

Select Wealth Management Limited

Risk Profile Questionnaire

This risk[^] profile questionnaire has been designed for the Select 'Ready-made' portfolios called 'Selected Portfolios'.

Investments can only be placed through Select if you have received advice from an Authorised Financial Adviser, who will help you decide which portfolios may best suit your needs. Select Wealth Management Limited does not provide a personalised financial adviser service in Select. Should you require financial advice you should speak to your financial adviser, if you do not have a financial adviser, and you would like one to contact you please call us on 0800 653 000.

This questionnaire will help you and your financial adviser determine the most appropriate Selected Portfolio that meets your needs.

Take your time to understand each question and provide realistic and honest answers. This questionnaire is designed as a guide only to help you determine your comfort level and acceptance of varying investment returns, and the investment option that most closely corresponds to the risk profile associated with the answers you provide. There are no right or wrong answers.

Please circle the most appropriate response for each of the following seven questions with multiple-choice answers.

If you are unsure of any of the questions, be sure to discuss these with your financial adviser.

Important information

This tool is designed to assist you to determine which Selected Portfolio may best suit your risk profile. This is not a personalised financial plan and you should use this questionnaire for information purposes only. It does not take into account your investment needs or personal circumstances and so is not intended to be viewed as investment or financial advice. Should you require financial advice you should always speak to your Authorised Financial Adviser.

It may be useful to complete a risk profile questionnaire every time your circumstances changes and/or when your financial adviser reviews your portfolio.

For further information, please contact your financial adviser.

To start the Questionnaire, please see over.

Select Wealth Management Limited nor any associated person accept any liability for any loss or damage of any kind arising out of the use of, or reliance on, the information provided in this calculator.

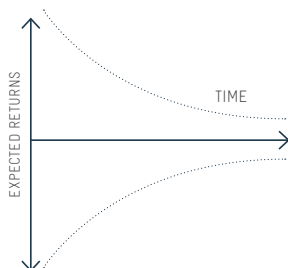
[^] Investing involves taking some risk. The level of risk will vary depending on the portfolio your funds are invested in. If you are seeking higher returns, you need to be willing to accept more risk (i.e. chance of loss). If you are seeking lower risk, you need to be willing to accept lower returns.

Risk Profile Questionnaire

Step One

Please circle the most appropriate response for each of the following seven questions with multiple-choice answers.

The first two questions ask about your time horizon. Time horizon is the length of time over which an investment is made. Knowing your time horizon is extremely important when it comes to choosing the type of investment. In the short term the value of your investment is more likely to go up or down by a larger amount than over a longer term where market returns become more predictable as illustrated below.



All things being equal, you may be able to be less conservative with a longer time horizon. That said, age isn't the only determinant of time horizon, for example a 30 year old who is saving for a house deposit in one year would be investing with a one-year time horizon, despite the fact their retirement is years away. Given the short time frame, it is likely to be appropriate to invest more conservatively because there is little time to make up any losses.

1 My current age is

65 and above years	1
51 to 64 years	2
41 to 50 years	3
31 to 40 years	4
Less than 30 years	5

2 You can withdraw from the Selected Portfolios at any time. When do you plan to make a withdrawal?

Not now, but within 2 years	1
In 2 to 5 years	2
In 6 to 10 years	3
In 11 to 20 years	4
More than 20 years	5

Risk Profile Questionnaire

Step Two

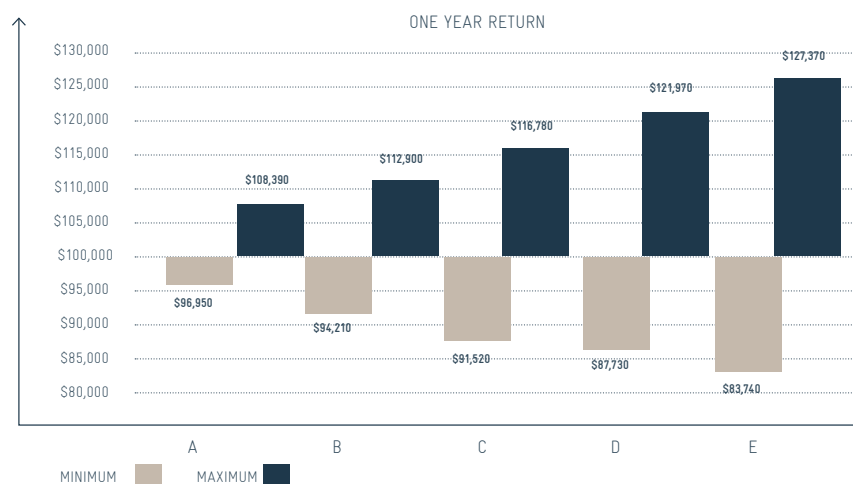
The next two questions ask about your reaction to possible negative returns and your thoughts about shorter-term results. For example, you may not be willing to stay in an investment if it does not have the potential to quickly turn its negative return into a positive return.

Be realistic about your objectives and your expectations when investing.

- 3 The value of your investment may move up and down regularly. Suppose you had \$100,000 invested with Select (and made no other contributions). If after three months the markets had not performed well and your investment dropped in value, which of the following closely aligns with how you may feel?

I would not be comfortable with any loss	1
I would be comfortable with a loss of up to \$5,000 (5%) on my \$100,000 investment	2
I would be comfortable with a loss of up to \$10,000 (10%) on my \$100,000 investment	3
I would be comfortable with a loss of up to \$15,000 (15%) on my \$100,000 investment	4
I would be comfortable with a loss of up to \$20,000 (20%) on my \$100,000 investment	5

- 4 Suppose you had \$100,000 invested. The following graph shows the returns of five hypothetical portfolios over a one-year period. The blue bars (on top) show the potential maximum return, while the tan bars (on bottom) show the potential minimum return each portfolio[#] could experience (note the portfolio with the best potential maximum return also has the largest potential minimum return).



Which of these portfolios would you feel most comfortable being invested in?

Portfolio A	1
Portfolio B	2
Portfolio C	3
Portfolio D	4
Portfolio E	5

[#] Portfolio refers to any collection of financial assets such as stock, bonds and cash. Portfolios may be held by individual investors and/or managed by financial professionals, hedge funds, banks and other financial institutions.

Risk Profile Questionnaire

Step Three

The next three questions ask about your long-term outlook and expectations for your investment. For example, you may be more willing to stay in an investment longer if it has the potential to quickly turn its negative return into a positive return.

Again, please be realistic about your objectives and your expectations when investing.

- 5 Investing involves taking some risk. The level of risk will vary depending on the portfolio your funds are invested in. If you are seeking higher returns, you need to be willing to accept more risk (i.e. chance of loss). If you are seeking lower risk, you need to be willing to accept lower returns.

How do you feel about taking risk over the long term?

I am willing to accept lower returns to limit my chance of loss	1
I am willing to accept some risk and chance of loss to achieve higher returns, but prefer investments with low risk and return	2
I am willing to accept moderate risk to achieve higher returns. Minimising risk and maximising return are equally important to me	3
I am willing to accept high risk to achieve high returns	4
I want to maximise my returns. I am not concerned with risk or seeing my investment balance fall. I accept there will be significant fluctuations in my investment balance	5

- 6 Inflation is the term used to describe a rise of average prices through the economy. In NZ, the Reserve Bank's target is to maintain an inflation rate between 1% to 3%, which means that on average, the value of goods and services increase between 1% and 3% each year. For example, \$100,000 in 2006 is worth approximately \$122,000 in today's money when adjusted for inflation*. If your investment is not returning at least the same rate of inflation, the 'real value' of your money has reduced.

What is your outlook towards your portfolio returns in relation to inflation?

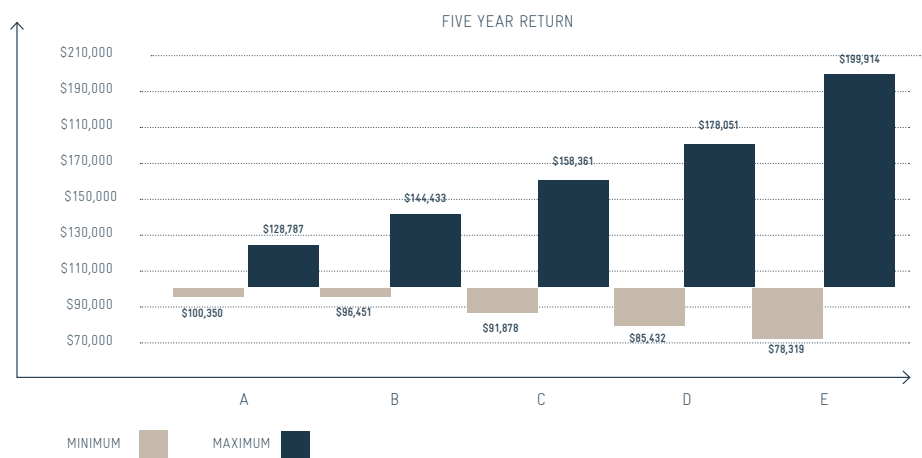
I do not want to see my portfolio returns fall at any time	1
I would be comfortable with my portfolio returns being about the same as the rate of inflation	2
I would be comfortable with my portfolio returns being marginally above the rate of inflation	3
I would be comfortable with my portfolio returns being well above the rate of inflation	4
I would be comfortable with my portfolio returns being significantly higher than the rate of inflation	5

* Source: Inflation calculator by Statistics New Zealand - Q1 2006 compared to Q1 2016

Risk Profile Questionnaire

Step Three continued

7 Suppose you had \$100,000 invested. The following graph shows the returns of five hypothetical portfolios over a five-year period. The blue bars (on top) show the potential maximum return, while the tan bars show the potential minimum return each portfolio could experience (note the portfolio with the best potential maximum return also has the largest potential minimum return).



Which of these portfolios would you prefer to be invested in?

Portfolio A	1
Portfolio B	2
Portfolio C	3
Portfolio D	4
Portfolio E	5

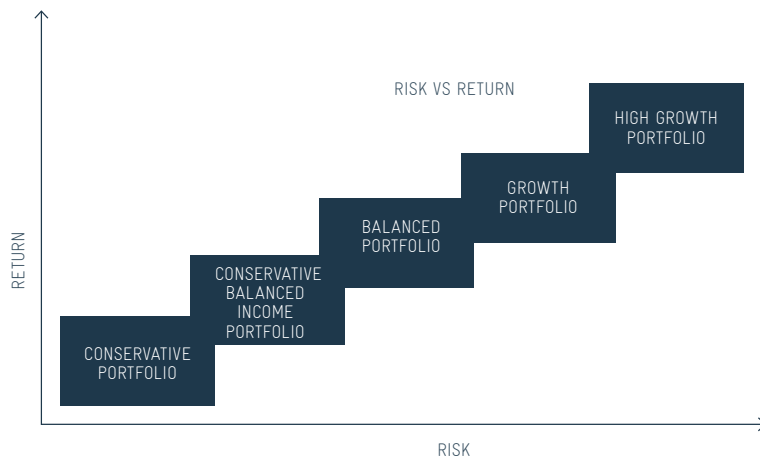
Results

Go back and add up your score to see which group you fall into

7 - 11	Conservative Investor
10 - 15	Conservative Balanced Income Investor
14 - 22	Balanced Investor
21 - 28	Growth Investor
27 - 35	High Growth Investor

If your score falls into one of the overlapping values (e.g. 11), you may be either of the Investor types (e.g. Conservative/Conservative Balanced Income Investor).

View the illustration and description to the right, to see if you agree with your score results. If yes, complete page 7. If no, please talk with your financial adviser



Conservative Investor

You are more comfortable with stable investments and are not willing to accept much risk. However, if you have a longer time horizon, you are willing to accept a low level of volatility* in your returns over the short term, as long as in the medium term, the value of your capital is preserved. A portfolio that may suit a Conservative investor profile is the Selected Conservative Portfolio. For more information, refer to <http://www.selectwealth.co.nz/selected-investment-portfolios>.

Conservative Balanced Income Investor

You want to protect your capital, seek some growth in the medium term and receive some income along the way, from distributions. You are not comfortable with significant fluctuations in your portfolio, but you understand that some risk is needed to achieve more growth over the long term. A portfolio that may suit a Conservative Balanced Income investor profile is the Selected Conservative Balanced Income Portfolio. For more information, refer to <http://www.selectwealth.co.nz/selected-investment-portfolios>.

Balanced Investor

You want to protect your capital, but also seek some growth in the medium term. You are not comfortable with significant fluctuations in your portfolio, but you understand that some risk is needed to achieve more growth over the long term.

A portfolio that may suit a Balanced investor profile is the Selected Balanced Portfolio. For more information, refer to <http://www.selectwealth.co.nz/selected-investment-portfolios>.

Growth Investor

You generally have a long-term timeframe and are comfortable with the higher level of risk associated with shares. You accept that short-term fluctuations will occur in the value of your investment if you are seeking higher capital gain in the long term. A portfolio that may suit a Growth investor profile is the Selected Growth Portfolio. For more information, refer to <http://www.selectwealth.co.nz/selected-investment-portfolios>.

High Growth Investor

You generally have a long-term timeframe and are comfortable with the higher level of risk associated with shares. You accept that short-term fluctuations will occur in the value of your investment if you are seeking higher capital gain in the long term. A portfolio that may suit a High Growth investor profile is the Selected High Growth Portfolio. For more information, refer to <http://www.selectwealth.co.nz/selected-investment-portfolios>.

* Volatility is the relative rate at which the value of an investment security moves up and down. If the value of an investment security moves up and down rapidly over short time periods, it is high volatility. If the value almost never changes, it is low volatility.

Results continued

Based on your answers to the questions in this Risk Profile Questionnaire, you are a

investor.

Signature: _____

Name: _____

Date: _____

While the above assessed my investment risk profile as being a _____

Investor, I believe I am better described as a

Investor and want to receive advice on that basis.

Signature: _____

Name: _____

Date: _____