

Capacity for Loss Questionnaire

1. Do you have any specific financial goals for this investment? (please tick one)

	Client 1	Client 2
a) No, my investment is to meet a number of different goals	<input type="checkbox"/>	<input type="checkbox"/>
b) Yes - to meet essential living costs: Any losses from this investment would reduce my standard of living	<input type="checkbox"/>	<input type="checkbox"/>
c) Yes - to meet other important financial goals: If this investment fell in value I'd have enough to live on, but couldn't meet these goals	<input type="checkbox"/>	<input type="checkbox"/>
d) Yes - to meet non-essential financial goals: I'd still be able to cover my essential living costs and other important financial goals if this investment fell in value	<input type="checkbox"/>	<input type="checkbox"/>

2. How much of your investments could you afford to lose without reducing your future standard of living? (please tick one)

a) I can't afford any loss	<input type="checkbox"/>	<input type="checkbox"/>
b) I could afford a small loss	<input type="checkbox"/>	<input type="checkbox"/>
c) I could afford a medium loss	<input type="checkbox"/>	<input type="checkbox"/>
d) I could afford a large loss	<input type="checkbox"/>	<input type="checkbox"/>

3. When is the earliest you plan to take money from your investments? (please tick one)

a) Within the next year	<input type="checkbox"/>	<input type="checkbox"/>
b) Between 1 and 5 years from now	<input type="checkbox"/>	<input type="checkbox"/>
c) Between 6 and 10 years from now	<input type="checkbox"/>	<input type="checkbox"/>
d) More than 10 years from now	<input type="checkbox"/>	<input type="checkbox"/>

4. How do you plan to take money from your investments? (please tick one)

a) As a single lump sum	<input type="checkbox"/>	<input type="checkbox"/>
b) Leave it invested and withdraw amounts only as needed	<input type="checkbox"/>	<input type="checkbox"/>
c) Leave it invested and withdraw amounts regularly (E.g. taking it as regular income)	<input type="checkbox"/>	<input type="checkbox"/>
d) Leave it invested and only take money out in and Emergency	<input type="checkbox"/>	<input type="checkbox"/>

5. How likely is it that you will need to take money from your investments earlier than planned?

- a) Very likely: Under certain circumstances I can see a situation where I would need to access my investments early – E.g. in a financial emergency
- b) Possibly: I may need to access my investments early E.g. in a financial emergency
- c) Unlikely: I won't need to access my investments early as I have other money for financial emergencies
- d) I don't envisage the need to access my money

Outcome explained

The risk category helps determine the affordability of loss on the amount invested.

Capacity for Loss Scoring

Please indicate the appropriate value for each response from questions 1 – 5 and note the total for each question.

Questions	1	2	3	4	5
Answers					
a	1	1	1	1	1
b	2	2	2	2	2
c	3	3	3	3	3
d	4	4	4	4	4
Total Score					

Score from Questionnaire	Capacity for Loss
16 -20	High <input type="checkbox"/>
11 - 15	Medium <input type="checkbox"/>
5 - 10	Low <input type="checkbox"/>

High Capacity for Loss

You can afford to take the risks associated with your chosen attitude and can withstand any underperformance.

Medium Capacity for Loss

You may be able to afford slight under-performance of the investment but it will cause you to adapt your standard of living.

Lower Capacity for Loss

You cannot afford for the investment to not meet your objectives as failure to do so could have significant consequences on your standard of living. This may be further compromised as there is higher possibility that you will need access to the money within your investment time-line.

Applicant 1

Applicant 2

Signature:

Printed Name:

Date: