Risk Profiling Questionnaire

The Hongkong and Shanghai Banking Corporation Limited

Customer Information

Customer Name

Customer Number

Risk Profiling Questionnaire

This questionnaire is designed to help you consider your Risk Tolerance. It asks questions that provide some indication of the Risk Tolerance 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.

About You – Your Risk Tolerance

1. What portion of your net worth would you like to set aside for investments? Please note that there is a potential loss of your capital when investing in investment products*.
   - □ 0%
   - □ Between >0% and 50%
   - □ Over 50%
   *Such products could include one or more of the following: stocks, unit trusts, foreign currencies, commodities, structured investment products.

2. Generally, investing involves a trade-off between risk and return. It has been historically shown that investors who achieve high returns have experienced correspondingly high fluctuations and losses. In order to achieve your expected returns, which statement best describes the degree of losses you are willing to take?
   - □ I am willing to accept minimal amount of capital loss.
   - □ I am willing to accept moderate capital loss.
   - □ I am willing to accept high capital loss.

3. On the whole, which of the following best describes your investment objectives?
   - □ Capital preservation
   - □ A regular stream of stable income
   - □ A combination of income and capital growth
   - □ Achieve substantial long term capital growth
   - □ High capital appreciation

4. The following answer options are descriptions of 5 sample portfolios and their potential* portfolio gain and loss outcomes over a short time horizon (i.e. 1 year). Which of the sample portfolio would be most attractive to you?
   - □ Portfolio (a) – I am willing to accept a potential loss of 3% in exchange for 9% potential upside.
   - □ Portfolio (b) – I am willing to accept a potential loss of 10% in exchange for 18% potential upside.
   - □ Portfolio (c) – I am willing to accept a potential loss of 15% in exchange for 25% potential upside.
   - □ Portfolio (d) – I am willing to accept a potential loss of 20% in exchange for 31% potential upside.
   - □ Portfolio (e) – I am willing to accept a potential loss of 27% in exchange for 40% potential upside.

5. What will you do with your investments if the value drops over a period of time due to market fluctuations?
   - □ I do not wish to hold on to any investments at a loss and will sell the investments immediately even if the drop in value is small.
   - □ I will sell the investments if the drop in value is large.
   - □ I will sell some of the investments if the drop in value is large, and wait for the remaining investments to recover in value.
   - □ I will not sell the investments, regardless of the drop in value, as I would like to wait for the investment to recover in value.
   - □ I will not sell the investments, regardless of the drop in value, and will buy more to capitalize on the cheaper price.
6. Generally, higher returns are coupled with higher risks and fluctuations. The following answer options describe the level of fluctuations in the value of 5 different investment portfolios over a long period of time, e.g. 10 years. Which would you be most comfortable investing in?

- Portfolio (a) – The value may have limited fluctuation of 5% in both directions, with the potential for small gains and losses.

- Portfolio (b) – The value may have more fluctuation of 10% in both directions, with the potential for more gains and losses.

- Portfolio (c) – The value may have moderate fluctuation of 15% in both directions, with the potential for moderate gains and losses.

- Portfolio (d) – The value may have considerable fluctuation of 20% in both directions, with the potential for greater gains and losses.

- Portfolio (e) – The value may have extensive fluctuation of over 20% in both directions, with the potential for substantial gains and losses.

### Risk Tolerance Points Score

<table>
<thead>
<tr>
<th>Question</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>Total</th>
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<tr>
<td>Score</td>
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### Your Risk Tolerance

<table>
<thead>
<tr>
<th>Score</th>
<th>Risk Tolerance</th>
<th>Definition</th>
</tr>
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<tbody>
<tr>
<td>0-6</td>
<td>VERY CAUTIOUS</td>
<td>- You generally do not want to take any investment risk, since you can accept no investment loss. Other financial products with an investment element are not suitable for you. Products that are potentially suitable for you are likely to produce returns that are based on prevailing interest rates which may or may not keep pace with inflation. Capital values of products that are potentially suitable for you can fluctuate and may fall below your original investment. In normal market conditions fluctuation is expected to be minimal (although this is not guaranteed), and you are comfortable with this level of fluctuation. Investment products with risk rating 1 are likely to be suitable for you.</td>
</tr>
<tr>
<td>7-13</td>
<td>CAUTIOUS</td>
<td>- You generally do not want to take any investment risk, since you can accept no investment loss. Other financial products with an investment element are not suitable for you. Products that are potentially suitable for you are likely to produce returns that are based on prevailing interest rates which may or may not keep pace with inflation. Capital values of products that are potentially suitable for you can fluctuate and may fall below your original investment. In normal market conditions fluctuation is expected to be minimal (although this is not guaranteed), and you are comfortable with this level of fluctuation. Investment products with risk rating 1 are likely to be suitable for you.</td>
</tr>
<tr>
<td>14-23</td>
<td>BALANCED</td>
<td>- You generally do not want to take any investment risk, since you can accept no investment loss. Other financial products with an investment element are not suitable for you. Products that are potentially suitable for you are likely to produce returns that are based on prevailing interest rates which may or may not keep pace with inflation. Capital values of products that are potentially suitable for you can fluctuate and may fall below your original investment. In normal market conditions fluctuation is expected to be minimal (although this is not guaranteed), and you are comfortable with this level of fluctuation. Investment products with risk rating 1 are likely to be suitable for you.</td>
</tr>
<tr>
<td>24-32</td>
<td>ADVENTUOUS</td>
<td>- You generally do not want to take any investment risk, since you can accept no investment loss. Other financial products with an investment element are not suitable for you. Products that are potentially suitable for you are likely to produce returns that are based on prevailing interest rates which may or may not keep pace with inflation. Capital values of products that are potentially suitable for you can fluctuate and may fall below your original investment. In normal market conditions fluctuation is expected to be minimal (although this is not guaranteed), and you are comfortable with this level of fluctuation. Investment products with risk rating 1 are likely to be suitable for you.</td>
</tr>
<tr>
<td>&gt;=33</td>
<td>SPECULATIVE</td>
<td>- You generally do not want to take any investment risk, since you can accept no investment loss. Other financial products with an investment element are not suitable for you. Products that are potentially suitable for you are likely to produce returns that are based on prevailing interest rates which may or may not keep pace with inflation. Capital values of products that are potentially suitable for you can fluctuate and may fall below your original investment. In normal market conditions fluctuation is expected to be minimal (although this is not guaranteed), and you are comfortable with this level of fluctuation. Investment products with risk rating 1 are likely to be suitable for you.</td>
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Based on the answers you have provided, your score is **[Score]**
Using the above definition, your Risk Tolerance is likely to be **[Tolerance]**

If you disagree with this conclusion, please indicate your Risk Tolerance that you believe is more accurate (please tick the appropriate one). This can only be lower than the Risk Tolerance calculated above, and will be the Risk Tolerance captured in the Bank’s record.

- [ ] SECURE
- [ ] VERY CAUTIOUS
- [ ] CAUTIOUS
- [ ] BALANCED
- [ ] ADVENTUOUS

**FINAL RISK TOLERANCE**

**Customer Confirmation:**
I/We confirm that my/our Risk Tolerance is correctly stated above and that the information I/we have supplied is correct. I/We confirm that I/We were reminded and are aware that I/We should have adequate liquid funds to meet unforeseen events.

**Customer Name and Signature**

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, and that the details provided are correct.

**Customer Name and Signature**

**Customer Name and Signature**

Date signed [ ] [ ] [ ] [ ] [ ] [ ] [ ] dd-mm-yyyy

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E2.153450 RESTRICTED once signed by client
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