

COMBINED FUND

Investment Choice Questionnaire

This questionnaire has been designed to help you to understand your overall investment approach so that you can choose an option that matches your financial goals. ***Tick only one box for each question, then add your points to achieve a total score. Compare your score with the summaries on page 4.***

1. Which of the following best describes your current stage of life?

- | | | | |
|--|--|--|----|
| (a) Single with few financial commitments. You are keen to accumulate wealth for the future. Some funds must be kept available for enjoyment such as cars, clothes, travel and entertainment. | <table border="1" style="display: inline-table;"><tr><td style="width: 40px; height: 20px;"></td><td style="text-align: center; width: 40px;">50</td></tr></table> | | 50 |
| | 50 | | |
| (b) A young couple without children. You may be preparing for the future by establishing and furnishing a home. There are many things you need to buy. You are probably better off financially now than you may be in the future. | <table border="1" style="display: inline-table;"><tr><td style="width: 40px; height: 20px;"></td><td style="text-align: center; width: 40px;">40</td></tr></table> | | 40 |
| | 40 | | |
| (c) Young family. This is the peak home purchasing stage. You have a mortgage and school age children. You are probably dissatisfied with your financial position and the amount of money saved. | <table border="1" style="display: inline-table;"><tr><td style="width: 40px; height: 20px;"></td><td style="text-align: center; width: 40px;">30</td></tr></table> | | 30 |
| | 30 | | |
| (d) Mature family. You are in your peak earning years and have the mortgage under control. Your partner may also work and any children you may have are growing up and have either left home or are less financially dependent. You are starting to think about retirement, although it may be many years away. | <table border="1" style="display: inline-table;"><tr><td style="width: 40px; height: 20px;"></td><td style="text-align: center; width: 40px;">50</td></tr></table> | | 50 |
| | 50 | | |
| (e) Preparing for retirement. You probably own your home and have few financial commitments, however you want to ensure that you can afford a comfortable retirement. | <table border="1" style="display: inline-table;"><tr><td style="width: 40px; height: 20px;"></td><td style="text-align: center; width: 40px;">30</td></tr></table> | | 30 |
| | 30 | | |

2. Considering current interest rates, what return do you reasonably expect to achieve from your investments?

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|---|--|--|----|
| (a) A return without losing any capital | <table border="1" style="display: inline-table;"><tr><td style="width: 40px; height: 20px;"></td><td style="text-align: center; width: 40px;">0</td></tr></table> | | 0 |
| | 0 | | |
| (b) Current inflation rate plus 2-3% | <table border="1" style="display: inline-table;"><tr><td style="width: 40px; height: 20px;"></td><td style="text-align: center; width: 40px;">10</td></tr></table> | | 10 |
| | 10 | | |
| (c) Current inflation rate plus 4-5% | <table border="1" style="display: inline-table;"><tr><td style="width: 40px; height: 20px;"></td><td style="text-align: center; width: 40px;">20</td></tr></table> | | 20 |
| | 20 | | |
| (d) Current inflation rate plus 5-6% | <table border="1" style="display: inline-table;"><tr><td style="width: 40px; height: 20px;"></td><td style="text-align: center; width: 40px;">30</td></tr></table> | | 30 |
| | 30 | | |
| (e) Over 6% pa above inflation | <table border="1" style="display: inline-table;"><tr><td style="width: 40px; height: 20px;"></td><td style="text-align: center; width: 40px;">40</td></tr></table> | | 40 |
| | 40 | | |

3. If you didn't need your capital for more than 10 years, for how long would you be prepared to see your investment performing poorly before you cashed it in?

- (a) You would cash in if there was any loss in value.
- (b) Up to 3 months.
- (c) Up to 6 months.
- (d) Up to 1 year.
- (e) Up to 2 years.
- (f) More than 2 years.

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4. How familiar are you with investment markets?

- (a) Very little understanding or interest.
- (b) Not very familiar.
- (c) Have enough experience to understand the importance of diversification.
- (d) Understand that markets may fluctuate and that different market sectors offer different income, growth and taxation characteristics.
- (e) Experienced with all investment sectors and understand the various factors which may influence performance.

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5. The greatest tax savings are generally obtained from more volatile investments. Which balance do you feel most comfortable with?

- (a) Preferably guaranteed returns before tax savings.
- (b) Stable, reliable returns, minimal tax savings.
- (c) Some variability in returns, some tax savings.
- (d) Moderate variability in returns, reasonable tax savings.
- (e) Unstable, but potentially higher returns, maximising tax savings.

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6. What would your reaction be if, in 6 months after placing your investments, you discover that, in line with what is happening in the financial markets generally, your portfolio has decreased in value by 20%?

- (a) Horror. Security of your capital is critical and you did not intend to take risks.
- (b) You would cut your losses and transfer your money into more secure investment sectors.
- (c) You would be concerned but would wait to see if the investments improve.
- (d) This was a calculated risk and you would leave the investments in place, expecting performance to improve.
- (e) You would invest more funds in the anticipation of future growth.

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7. Which of the following best describes your overall investment approach?

(a) You will be in the workforce for longer than 5 years. You understand investment markets and are mainly investing for growth in assets such as shares or property to accumulate long term wealth.

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(b) You are not nearing retirement and you are aiming to accumulate long term wealth from a balanced portfolio, comprising shares, property, fixed interest and cash.

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(c) You have some superannuation savings and you are uncertain about what secure investment alternatives are available.

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(d) You are nearing retirement and you are investing to ensure that you have sufficient funds available to enjoy your retirement but with little chance of short term capital loss.

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8. For how long would you expect most of your money to be invested before you would need to access it? (Assuming you have made plans to meet short term financial goals and to handle emergencies).

(a) Less than 2 years.

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(b) Between 2 and 3 years.

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(c) Between 3 and 5 years

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(d) Between 5 and 7 years

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(e) Longer than 7 years.

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TOTAL SCORE

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Now match your score to the summaries on the next page.

COMBINED FUND

Investor Risk Profile

Total Points	CONSERVATIVE	POSSIBLE INVESTMENT MIX
Up to 100	Risk must be very low and you are prepared to accept lower returns to protect capital. The negative effects of tax and inflation will not concern you, provided your initial investment is protected.	Largely the Interest Option. Up to 30% Conservative Option.
	CAUTIOUS	
101 – 180	You are seeking better than basic returns but risk must be relatively low. Often an older investor seeking to protect the wealth which you have accumulated, you may be prepared to consider less aggressive growth investments.	Conservative Option
	BALANCED	
181 – 260	You want a reasonably diversified portfolio to work towards medium to long term financial goals. You require an investment strategy which will cope with the effects of tax and inflation. Calculated risks will be acceptable to you to achieve good returns.	Balanced Option SRI Balanced Option
	ASSERTIVE	
261 – 350	You are seeking to invest most funds for capital growth. Prepared to accept higher variation in annual returns and moderate risks, your primary concern is to accumulate assets over the medium to long term. You require a diverse portfolio but more aggressive investments must be included.	Growth Option
	AGGRESSIVE	
351 – 390	You are an Aggressive investor prepared to compromise portfolio balance to pursue potentially greater long term returns. Your investment choices are diverse but carry with them a higher level of risk. Security of capital is secondary to the potential for wealth accumulation.	Largely sharemarket. Up to 20% Property

What Does Your Risk Profile Mean?

The questions are designed to assist you in determining your Risk Profile and the type of investor you may be, based on your personal preferences and current circumstances. In many instances, the profiles may indicate that, because of your current circumstances, you can afford to take more or less risk than personal preferences alone would indicate. However, it is important to ensure you are comfortable with the profile determined for you above.

If you are not comfortable with this profile, you can start with a lower Risk Profile and review it over time as you become more comfortable with investment markets. However, please be aware that risk and return are closely related so, by choosing a lower Risk Profile, you may also be choosing to reduce your longer term return expectations.

As no one can accurately predict future corporate, legislative and economic factors, you should regard these recommendations as a guide only. In particular, you should note that no guarantee is expressed or implied by Combined Fund in relation to any income or growth asset projections or performance of any assets.

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