

## RISK PROFILING QUESTIONNAIRE – Section 1

### About this questionnaire

This questionnaire has three sections and is designed to help you consider your attitude toward investment risk.

**Section 1** asks questions which provide some indication of the overall *general* attitude toward risk for a *typical* investor displaying your personal investment characteristics. It may not match your *actual* attitude toward investment risk, but it indicates the profile you fit into.

**Section 2** builds on this information so that you can consider what *specific* level of risk you are happy to accept in relation to the amount of capital you wish to invest now. It also helps to identify your investment objectives. It is important that you consider both your *general* and *specific* attitudes toward risk as these may not be the same. For example, while overall you may consider yourself to be a balanced investor (i.e., one who is happy to hold a portfolio of investment products with different investment risks), there may be occasions when you wish to invest in only lower risk products to meet a specific investment objective, for example, to invest for your child's education.

**Section 3** summarizes the *specific* attitude toward risk you are happy to accept for the capital you wish to invest now. This will help us suggest possible investment / insurance (with investment element) products which may be suitable for your consideration

<b>Customer Number</b>		<b>Date (dd-mmm-yy)</b>	
<b>Account Name</b>			

### SECTION 1 – About You – Your Overall *General* Attitude toward Investment Risk

1. Which age range do you fall into?
  - a. Above 75 or under 18 (1 point)
  - b. Between 66 and 75 (2 points)
  - c. Between 56 and 65 (3 points)
  - d. Between 46 and 55 (4 points)
  - e. Between 18 and 45 (5 points)
  
2. How many years of experience do you have with investment products the value of which can fluctuate (including 'buy and hold' and active trading)? Investment products the value of which can fluctuate could include, for example, stocks, unit trusts, foreign currencies, commodities, structured investment products, warrants, options, futures, investment-linked insurance plans.
  - a. No experience (1 point)
  - b. Less than 3 years (2 points)
  - c. Between 3 and 6 years (3 points)
  - d. Between 7 and 10 years (4 points)
  - e. Over 10 years (5 points)
  
3. Are you *currently* holding any of the below investment products?
  - a. Cash, deposits, certificate of deposits, capital protected products (1 point)
  - b. Bonds, bond funds (2 points)
  - c. Foreign currencies, non capital protected currency linked structured products (3 points)
  - d. Stocks, open-end funds excluding bond funds & money market funds, non capital protected equity linked structured products, investment-linked insurance plan, commodities (4 points)
  - e. Options, futures, warrants (5 points)

(Note: The highest point answer will be taken for the calculation of score)
  
4. Approximately what percentage of your assets (excluding own use property) is currently held in investment products where the value can fluctuate? Please refer to Question 2 for examples of such products.
  - a. 0% (1 point)
  - b. Between >0% and 10% (2 points)
  - c. Between >10% and 25% (3 points)
  - d. Between >25% and 50% (4 points)
  - e. Over 50% (5 points)

5. Over a period of time the value of investments can rise and fall, this is called fluctuation. Generally, the higher the investment risk the higher the potential fluctuation but also the higher the potential returns. On the other hand, the lower the investment risk the lower the potential fluctuation but also the lower the potential returns. What level of fluctuation would you **generally** be comfortable with?

[Note: You might be comfortable accepting a higher or lower level of fluctuation for the capital you have to invest now, but your answer should reflect the level of fluctuation you would *in general* be comfortable with.]

- a. Fluctuates between -5% and +5% (1 point)
- b. Fluctuates between -10% and +10% (2 points)
- c. Fluctuates between -15% and +15% (3 points)
- d. Fluctuates between -20% and +20% (4 points)
- e. Fluctuates between <-20% and >+20% (5 points)

6. Normally, what percentage of your *monthly* household income could be available for investment or savings?

- a. 0% (1 point)
- b. Between >0% and 10% (2 points)
- c. Between >10% and 25% (3 points)
- d. Between >25% and 50% (4 points)
- e. Over 50% (5 points)

7. It is generally true that the longer the investment horizon, the higher the risk an investor can tolerate. What time horizon would you generally be comfortable with when investing in products the value of which can fluctuate? Please refer to Question 2 for examples of such products.

- a. Less than 1 year (1 point)
- b. Between 1 and 3 years (2 points)
- c. Between 4 and 5 years (3 points)
- d. Between 6 and 10 years (4 points)
- e. Over 10 years (5 points)

8. How many months of your share of household expenses have you put aside to meet unforeseen events? These assets should be easily accessible and capable of being liquidated without penalty or with an acceptable penalty).

- a. Have no amount set aside for unforeseen events \* (1 point)
- b. Less than 3 months (2 points)
- c. Between 3 months and <6 months (3 points)
- d. Between 6 months and <9 months (4 points)
- e. Over 9 months (5 points)

\* You should always consider setting aside an amount of accessible capital you believe sufficient to meet unforeseen events (say at least three months of your share of household expenses) before considering committing funds to investment or savings products.

**General attitude to investment risk points score:**

Question	1	2	3	4	5	6	7	8	
Score	( )	( )	( )	( )	( )	( )	( )	( )	<b>Total Score:</b> _____

**Your Overall General Attitude toward Investment Risk**

The following chart indicates the attitude toward investment risk that a typical investor is expected to have based on the overall scores determined from your responses to the questions above.

Score	Typical Attitude Toward Risk	Definition
11 or below	“SECURE”	Indicates that you are not happy to invest in any product where your capital is at risk. Returns are likely to be based on prevailing interest rates which may or may not keep pace with inflation. You are happy to hold life insurance policies which may have a savings element but understand early surrender will lead to you receiving less back than paid in premiums.
12 - 19	“CAUTIOUS”	Indicates that you are happy to accept <ul style="list-style-type: none"> <li>• A low level of investment risk in return for the <b>potential</b> to outperform deposits over the medium term (approx. 3 years) and protect your capital against inflation.</li> <li>• Capital values can fluctuate and may fall below your original investment.</li> <li>• Fluctuation is expected to be low, although this is not guaranteed.</li> </ul>
20 – 28	“BALANCED”	Indicates that you are happy to accept <ul style="list-style-type: none"> <li>• A higher level of investment risk in return for increased <b>potential</b> to outperform deposits over the medium to long term (approx.5 years) and protect your capital against inflation.</li> <li>• Capital values can fluctuate and may fall below your original investment.</li> <li>• A higher level of fluctuation than a “Cautious” investor.</li> </ul>

Score	Typical Attitude Toward Risk	Definition
29 – 35	“ADVENTUROUS”	Indicates that you are happy to accept <ul style="list-style-type: none"> <li>• A high level of investment risk and fluctuation over the short, medium and long term in return for the <b>potential</b> to earn returns substantially higher than inflation.</li> <li>• Capital values can fluctuate and may fall substantially below your original investment.</li> <li>• A higher level of fluctuation than a “Balanced” investor.</li> </ul>
36 – 40	“SPECULATIVE”	Indicates that you are happy to accept <ul style="list-style-type: none"> <li>• A very high level of investment risk and fluctuation over the short, medium and long term in return for the <b>potential</b> to earn very high returns.</li> <li>• Capital values can fluctuate and may fall substantially below your original investment.</li> <li>• A higher level of fluctuation than an “Adventurous” investor.</li> </ul>

Based on the answers you have provided, your score is ( ). Using the above definition, your *general* attitude toward investment risk is likely to be \_\_\_\_\_.

**If you disagree with this conclusion, please indicate your General Attitude Toward Investment Risk that you believe is more accurate** (please tick the appropriate one). This will be the General Attitude Toward Investment Risk captured in the Bank’s record.

SECURE ( ) CAUTIOUS ( ) BALANCED ( ) ADVENTUROUS ( ) SPECULATIVE ( )



\_\_\_\_\_  
Customer Signature over Printed Name

**To Be Completed by the Other Joint Accountholders:**

I / We confirm that I / we conform to the above named co-jointaccountholder’s general risk attitude to represent my / our risk profile.



\_\_\_\_\_  
Customer Signature over Printed Name



\_\_\_\_\_  
Customer Signature over Printed Name



\_\_\_\_\_  
Customer Signature over Printed Name



\_\_\_\_\_  
Customer Signature over Printed Name

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This questionnaire is provided by HSBC Savings Bank (Philippines) Inc. (HSBC Savings Bank). The results of this questionnaire are derived from information that you have provided to HSBC Savings Bank, and only serve as a reference for your consideration when making your own investment decisions. This questionnaire and the results are not an offer to sell or a solicitation for an offer to buy any financial products and services and they should not be considered as investment advice. HSBC Savings Bank accepts no responsibility or liability as to the accuracy or completeness of the information given. Personal information collected in this questionnaire will be kept confidential by HSBC Savings Bank. The information may be used by HSBC Savings Bank or any HSBC Group entity under a duty of confidentiality to HSBC Savings Bank, for designing and/or marketing of financial products and services.

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## RISK PROFILING QUESTIONNAIRE – Sections 2 and 3

<b>Customer Number</b>		<b>Date (dd-mmm-yy)</b>	
<b>Account Name</b>			
<b>Product Name</b>			
<b>ISIN (if applicable)</b>			

### **SECTION 2 – Your Specific Attitude toward Investment Risk & Your Investment Objectives**

For the capital you are considering investing now, please answer the following questions:

1. What is your chosen investment objective?
  - a. Provision of income (such as interest or dividends) with income reinvested or paid out
  - b. Provision of capital appreciation (such as capital gain from investing in stocks)
  - c. A combination of income and capital appreciation
  
2. Over what time span do you wish to invest the capital available now?
  - a. 1 year or less
  - b. 3 years or less
  - c. 5 years or less
  - d. 10 years or less
  - e. Over 10 years
  
3. Considering the purpose of *this new* investment (e.g. school fees, long-term saving, retirement planning, etc.), are you happy that the *general* attitude toward risk established in **Section 1** is appropriate for the capital that you wish to invest now (i.e. your general and specific attitudes are the same)?
  - a. Yes  (Go to Section 3 – Summary)
  - b. No  (Go to Question 4)
  
4. If you have answered ‘No’ to Question 3 above, using the definitions of Attitude toward Risk described in **Section 1**, how would you classify your **specific** attitude toward risk in relation to the capital to be invested now?
  - a. Secure
  - b. Cautious
  - c. Balanced
  - d. Adventurous
  - e. Speculative

### **SECTION 3 – Summary**

Based on your answer to Question 3 or 4 above, your **specific** attitude to risk in relation to the capital you wish to invest now has been established as: (Please tick applicable box)

- SECURE:**
- We suggest you consider products that carry no investment risk. Life insurance policies taken out to cover a protection need but which also include a savings element may be considered but early surrender will lead to you receiving less back than paid in premiums.
- CAUTIOUS:**
- We suggest that you consider products which have the **potential** to outperform deposits over the medium term (3 years) and protect your capital against the effects of inflation. Capital values can fluctuate and may fall below your original investment. Fluctuation is expected to be low although this is not guaranteed.
  - Where you are considering a portfolio planning service, “Cautious” describes the overall approach to the portfolio and may include products of a higher or lower risk grade than you would like to hold individually.

**BALANCED:**

- We suggest that you consider products which have the **potential** to outperform deposits over the medium to long term (5 years) and protect your capital against the effects of inflation. Capital values can fluctuate and may fall below your original investment. Fluctuation is expected to be higher than those suggested for a “cautious investor” but the products offer potentially better returns.
- Where you are considering a portfolio planning service, “Balanced” describes the overall approach to the portfolio and may include products of a higher or lower risk grade than you would like to hold individually.

**ADVENTUROUS:**

- We suggest that you consider products which have the **potential** to earn returns substantially better than inflation. Capital values can fluctuate and may fall substantially below your original investment. Fluctuation is expected to be higher than those suggested for a “balanced investor” but the products offer the potential for substantially better returns.
- Where you are considering a portfolio planning service, “Adventurous” describes the overall approach to the portfolio and may include products of a higher or lower risk grade than you would like to hold individually.

**SPECULATIVE:**

- We suggest that you consider products which have the **potential** to earn high returns. Capital values can fluctuate and may fall substantially below your original investment. Fluctuation is expected to be higher than those suggested for an “adventurous investor” but the products offer the potential for substantially better returns.
- Where you are considering a portfolio planning service, “Speculative” describes the overall approach to the portfolio and may include products of a lower risk grade than you would like to hold individually.

**I confirm that my general and specific attitudes to investment risk are correctly stated above and that the information I have supplied is correct. Where my general and specific attitudes to investment risk are different, I am happy to proceed on the basis of my specific attitude to investment risk shown in Section 3.**

**I confirm that I am reminded and are aware that I should have adequate liquid funds to meet unforeseen events.**



\_\_\_\_\_  
**Customer Signature over Printed Name**

**To Be Completed by the Other Joint Accountholders:**

**I / We confirm that I / we conform to the above named co-joint accountholder’s general risk attitude to represent my / our risk profile.**



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**Customer Signature over Printed Name**



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