

## Process of client risk profiling

Clients will be classified as low risk appetite, medium risk appetite and high risk appetite based on the score obtained by answering the following questionnaire. Once, the score is obtained client will be offered services which suits his/her risk appetite. The classification of the services is also mentioned below.

Questionnaire for risk profiling of the client

Name of the Client:- \_\_\_\_\_

Question No.	Questions	Weightage Allotted	Rational for weightage
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<b>Q-1</b>	<b>What is your Age Group?</b>		A younger person can take more risk in comparison to an aged person.
	Below 23	0	
	23-35	2	
	35-45	1.5	
	45-60	1	
	Above 60	0.5	

<b>Q-2</b>	<b>Your Occupation (Please select the appropriate)</b>		Direct question with no weightage to understand client profile via his /her earning source.
	Employed / Service		
	Self employed / Businessman		
	Housewife / Student		
	Retired person		
	Others		

<b>Q-3</b>	<b>What is your Gross Annual Income?</b>		People with higher income have more risk appetite.
	Below 2 Lac	0.5	
	2-5 Lac	1	
	5-10 Lac	1.5	
	More than 10 Lac	2	

<b>Q-4</b>	<b>How many dependents do you financially support ?</b>		Less dependents gives more risk taking ability.
	None	2.5	
	Between 1-3	1.5	
	4+	1	

<b>Q-5</b>	<b>What percentage of monthly income is</b>		
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	<b>allocated to pay off debt [all EMIs]?</b>		
	None	2	High debt reduces risk taking capacity so weightage given according to that prospect.
	Between 0-20%	1.5	
	Between 20-35%	1	
	Between 35-50%	0.5	
	More than 50%	0	

	<b>What percentage of monthly income can be invested?</b>		
Q-6	0 to 10%	0.5	More percentage of monthly income for investment has higher risk appetite.
	11 to 20%	1	
	21 to 30%	1.5	
	More than 30%	2	
	I currently have no Income	0	

	<b>Which of the following best describes your Investment goals?</b>		
Q-7	Capital appreciation	1	Capital appreciation requires medium / long term investment period which is less riskier than short term.
	Regular Income	2.5	
	Capital appreciation with Regular Income	1.5	

	<b>What is the time frame for you to achieve your financial goals?</b>		
Q-8	Less than 1 year	0.5	Longer the time horizon greater the weightage would be given in terms of risk associated.
	1-3 years	1	
	3-5 years	1.5	
	More than 5 years	2	

	<b>How much is your Risk taking capacity?</b>		
Q-9	High	2.5	This question is related to ascertain risk appetite.
	Medium	1.5	
	Low	1	
	None	0	

	<b>What is your proposed investment amount?</b>		
Q-10	Below 1 Lac	0.5	People with more money to invest may have higher risk appetite.
	1-2 Lac	1	
	2-5 Lac	1.5	
	More than 5 Lac	2	

Q-11	<b>For how long would you like to keep your investment?</b>		
	Intraday	2	Intraday being the higher risky has the highest weightage allotment.
	Short Term	1.5	
	Medium Term	1	
Long Term	0.5		

Q-12	<b>Do you have any experience related to Investments?</b>		
	Less than 1 year	0.5	More investment experience allows the investor to take more risk.
	1-3 years	1	
	3-5 years	1.5	
More than 5 years	2		

Q-13	<b>How was your previous experience related to investment?</b>		
	Very Good	2	A person who understands the ups and downs of market and has a good experience may have risk taking ability.
	Good	1.5	
	Moderate	1	
Bad	0.5		

Q-14	<b>What is market value of Portfolio you hold?</b>		
	Less than 1 Lac	0.5	Larger the portfolio size, more is the risk appetite. Thus higher weightage given to large portfolio holding and vice versa.
	1-2 Lac	1	
	2-5 Lac	1.5	
More than 5 Lac	2		

Q-15	<b>What is the size of your emergency fund?</b>		
	Do not have	0	Higher emergency fund size gives more risk taking ability.
	1-3 months income	1	
	3-6 months income	1.5	
More than 6 months income	2.5		

Q-16	<b>What is your preference w.r.t securities with low risk, low return over high risk, high return ?</b>		
	Strongly Prefer	0	Low weightage given to the person who prefer low risk low return model and vice versa.
	Prefer	0.5	
Indifferent	1		

	Do not prefer	1.5	
	Strongly do not prefer	2	

<b>Q-17</b>	<b>I would start to worry about my investments if my portfolio value falls</b>		
	Less than 5% per annum	0	High risk taker will be given more weightage
	5 to 10% per annum	0.5	
	10 to 20% per annum	1	
	20 to 30% per annum	1.5	
	More than 30% per annum	2	

<b>Q-18</b>	<b>Maximum allocation in your current portfolio pertains to</b>		
	Savings and fixed deposits		Direct question related to current investment allocation. No weightage given.
	Bonds		
	Equities		
	Mutual Funds		
	Derivatives options, swaps and futures		