Aldersley Capital - Client Fact Find and Risk Profile Form

Important notice

This form is for the purpose of obtaining information about your personal details, circumstances and risk tolerances. It will allow me to identify you for legal purposes and pre-populate application forms for you. It will assist you to understand and assess your financial and emotional risk tolerances, and provide a Risk Profile Score to help you select an investment mix that appears to match your needs, objectives and risk tolerances. If you do not provide me with all the requested information any general advice I provide you may not be appropriate for your circumstances, and your investment will be provided on a "no advice basis". It is essential that "retail" investors complete the bulk of this form. A retail investor is anyone who is not a wholesale investor. Generally anyone investing less than $500,000, or with personal net assets of under $2.2m, or who is not highly experienced in investing, will be regarded as a retail client.

In accordance with the provisions set out in the Anti-Money Laundering and Counter Terrorism Financing Act, identification information is required before any financial services or products are applied for, and this information is then provided to the product issuer(s).

PERSONAL & CONTACT DETAILS (REQUIRED)

	CLIENT	**PARTNER**
Title: (Mr, Mrs, Ms, Dr, Rev, Prof)		
First Name:		
Middle name(s):		
Surname:		
Birth date: DD/MM/YEAR		
Gender : (M/F)		
Phone (Home):		
Phone (work)		
Fax (home)		
Mobile Phone :		
e-mail address home:		
e-mail address work:		
Occupation		
TFN (needed to avoid WHT)		
ABN if applicable		
Health (Excellent **, G**ood**, P**oor**) (this is OPTIONAL)**		
RESIDENCY STATUS (Citizen**, Perm Res, F**oreign**)**	❑ C ❑ PR ❑ F	❑ C ❑ PR ❑ F
Tax Residency (if outside Australia)		
Residential Address Street (compulsory for i.d.):		
Suburb : State : Post Code :		
Postal Address Street		
Suburb : State : Post Code :		

Financial Dependants (optional)

Surname	First Name	D.O.B	Gender	Dependant Until	Relationship
		/ /			
		/ /			
		/ /			

ENTITY STRUCTURES **Self managed Super Fund (SMSF)**	
Super fund name (as per Lookup super site for i.d. purposes)	
Trustee type (Co, Individuals)	
Full name (including trustees) for registration eg A&B Co ATF AB Super	
Superfund ABN /superfund number	
Tax File Number for super fund	
Certified Copy of Trust Deed (I need only to verify the pages that identify the super fund name and the trustees including signatures	
SMSF Member status (pension (P), accumulation (A), P & A accounts Member1	❑ P ❑ A ❑ P & A
Member 2	❑ P ❑ A ❑ P & A
Name & email of Accountant/SF Administrator	
Company (if >1 attach for each involved whether as trustee or as an investment vehicle	
Company name	
ABN	
TFN	
Registered address	
Full names of any Directors owning more than 25% (PTY companies only)	
Trust (tick for each you have and attach details)	
Trust Type – **D**iscretionary; **U**nit, **F**amily, **C**haritable, **E**state, **T**estamentary	❑ D ❑ U ❑ C ❑ E ❑ T
Trustees	
Banking account details for payments, **for each entity investing**	
Account name 1	
Bank Name	
Branch name	
BSB	
Account number	
Account name 2	
Bank Name	
Branch name	
BSB	
Account number	
Account name 3	
Bank Name	
Branch name	
BSB	
Account number	

	Client	**Partner**
Existing Broker/Nominee Sponsors		
Name of Broker Sponsor/Nominee		
Existing PID		
Existing HIN		
Existing Account number		
Existing Account Name (ENTITY)		
Second broker sponsor		
Name of Broker Sponsor		
Existing PID if known		
Existing HIN		
Existing Account number		
Existing Account Name (ENTITY)		
Financial Product/Service name		
Financial product account number If you have several attach either copies or schedule		
Do you have any Issuer Sponsored holdings? (attach copies)		
Employment Status (**R**etired, **T**ransitioning to retirement, **F**ull or Part-time, **N**ot working	❑ R ❑ T ❑ F ❑ N	❑ R ❑ T ❑ F ❑ N

Proposed Investment:

Approx value: $_______________ Entity______________________
Approx value: $_______________ Entity______________________
Approx value: $_______________ Entity______________________
Approx value: $_______________ Entity______________________

YOUR EMOTIONAL & FINANCIAL RISK TOLERANCE

My goal is to help you implement an investment strategy that will maximise your chances of achieving your financial goals while retaining the sleep factor.

You need to consider your tolerances to investment risks (both emotionally and financially).

Financial Risk Tolerance

The risk of the underlying investments failing to meet your goals is your financial risk tolerance. Overly conservative and aggressive strategies both pose dangers.

It is commonly held that there is an inverse relationship between the expected return from an asset and the "risk". In other words, you should expect a lower return for accepting a lower risk. But this is not always the case.

Which is safer, cash or shares? Theoretically it's cash. But it really depends on your time horizon.

"Low risk" assets like cash and term deposits are tax ineffective and offer no capital gain potential. Holding these sorts of assets on their own increase ***longevity risk***, the risk you outlive your investments by living too long. By the rule of 72, if you remain invested in cash, and earn around 5% per annum (taxable) for a net return of say 4% p.a. then it will take 18 years for your investment to double instead of every 7 years typically for shares.

The history of Australian shares over 100 years shows that, over every 20 year period, no matter when the starting date, including periods of global wars and depressions, the ASX All Shares Accumulation index has outperformed cash. Even if you invested on the day before the 1987 crash!

While counter-intuitive, an investment in the sharemarket over any 20 year period can be entered into with much greater confidence than if your horizon is under five years. On a one day to one year view, it's quite difficult to even predict the direction of the sharemarket.

High growth investments like shares are subject to short-term capital risk. If a downturn on the scale of 2008 coincides with a dependence on drawing capital from the portfolio to meet living expenses you risk running down your capital rapidly. This is ***capital drawdown risk*** and is a measure of your financial risk intolerance.

Emotional Risk Tolerance

There is no benefit in adopting a growth strategy if you bail out at the bottom of each bear market.

How comfortable are you with share prices going up and down like a yo-yo for no particular reason? Most people can tolerate some volatility. But what happens if markets fall day after day, month after month, for over a year? Even hardened professionals begin to question their faith.

If you are used to taking calculated risks, and are sanguine about short term market movements then you have high emotional risk tolerance.

If you are sensitive to short term loss in value, and anxiously watch the market values daily changing for your investments then you probably have low emotional risk tolerance.

Your stage of life

Highly paid working investors saving for retirement benefit over the longer term from a fall in market prices providing they continue to augment their portfolio from savings. Their financial tolerance is high.

Retired investors face a different issue. Retired wholesale clients usually have sufficient assets to fund a comfortable retirement lifestyle. After a successful lifetime of taking calculated risks, their emotional risk tolerance is usually ahead of their financial risk tolerance. The dramatic fall in share prices in 2008 was a wake-up call to reign in exuberance at the next peak.

Benefits of professional management

Transparent reporting of a diversified portfolio managed and administered by caring professionals goes a long way towards making the emotional experience of investing in the stockmarket more rewarding and enjoyable.

INVESTOR RISK PROFILE

Please take the time to complete this survey by ticking the most appropriate box in each section and gauge your overall risk profile.

1. Which of the following best describes your purpose of investing?

An investment horizon longer than five years. You understand investment markets and mainly invest for growth to accumulate long term wealth.	❑ 50
You have surplus funds to invest and aim to accumulate long term wealth from a balanced portfolio	❑ 40
You have a lump sum (eg inheritance) and are uncertain about the secure investment alternatives available	❑ 30
You are nearing or in retirement, and are more concerned about the security of your existing capital than growing it	❑ 20
You have some specific objectives within the next five years for which you will need your capital.	❑ 10

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

Young with few financial burdens. Keen to accumulate wealth into the future.	❑ 50
A couple without children. Mortgage paid off. High level of discretionary expenditure.	❑ 40
Young family with mortgage and maintain only small cash balances	❑ 30
You are nearing retirement, on peak earnings, mortgage paid off. Kids left home or contributing.	❑ 50
You are retired. You own your own home but are dependent on your investment capital to provide income. You are concerned about longevity risk	❑ 30
You are retired. You own your own home but are dependent on your investment capital to provide income. You are more concerned about the security of your capital than longevity risk	❑ 20
You are retired and on a full or part pension. You are not an experienced equity investor and are risk averse. You wish to draw down a monthly or occasional amount from your capital in excess of income generated to top up your lifestyle needs. You are much more concerned about the security of your capital than longevity risk.	❑ 10
You are retired and on a part or full pension. You are an intelligent aggressive experienced equity investor. You lost most of your retirement capital in the GFC and are concerned about longevity risk. You figure that if you adopt an aggressive approach and things go really bad then worst case scenario you fall back on a full government pension.	❑ 40

3. In the light of current interest rates, what return do you reasonably expect to achieve from your investments?

A reasonable return without losing any capital	❑ 10
Current inflation rate plus 2-4%	❑ 20
Current inflation rate plus 5-7%	❑ 30
Current inflation rate plus 8-12%	❑ 40
Greater	❑ 50

4. How familiar are you with investment markets?

Experienced with all investment sectors and understand the various factors that influence performance	❑ 50
Understand that markets fluctuate and that different market sectors offer different income, growth and taxation characteristics	❑ 40
Have enough experience to understand the importance of diversification	❑ 30
Not very familiar	❑ 20
Very little understanding or interest	❑ 10

5. What are your views on the use of derivative products such as exchange traded options?

I have a good understanding of what derivatives can do and would encourage their use	❑ 50

I would like to generate additional income for the portfolio from covered calls	❑ 40
I am not familiar with derivatives so cannot say	❑ 10

6. How long would you expect most of your money to be invested before you need to withdraw it (excluding monthly drawdowns of an amount equivalent to the average income generated)?

Less than 2 years	❑ 10
2 to 3 years	❑ 20
3 to 5 years	❑ 30
5 to 7 years	❑ 40
Over 7 years	❑ 50

7. What would be your reaction if within six months of placing your investment you discover that, in line with financial markets generally, your investments have declined in value by 25%?

Horror, security of your capital is critical and you did not intend to take such risks	❑ 10
You would cut your losses and switch to lower risk investments	❑ 20
You would be naturally concerned, but would wait to see if the investments improved	❑ 30
You would recognise your timing was poor, but this was a calculated risk you took. You would be confident of better market performance ahead.	❑ 40
You would immediately invest more funds, to get the advantage of investment averaging benefits as and when markets recover.	❑ 50

8. If you did not need your capital for more than ten years, how long would you tolerate your investments performing poorly (but in line with market) before you cashed it in?

Security of capital is critical so you would cash it in if there is any loss of capital	❑ -30
Up to 6 months	❑ 0
Up to 1 year	❑ 10
Up to 2 years	❑ 30
You wouldn't cash in. You recognise equities have previously fallen in value or two years or more	❑ 50

9. How stable is your current and future income from sources such as salary, social security, SMSF pension and property rental income?

Very stable, and independent of my investments I intend placing with you	❑ 50
Stable and independent of my investments I intend placing with you	❑ 40
Stable social security income	❑ 30
Unstable, I generally rely on my investment income	❑ 20
Very unstable, I am totally reliant on the investments I intend placing with you.	❑ 10

10. Do you have separate savings and investments set aside for major expenses?

Yes, I will not need to drawdown on my investments at all for the foreseeable future	❑ 50
Yes I do have separate savings/income to meet my expenses, so any drawdown requirement is limited to the income generated	❑ 40
I have a small amount of savings but I may wish to withdraw up to 20% of the portfolio for a major discretionary expense such as replacing a car.	❑ 30
I have no other savings or income other than social security so I am dependent on my investments for any major expense	❑ 20
I have no other savings, and expect to periodically withdraw up to 20% of the investment at short notice	❑ 10

TOTAL INVESTOR PROFILE SCORE. Add up the total score from the ten sections and write the answer here.	

Then compare your answer with the standard industry profiles below. Alongside the scores is a suggested mix of the two portfolios offered by Aldersley Capital (and term deposits) that should roughly match your indicated risk tolerance. Based on over forty years of past experience that may not be repeated in the future, a managed equity portfolio may be expected to lose money about one financial year in every four or five. It may occasionally lose money for two years in a row. It usually recovers half the loss within six months of the market turning and before investor sentiment improves (evidencing the risk of staying out of markets too long). The Income Plus is designed to lose money about one year in every ten. And it has lower volatility. If you are intolerant of even a one in ten year risk of loss, then your investments can be placed in term deposits by Aldersley Capital. If you are retaining substantially defensive assets like cash and term deposits outside, as well as property and other assets, and are simply looking for management of a new or existing share portfolio, then your final investment selections should reflect this mix.

Capital Preservation (consider term deposits only)	**0-110 points**
You are a very short term oriented or defensive conservative investor. Risk tolerance is very low so you must accept low returns, in order to protect capital.	
Cautious (70% Income Plus, 30% term deposits)	**111-230 points**
You are a cautious investor seeking better than basic returns but unwilling to take much risk. Typically focused on income returns and averse to volatility, but can tolerate a one in ten year risk of capital loss.	
Balanced (40% Income Plus, 60% Managed Equity)	**231-320 points**
Aim to produce moderate capital growth in a medium to long term time frame with a BALANCED exposure to a wider range of investments encompassing shares, listed property and interest bearing assets, while the income generated by the portfolio will be partially tax effective.	
Growth (80% in Managed Equity, 20% Income Plus)	**321-420 points**
You are a growth investor. You typically have little or no dependency on income or capital drawdown from the portfolio in the medium term or, if retired, can typically access capital in the short term from other resources if needed. A small exposure to defensive assets slightly reduces the short term fluctuations. Some periods of capital loss are tolerated to achieve longer term growth objectives.	
High Growth (100% Managed Equity)	**421-500 points**
You are a high growth oriented investor prepared to compromise portfolio balance to pursue longer term returns. Your investment choices generally carry risks. Security of capital is secondary to the pursuit of long term wealth accumulation. You are emotionally resistant to volatility concerns. You should have reliable sources of income (either from employment, or if retired, you're mix of investments) with no need for large capital draw-downs in excess of income generated by the portfolio.	

Investment Profile by Account Entity Type

	Client	Partner	SMSF	Company/Trust
Capital Preservation	❑	❑	❑	❑
Cautious, Income	❑	❑	❑	❑
Balanced	❑	❑	❑	❑
Assertive – Growth	❑	❑	❑	❑
Aggressive growth	❑	❑	❑	❑

Financial Situation

Income Bracket (if joint account, please combine)	❑ <$50,000 ❑ $50,000 - $100,000 ❑ $100,000 - $250,000 ❑ >$250,000 per annum
Annual Living Expenses (Joint)	**$**

ASSETS/ LIABILITIES (Please combine personal assets and controlled companies and trusts including a SMSF, family home)

Total Assets **Total Liabilities**

$ ____________________ $____________________

FINANCIAL SERVICES INTEREST

Discretionary Portfolio	❑
Option overlays to an existing portfolio	❑
Home equity loan	❑
Margin Loan	❑
Complete strategic review of circumstances	❑

Identification process (For banking and/or AML&CT Act)

The Anti-Money Laundering Counter Terrorism Financing Act requires Aldersley Capital to identify and verify client identities. If you are investing in a financial product, you will need to meet the AML requirements as interpreted by the issuer of the product. For individuals this generally means a driving licence or passport or similar document. You can get documents certified at most post offices by presenting the originals. Your adviser or I can certify them if you present them in person. For a SMSF, you will need to provide a certified copy of an extract of the trust deed showing details of the trustees. I must be able to verify online the correct name and ABN of the super fund. For a company or company trustee of a SMSF you must provide the correct name and ABN of the company and for a PTY company, names only of directors owning more than 25% of share capital. The PDS contains full details. Any questions on this call me.

Client Declaration

a) I/we advise that the information provided in this document is complete and accurate to the best of my/our knowledge;
b) I/we acknowledge that by not providing complete and accurate information on my personal and financial position that this may lead my advisor to provide inappropriate advice;
c) I/we understand that this fact find does not cover insurance or estate planning needs;
d) I/we advise that I/we have read and understood the Aldersley Capital Financial Services Guide and the Profile of Aldersley Capital before any investment services were provided.
f) I / We understand that I / we do not have to supply my / our tax file number(s), but if I / we choose not to, I / we may be taxed at a higher marginal tax rate than if I / we supplied my / our tax file number(s). I / We therefore give authorisation for the collection and retention of my / our tax file number(s). I / we further give authority for my / our tax file number(s) to be forwarded to financial institutions as necessary.

	Full Name	**Signature**	**Date**
Client(s)			**/ /2020**

Office Use: ____________________________Signature(s):______________Data Processed