

Broker code \_\_\_\_\_  
Client ID nr \_\_\_\_\_  
or \_\_\_\_\_  
Company nr \_\_\_\_\_

## INVESTMENT INFORMATION AND RISK ASSESSMENT QUESTIONNAIRE

### Financial adviser details:

Title: \_\_\_\_\_ Name: \_\_\_\_\_  
Surname: \_\_\_\_\_  
Brokerage: \_\_\_\_\_  
Telephone no: Code: \_\_\_\_\_ No: \_\_\_\_\_  
Cell phone no: Code: \_\_\_\_\_ No: \_\_\_\_\_  
Fax no: Code: \_\_\_\_\_ No: \_\_\_\_\_  
E-mail address: \_\_\_\_\_  
Postal address: \_\_\_\_\_  
\_\_\_\_\_

Preferred method of communication:  Fax  E-mail  Mail  Collect

Latest date of completion (allow at least two work days): \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

### Client details:

Title: \_\_\_\_\_ Initials: \_\_\_\_\_  
Surname: \_\_\_\_\_  
ID number: \_\_\_\_\_  
Date of birth: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ (dd/mm/yyyy)

Kindly complete all the fields and fax to 021 - 673 3344

Please allow two working days for the proposal.

It remains the financial adviser's responsibility to complete all the relevant fields as requested and to confirm receipt of the questionnaire.

The questionnaire may not be sufficient to perform a complete financial analysis, as there could be issues beyond the scope of the questionnaire, which may impact on the advice given. It is the financial adviser's responsibility to ensure that the advice produced based on this questionnaire takes into consideration any other relevant factors.

## Details of investment

1. What is the investor's local economy?

South-African       Other      Please specify: \_\_\_\_\_

2. Please indicate the approximate value of the proposed investment:

R       and/or      R   
Lump sum      Monthly

3. Does the investor prefer:

- A locally oriented portfolio (more local exposure than offshore)  
 A globally diversified portfolio (more offshore exposure than local)

4. For the offshore exposure, which of the following routes does the investor prefer:

- Direct offshore investment (utilizing the R4 000 000 allowance per natural person)  
Amount of unutilized allowance available for this investment: R \_\_\_\_\_
- Direct offshore investment (R4 000 000) with the balance in South African based international funds
- South African based international funds
- Discretionary asset swap

5. Which of the following portfolios does the investor prefer:

- Houseview portfolio (A pre-selected combination of funds actively reviewed and rebalanced in accordance with the mandate of the portfolio)
- Selection of funds (Where the financial advisor and/or the client is responsible for determining and managing the asset allocation and selection of funds in the portfolio)

6. Please specify the term of the investment:

Note: This should be the period until the investment is expected to be realised or the objective of the investment is expected to be changed, assuming that no major unforeseen events occur during the period.

- 1 year or less
- 1 to 3 years (including 3 years)
- 3 to 5 years (including 5 years)
- 5 to 10 years (including 10 years)
- 10 years or longer

7. If circumstances arise that lead to the need for cash, please indicate the probable action:

- No large withdrawals are likely during the term of the investment since the investor has ample emergency reserves or can liquidate other assets
- Low probability of withdrawing more than half of the investment within the next three years
- High probability of withdrawing more than half of the investment within:  
 1 year       2 years

8. What is the investor's marginal tax rate:

- Less than 25%
- 26% to 30%
- 31% to 35%
- Greater than 36%

## Risk tolerance of investor

1. Do you know the investor's risk profile or do you have to ascertain it:

- The investor's risk profile is known:  
 Conservative       Moderate       Aggressive

### Strategy Description

FI, MN, LSD, LS

FI = Fixed Interest Arbitrage Fund

This fund invests only in fixed interest strategies as well as cash

MN = Market Neutral Fund

This fund only invests in equity market neutral strategies where the net exposures are kept at around zero%.

LSND – Long Short Non Directional Fund

This fund only invests in equity long short non directional strategies where the net exposures are kept at between +50% and +120%.

LSD = Long Short Directional Fund

This fund only invests in equity long short strategies where net exposures are kept at between -50% and +120%

To assist in the selection of a risk profile the descriptions below provide an indication of how an investor with a long-term investment outlook (5 to 10 years) should be invested in the various BI products.

| Investment Objective                     | Risk profile | Structure of portfolio   |
|--|--------------|--|
| Capital preservation                     | Conservative | Exposure to mostly market neutral and fixed interest strategies                            |
| Balanced capital growth and preservation | Moderate     | Exposure to market neutral and fixed interest  |
| Maximum capital growth                   | Aggressive   | Large exposure to equity long/short (Directional/Non directional) and market neutral funds |

As the term of the investment shortens this would normally result in lower exposure to equity market strategies (i.e. LS + LSND) first in favor of Fixed Income and then cash. The final recommendation produced will be tailored to the investor's specific circumstances taking into account many other factors such as the need for income and liquidity.

- The investor's risk profile has to be ascertained.

### Select only one answer per question

- |   |   |
|---|---|
| <p>1.1 Which do you do?<br/> <input type="checkbox"/> Rush into things<br/> <input type="checkbox"/> Think long before doing something</p> <p>1.2 Which course do you rather attend?<br/> <input type="checkbox"/> A factual course<br/> <input type="checkbox"/> A theoretical course</p> <p>1.3 Do you prefer a company with<br/> <input type="checkbox"/> A long stable success record<br/> <input type="checkbox"/> Attractive prospects, but which hasn't had a chance to prove itself</p> <p>1.4 Which do you prefer<br/> <input type="checkbox"/> Non-fiction<br/> <input type="checkbox"/> Fiction</p> <p>1.5 Choose a word (thinking of the meaning)<br/> <input type="checkbox"/> Facts<br/> <input type="checkbox"/> Ideas</p> <p>1.6 Do you<br/> <input type="checkbox"/> Act first and think later<br/> <input type="checkbox"/> Think first and act later</p> <p>1.7 It is greater praise to say that a person has<br/> <input type="checkbox"/> A great mind<br/> <input type="checkbox"/> Vision</p> <p>1.8 Do you<br/> <input type="checkbox"/> Plan your weekend<br/> <input type="checkbox"/> Prefer the weekend to develop by itself</p> <p>1.9 It is important<br/> <input type="checkbox"/> To be on time<br/> <input type="checkbox"/> To give attention to urgent business that comes up unexpectedly</p> | <p>1.10 What is important to you?<br/> <input type="checkbox"/> Facts<br/> <input type="checkbox"/> People</p> <p>1.11 Do you<br/> <input type="checkbox"/> Keep your feelings to yourself<br/> <input type="checkbox"/> Show your feelings openly</p> <p>1.12 What are you more concerned about?<br/> <input type="checkbox"/> People's rights<br/> <input type="checkbox"/> People's feelings</p> <p>1.13 What is more important in a difficult situation?<br/> <input type="checkbox"/> Consistent righteousness<br/> <input type="checkbox"/> Understanding and sympathy</p> <p>1.14 Choose one<br/> <input type="checkbox"/> You actually help a tramp by not giving him money<br/> <input type="checkbox"/> Even a small contribution can help a tramp</p> <p>1.15 Choose one<br/> <input type="checkbox"/> Somebody must ensure that a task is completed<br/> <input type="checkbox"/> Somebody must look after the people</p> <p>1.16 Choose one<br/> <input type="checkbox"/> Interruptions disrupt my work<br/> <input type="checkbox"/> Interruptions do not affect my work</p> <p>1.17 I like to<br/> <input type="checkbox"/> Finish matters<br/> <input type="checkbox"/> Keep the process going and keep my options open</p> <p>1.18 Choose one<br/> <input type="checkbox"/> It is important to make decisions<br/> <input type="checkbox"/> If you make decisions, you probably would have to change them anyway</p> |
|---|---|

The following two sections are used to ascertain the investor's financial circumstances and to verify the risk profile specified above.

## Financial circumstances of investor

1. Which of the following best describe the investor's overall financial circumstances:
  - Financial circumstances include income, employment circumstances, emergency reserves, retirement savings, etc.
  - Substantially stable and secure
  - Modestly stable and secure
  - Not sufficiently stable and secure
  
2. What is the state of the investor's net income (monthly income in excess of monthly expenses):
  - Income exceeds expenses by a substantial margin and the client is able to save
  - Income matches expenses
  - Expenses exceed income and the client is drawing on investments to meet expenses
  - Monthly income is not a consideration for this investment
  - Require monthly income from investment
  
3. How does the investor expect their financial circumstances to change over the next five years:
  - Likely to be substantially better than they are now
  - Somewhat better than they are now
  - Likely to be the same as they are now
  - Investor will need proceeds of investment or capital
  
4. Does the investor have emergency savings (liquid assets of at least three times their monthly after-tax income):
  - No
  - Yes, but not adequate
  - Yes
  
5. Approximately what percentage of the investor's total assets does this investment represent:
  - > 90%
  - 60% to 90%
  - 30% to 59%
  - 10% to 29%
  - < 10%
  
6. Do you have compulsory savings of any sort?
 

|  |                              |                             |   |       |
|--|------------------------------|-----------------------------|---|-------|
| <input type="checkbox"/> Yes / No                      |                              |                             |   |       |
| <input type="checkbox"/> Retirement annuities          | <input type="checkbox"/> Yes | <input type="checkbox"/> No | R | _____ |
| Pension Fund   | <input type="checkbox"/> Yes | <input type="checkbox"/> No | R | _____ |
| Provident Fund   | <input type="checkbox"/> Yes | <input type="checkbox"/> No | R | _____ |
| Preservation Funds                                     | <input type="checkbox"/> Yes | <input type="checkbox"/> No | R | _____ |
| In your opinion, is this adequate?                     | <input type="checkbox"/> Yes | <input type="checkbox"/> No |   |       |
| In your financial adviser's opinion, is this adequate? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |   |       |
  
7. Do you have any other discretionary savings
  - Yes / No
  - If yes, approximately how much? R \_\_\_\_\_
  - In your opinion, is this adequate?  Yes  No
  - In your financial adviser's opinion, is this adequate?  Yes  No

## Verification of investor's risk tolerance

1. If the investor were to choose only one of the following investments, which would they select for the purposes of this investment:

Note: This is not necessarily what we will suggest the client invests in.

- Savings accounts, bank deposits, money market funds
- Bonds and fixed income investments
- Shares of older, established companies mostly market neutral strategies
- International equity investments
- Shares of newer, growing companies long short directional and non directional

2. What does the investor first look at when considering an investment:

- The risk of losing any part of the capital or
- Investment performance, where risk is:
  - Very important
  - Of secondary importance
  - Unimportant

3. How important is it that returns are stable from year to year during the investment period:

- Very important - the investor wishes to avoid volatile returns on their portfolio from year to year and is prepared to accept lower returns as a consequence of improved stability
- Neutral - The investor can accept variations in the return from year to year
- Not very important – the investor accepts that, in pursuing a higher return strategy over the longer-term, returns from year to year are likely to vary appreciably

4. How comfortable is the investor with potentially losing part of their investment:

- The investor will not be able to maintain their standard of living
- The investor has emergency reserves and therefore is able to take on a small amount of risk
- The investor can live with price fluctuations
- The investor wishes to pursue an aggressive strategy recognising that the risk of not meeting the objective is relatively high

5. How much experience / knowledge do you have in investing in the financial market?

- Rely solely on what my Financial Adviser recommends
- I provide input and suggestions to my financial adviser and we make decisions together
- I give specific investment instructions to my financial adviser
  - Do you have any specific investment instructions for this investment regardless of recommendations that may arise from this questionnaire?

## Investment objectives

1. What is the primary objective of the investment:

Note: An investment can only have one primary objective.

- To preserve the original amount of capital invested in nominal terms with no allowance for inflation  
(Please answer question 2) or
- To preserve the real value of the original amount of capital invested  
(that is, the capital should be protected against the impact of inflation)  
(Please answer question 2) or
- To generate a steady (level) income during the term of the investment  
(Please answer question 3) or
- To generate a specified income increasing with inflation  
(Please answer question 3) or
- Capital growth in real terms

2. Capital preservation:

When must the capital be preserved?

Please Note:

1. This question is only applicable if capital preservation was selected as the primary objective.
2. We will recommend an optimised investment strategy aiming to preserve capital given the investor's risk profile.  
However the preservation of capital cannot be guaranteed

- At all times during the investment term
- Only at the end of the term (implying that price fluctuations during the investment term are less important)

3. Income requirements:

Please note:

1. This section is only applicable if income generation was selected as the primary objective in question 1.
2. We will recommend an optimised investment strategy to achieve the desired income and capital objectives given the investor's risk profile. However neither the level of income produced, nor the preservation of capital are guaranteed.

3.1 What type of income is required:

- Guaranteed level of income
- Variable income depending on performance (market related portfolio)

3.2 How should this income be provided:

- The investor is prepared to draw from the initial capital to provide the income
- Variable income without eroding the capital (market related portfolio)

3.3 What level of income is required:

\_\_\_\_\_ % per year or R \_\_\_\_\_ per month

3.4 Does the investor have a secondary investment objective:

- To preserve the original nominal amount of capital invested (Please answer question 2 above) or
- To preserve the original capital in real terms (Please answer question 2 above) or
- To maximise capital growth