

Investment Risk Profile Questionnaire

Introduction

When making an investment decision, the growing complexity of the economic world and investment markets makes it exceptionally difficult to identify and select the appropriate investment portfolio. Both global economic and market conditions, as well as your own needs and circumstances, change continuously influencing the selection of a suitable investment portfolio or fund for you.

Investment risk, defined as the degree of uncertainty surrounding the outcome of your investment return, is one of the most important cornerstones when making an investment decision. The level of risk you are willing to take, your liquidity needs and the time frame of your investment planning will influence your investment choice. Integrated Managed Investments has created an Investment Risk Profile Questionnaire combining these aspects, to assist you in determining your risk tolerance level. This will help to you make a judicious investment decision in consultation with Integrated Managed Investments.

We encourage you to revise your investment portfolio and to repeat this questionnaire at least every 12 to 18 months to incorporate any possible changes in your specific financial needs and/or goals that may have occurred over the period.

Procedure

- Step 1 Complete the underlying three sections of the Risk Profile Questionnaire.
 - Step 2 Tally your score and mark the corresponding block in the "Guide to Selecting an Investment Portfolio"
 - Step 3 Study the description of the corresponding "Generic Investor Risk Profile" and determine whether that description or, any of the other, best describes your investment needs and goals regarding this investment.
 - Step 4 Select the corresponding Risk-profiled Portfolio. Please take the time to understand the risk/return relationship regarding the different portfolios.
 - Step 5 Sign the declaration
-

Client and investment details

Surname _____

First Name _____

Address _____

Date of birth _____

Investment amount:

Lump Sum _____

Recurring _____

Source of funds

Discretionary
(e.g. inheritance) _____

Compulsory
(e.g. retirement proceeds that must be used to buy an income generating investment) _____

Selecting a suitable investment portfolio when making an investment is a complex decision which takes into consideration a number of factors. These factors include; changing investment markets, your personal circumstances and your appetite for investment risk. This risk profile questionnaire has been developed to assist you in using these factors to enable you to determine your risk tolerance level. In developing the questionnaire, we have assumed that the longer the investment term, the higher the level of risk that may be accepted within a portfolio, provided that it is possible to achieve higher returns and outperformance in exchange for this position.

The questionnaire looks at three areas:

- A. Establishing the primary investment objective
- B. Determining the investment term
- C. Ascertaining the tolerance for risk or risk profile

It is important for you to align your reasonable return expectations with your risk profile. For example, conservative or cautious investors should not expect the highest return available if they are unwilling to accept an additional element of risk within the investment.

Primary objective

| | | Score |
|----|---|-------|
| 1. | The principle objective of this investment is... | |
| | a. To generate income | 3 |
| | b. To preserve or guarantee investment capital | 6 |
| | c. To achieve real returns (i.e. returns that beat inflation) | 9 |
| | d. To achieve maximum capital growth | 10 |

Investment term

In the questionnaire, the investment term carries the most weight regarding the questions asked. It is generally agreed that asset allocation is one of the most important considerations when making an investment decision. More than 90% of the variance in returns is directly attributable to asset allocation. For investment terms of less than one year, bank products should be immediately considered.

| | | |
|----|--|----|
| 2. | The investment term for this investment is... | |
| | a. Less than 1 year | 3 |
| | b. 1 to 3 years | 6 |
| | c. 3 to 5 years | 9 |
| | d. More than 5 years | 13 |

Risk profile

This section is aimed at determining the investor's appetite for risk.

1. I understand the effects of inflation. I prefer:

| | | |
|----|--|---|
| a. | To accept an appropriate level of risk as I require my investment to perform well ahead of inflation over time | 5 |
| b. | To accept an appropriate level of risk as I require my investment to keep up with inflation over time | 3 |
| c. | To preserve my capital at all costs even though this may mean returns are sometimes less than inflation | 1 |

2. How important is it to you to achieve stable, consistent returns from this investment year in & year out?

| | | |
|----|--|---|
| a. | Not very important, provided that the long-term outcome produces an above-average return that outpaces inflation. I would be prepared to accept some losses in the short term, provided that the long term gain marginalise these losses | 5 |
| b. | Reasonably important, but I can accept marginal variances in the value of my portfolio on a year-on-year basis, but would not like this to persist for longer periods than about one year. The overall return of the portfolio should, however, outperform inflation over time | 3 |
| c. | Very important and I wish to avoid a position where returns generated from the portfolio are erratic and lead to volatile swings in my fund values on a year-to-year basis | 1 |

- 3. What is the maximum capital loss that you would be willing to bear over the short-term if markets fell?**
- a. Above 20% - I am prepared to accept above average risk and consider myself an aggressive investor 7
 - b. 10% to 20% - I understand that markets fall over short periods and consider myself to be a moderate-risk investor 5
 - c. 0% to 10% - I can tolerate a small drop in value for short periods and consider myself to be a cautious investor 4
 - d. I would really not like to face the possibility of a capital loss and consider myself to be a conservative investor 3
- 4. My first consideration when approaching this investment is:**
- a. I am willing to take more risk in order to beat inflation and obtain possible capital growth 5
 - b. I am committed to the investment term and believe that I have the discipline required to succeed with my investment strategy. Short-term performance and attributes, while remaining important, are of secondary importance 3
 - c. The level of risk is most important to me and I am willing to achieve more subdued returns in order to be exposed to less risk 1
- 5. When it comes to investing:**
- a. I invest in shares, make my own decisions on what to buy and sell and understand the risks of doing so 5
 - b. I fully understand financial matters and understand the risks associated with investments, but do not actively manage my own investments 3
 - c. I understand basic financial matters and understand the risks associated with investments. I consider my investment knowledge to be average 2
 - d. I do not understand investments and have very little exposure to the various investment products. I consider my investment knowledge to be below average 1
- 6. In times of excessive market volatility and fluctuation I:**
- a. Am able to adhere to a long-term strategy, and am comfortable that markets are often very volatile in the short term 5
 - b. Am tempted to sell after a year if things have not recovered 3
 - c. Will sell if the underperformance of my investment prevails for more than six months 2
 - d. Am very concerned and am tempted to sell immediately 1
- 7. Assuming an inflation rate of 6%, which of the following outcomes is most acceptable to you if you invested R100 000 for five years?**
- a. Best case: R250 000; worst case R80 000 10
 - b. Best case: R195 000; worst case R90 000 5
 - c. Best case: R140 000; worst case R100 000 1
- (Note: if the investment had grown with inflation of 6%, it would be worth R133 823 after five years)**
- 8. How dependent are you on the proceeds of this investment and how much capital can you afford to lose at the end of the investment term?**
- a. Not dependent at all; I can take risks that may lead to capital losses over the term 7
 - b. Partially dependent; I would not like to be too risky, but can tolerate a marginal loss of capital between 5% and 10% 6
 - c. Fairly dependent; this is a major component of my portfolio and I would not like to lose more than 5% of the investment capital 5
 - d. Totally dependent; this investment should cover my future needs and I would not like to lose capital on maturity of the investment 3
- 9. Would you accept risk to potentially enhance your return significantly (above your target return)?**
- a. I am prepared to take the chance and accept more risk than normal in pursuit of this objective. 5
 - b. I am prepared to accept a higher level of risk, but require a measure of certainty that the higher return is reasonably possible 4
 - c. I would be willing to consider the proposal but would be inclined to follow the safer route of not accepting the additional risk 3
 - d. I am unwilling to take on more risk than I have to 2

SCORECARD: Based on the information that you have provided, your score is:

Investor risk profile

Conservative: Score 20 to 30

Cautious: Score 31 to 45

Investors who require stability, and are more concerned about protecting their capital than in increasing the real value of the investment

Moderate: Score 46 to 65

Investors who require real growth on their investment. A fair degree of volatility and fluctuation in capital is acceptable

Aggressive: Score 66 to 77

Investors who require higher levels of capital growth and generally have a longer investment horizon. Substantial year-on-year fluctuations in capital and volatility are acceptable in exchange for a potentially higher long-term return.

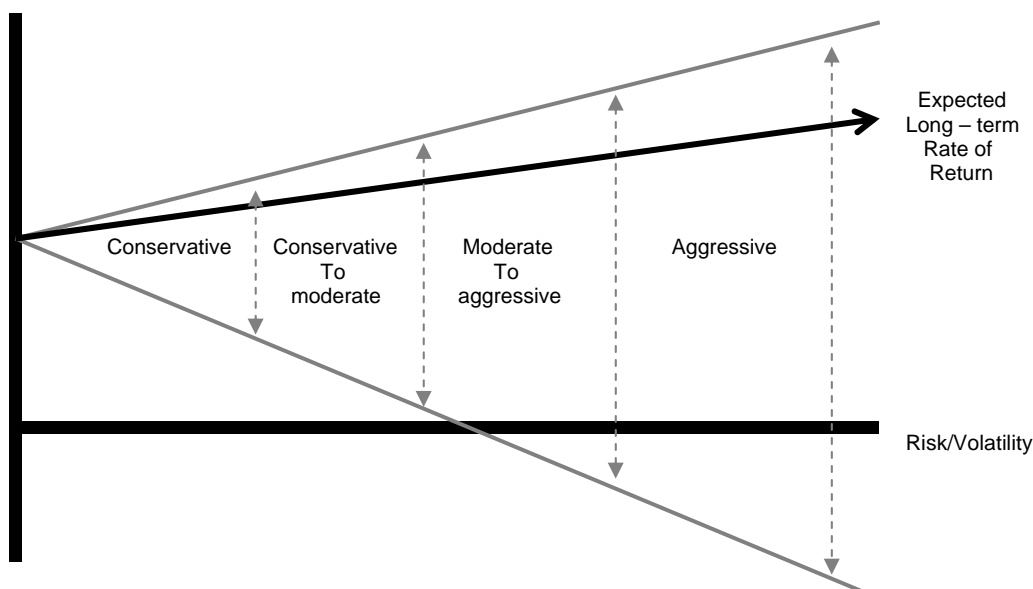
Selecting an investment portfolio

Once the investor risk profile is obtained, the next step is to select the appropriate investment objective and investment term that coincides with the investor profile as defined above.

A set of asset allocations has been proposed, based on each of these investor profiles and extends to offer solutions for various investment objectives and terms. These asset allocation models are selected in accordance with Integrated Managed Investments' view and will be updated from time to time.

Investment portfolios are actively managed according to a specific risk profile, guided by the risk/return relationship of investment markets. This relationship implies that the higher the potential return offered, the higher the risk of losing part of the investment. Over the long term a low risk investment generally produces a lower return than a high-risk alternative. However, the high-risk investment could experience more fluctuations over the short term.

The illustration indicates potential fluctuations of capital in the underlying investment portfolios:



Important note regarding offshore exposure

Offshore exposure is taken into consideration when constructing your portfolio. Integrated Managed Investments will continuously make use of relevant fund fact sheets to establish the level of exposure in a particular fund or, managed portfolio, as well as the asset allocation and benchmark of each fund or managed portfolio.

Suggested strategic asset allocation for a five-year investment term

Income

| | <i>Conservative investor</i> | <i>Cautious Investor</i> | <i>Moderate-risk investor</i> | <i>Aggressive investor</i> |
|---------------|------------------------------|--------------------------|-------------------------------|----------------------------|
| Local equity | 10% | 15% | 20% | 25% |
| Local bonds | 50% | 50% | 45% | 45% |
| Local cash | 25% | 20% | 20% | 15% |
| Global assets | 15% | 15% | 15% | 15% |
| TOTAL | 100% | 100% | 100% | 100% |

Growth

| | <i>Conservative investor</i> | <i>Cautious Investor</i> | <i>Moderate-risk investor</i> | <i>Aggressive investor</i> |
|---------------|------------------------------|--------------------------|-------------------------------|----------------------------|
| Local equity | 25% | 35% | 50% | 60% |
| Local bonds | 40% | 30% | 25% | 15% |
| Local cash | 20% | 20% | 10% | 10% |
| Global assets | 15% | 15% | 15% | 15% |
| TOTAL | 100% | 100% | 100% | 100% |

Investor declaration

I understand and declare that:

1. Integrated Managed Investments has designed this Risk Profile Questionnaire as a guide to assist in selecting an investment portfolio and it does not constitute advice.
2. It remains my responsibility, in consultation with my Financial Planner, to select a specific portfolio to meet my investment objectives and risk tolerance.
3. My Financial Planner has conducted a proper needs analysis and has recommended an appropriate investment vehicle to meet my requirements.

Name _____

Investor Signature _____

Date _____

Financial Planner declaration

I understand and declare that:

1. Integrated Managed Investments has designed this Risk Profile Questionnaire as a guide to assist in selecting an investment portfolio and does not constitute advice.
2. I am responsible for any financial and/or investment advice given to the investor.
3. Financial Planners are required to conduct an appropriate financial needs analysis for the investor in order to recommend an appropriate investment vehicle to the investor.

Name _____

**Signature of
Financial Planner** _____

Date _____