**Your emotional tolerance to investment risk (ATR)**

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|  | **Risk descriptions** | **Risk consequences** | **Usually ideal for** | **Risk you choose** |
| **No Risk** | There is no risk to capital. Typically, investments will be savings and deposits. | Capital is secure and accessible (not always immediately) but there is an inevitable loss in value after the effects of inflation. | People who are not investors, but are just looking to protect their capital. |  |
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| **Low Risk** | Small rises and falls in value.  Over time, expectation would be to grow to cover inflation but not much more. | Investments will be accessible. In the short-term, small capital losses may occur, but in the longer term, small returns above inflation are expected but not guaranteed. Large capital growth is not expected even in the long term. | People who have sufficient money to cover lifestyle expenses, and are investing to just to protect the after-inflation value of their investments or make up a small shortfall. |  |
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| **Medium Risk** | Significant but not large rises and falls in value. Over time, expectation would be to grow to cover inflation by some margin. | Investments will be accessible. In the short-term, capital losses may occur, but in the longer term, significant returns above inflation are expected, but not guaranteed. | People who need significant growth in capital over the longer term, typically those still working and saving to retire. Also for those that don’t need significant growth, but also wish to take more than inflation risk. |  |
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| **High Risk** | Large rises and falls in value would be expected. Over time, the expectation would for large growth, but with chances of significant losses. | Investments may not always be immediately accessible. Losses may take some time to be recovered, and in some circumstances initial values may not be recovered. Over longer time periods, large gains would be expected but not guaranteed. Investments would be particularly susceptible to catastrophes such as the 1987 and 2007 crashes. | People who need to make large profits mainly over the relatively short term (although 5 years +). Alternatively, people with significant growth requirements but with very long time horizons, or people who don’t need to take risk but just want to. |  |
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| **Gamblers Risk** | Expectation would be for very large growth but with equally large losses also possible. | Investments will often not be immediately accessible. Gain can be very large in relatively short time spans. Total loss of capital is a realistic outcome too. | People with excess capital which if lost would not impact on standard of living, and who enjoy the emotional effect of gambling. |  |

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| **Client Name:** |  | **Signature:** |  |
| **Date:** |  | | |