed Income, Equity and Gold investments that you may hold in the portfolio as per the risk profile assessment. There are various investment avenues like Equity, Fixed Income and Gold Mutual Funds, Equity Shares, Bonds, Debentures, Bank Fixed Deposits, etc. which can be classified under the above suggested asset allocation. You may choose to invest in appropriate investment avenues based on your financial risk profile.

As you prepare your comprehensive financial plan with the help of **Robust Financial Planner** which is the next step in the process of financial planning, you have total flexibility to alter your asset allocation percentage of all the three asset classes if you wish to do so.

You may also be provided historic rate of returns of Fixed Income, Equity and Gold asset classes specific to your country for your reference. Also you may access **Rate of Return Estimator** tool which may help you assess rate of returns on your asset allocation based on these historic rate of returns and the asset allocation that you choose. You may also choose the expected rate of returns independently for each of your financial goal.

How to make use of this report

As we know, thermometer is used only to check your body temperature. Post that, you also need thorough diagnosis and proper medication from a medical practitioner to get your physical health in shape. Similarly, risk profile is also merely a tool to assess your risk capacity and risk tolerance. You also need to get your financial health check done and follow the prescribed path to get your financial health in good shape and achieve financial security!

Robust Financial Planner is a complete Financial Planning application which will help you assess and take control of your financial health and achieve financial security. Below are the key features of this application:

- **Comprehensive Financial Plan** - Assess your Income & Expenditure, Assets & Liabilities, Financial Goal Planning, Retirement Planning, Life Insurance Planning and Life Cash Flow Analysis
- **Financial Tools** - Monthly Budget, Payment Scheduler, Asset Allocator & Rebalance, Rate of Return Estimator and various handy Financial Calculators
- **User Guide** - Glossary of financial terms and an Basics of Financial Planning Ebook

Wishing you a great Financial Health!

Thanking You,

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Disclaimer

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The report gives only approximate estimates of your future financial situation and is intended only as a basis for discussion with your professional advisors. The estimates shown in this report are based on many assumptions that may or may not occur. The report, based on your inputs and our assumptions, provides only rough estimates of your financial goals, objectives and various other financial scenarios. Any future financial predictions including but not limited to rate of inflation, rate of returns, value of financial goals and objectives, investment and portfolio values, etc. are to be considered as statistical models only. In no event shall, the author of this application be liable for any sort of damages arising out of any use of or inability to use this application and report.

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