



A GUIDE TO OUR RISK ATTITUDE PROFILING QUESTIONNAIRE

WHAT IS RISK?

Technically-speaking, risk means that there could be a number of different possible outcomes associated with a particular action or activity and we do not know beforehand which one will occur. Think about tossing a coin, for example.

In more everyday terms, people often think of risk as being the prospect of an undesirable outcome, such as making a financial loss. Another way of putting that could be the chance of not meeting your goals or objectives.

Risk exists in a number of different situations, but our concern here is with investment risk. By investment risk we mean the volatility associated with the prices on and returns from investments.

WHY IS RISK IMPORTANT?

The more risk you take the higher your potential return – but the greater your chance of loss.

Understanding your attitude to risk is one of the most important factors when choosing the right investment. It means you can aim to maximise returns in a way you're comfortable with.

WHAT IS YOUR ATTITUDE TO RISK?

Everybody's view of risk is different. Some people are comfortable taking risks while others are naturally more risk averse.

You may already know your risk attitude, but if not, don't worry. We can help you work it out. Simply complete our Risk Attitude Profiling Questionnaire at royallondon.com/riskattitude

ABOUT THE ONLINE RISK QUESTIONNAIRE

- All of the questions were tested in an independent pilot study.
- Responses came from a sample of 2008 adults representative of the British population.
- The study was carried out online by market research firm YouGov.

HOW DOES IT WORK?

All you have to do is answer twelve simple questions about your current situation, feelings and attitude to risk. A report is then produced which confirms your answers and gives you an idea of your risk category. There are seven possible risk categories. These are detailed overleaf.

IMPORTANT INFORMATION

The suggested risk category is based on your responses to the questionnaire.

The category descriptions are based on our own analysis and may differ from those provided by other companies.

Investment choice should not be based on risk attitude analysis alone as other factors need to be taken into consideration.

We recommend that you seek financial advice before you make any investment decisions.

The report produced is designed to assist you in determining your attitude to risk. The report should not be construed as Royal London giving advice. Royal London will not be held responsible for any advice or recommendations made based on the results provided in the report.

Further details on our **Risk Attitude Profiling Questionnaire** are available from our website, royallondon.com/pensioninvestments

For more information about our investment options please speak to your financial adviser.

RISK CATEGORY

Very Cautious

Knowing your capital is safe is more important to you than high returns. You aren't comfortable with the thought of investing in the stock market and would rather keep your money in the bank.

Cautious

You generally don't like to take risk with your investments. You would prefer to keep your money in the bank, but would be willing to invest in other types of investments if they were likely to be better for the longer term.

Moderately Cautious

You're usually uncomfortable taking risk with your investments, but would be willing to do so to a limited extent. You realise that risky investments are likely to be better for longer term returns.

Balanced

You appreciate that you have to take investment risk in order to be able to meet your long-term goals. You're willing to take a risk with at least part of your available assets.

Moderately Adventurous

You're willing to take on investment risk and understand that this is crucial in terms of generating long-term returns. You're willing to take a risk with a substantial proportion of your available assets.

Adventurous

You're happy to take on investment risk and understand that this is crucial in terms of generating long-term returns. You're willing to take a risk with most of your available assets.

Very Adventurous

You're looking for the highest possible return on your capital and are willing to take considerable amounts of risk to achieve this, usually with all of your available assets.



Royal London

1 Thistle Street, Edinburgh EH2 1DG

royallondon.com

All literature about products that carry the Royal London brand is available in large print format on request to the Marketing Department at Royal London, St Andrew House, 1 Thistle Street, Edinburgh EH2 1DG.

All of our printed products are produced on stock which is from FSC® certified forests.

The Royal London Mutual Insurance Society Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The firm is on the Financial Services Register, registration number 117672. It provides life assurance and pensions. Registered in England and Wales number 99064. Registered office: 55 Gracechurch Street, London, EC3V 0RL. Royal London Marketing Limited is authorised and regulated by the Financial Conduct Authority and introduces Royal London's customers to other insurance companies. The firm is on the Financial Services Register, registration number 302391. Registered in England and Wales number 4414137. Registered office: 55 Gracechurch Street, London, EC3V 0RL. Royal London Corporate Pension Services Limited is authorised and regulated by the Financial Conduct Authority and provides pension services. The firm is on the Financial Services Register, registration number 460304. Registered in England and Wales number 5817049. Registered office: 55 Gracechurch Street, London, EC3V 0RL.