

Declaration

- 1 Investment recommendations will be made based on my responses to the answers given in this questionnaire, which are a true and accurate reflection of my risk tolerances and investment return expectations.
- 2 I/we understand that based on these responses I/we fall into the classification:

and agree with the definition of this as described below.

- 3 The nature of investment markets means that it cannot be guaranteed that recommended investments will perform in line with expectations based on historic performance. I/we are happy to proceed on this basis and understand that no guarantee is given or implied.

Client

Name _____ Signature _____ Date _____

Name _____ Signature _____ Date _____

Adviser

Name _____ Signature _____ Date _____

Investor classification based on risk tolerance and expectation of returns.

A. Minimal risk and return

You have a very low tolerance of investment risk and return and the need to protect your capital at all times is of paramount importance. You are not prepared to lose money and will not accept fluctuations in the value of your capital. Your answers also indicate low expectations of returns. The returns you require should be easily achieved with minimal investment risk primarily through investment in deposits.

B. Low risk and return

You have a low tolerance of investment risk. This implies you would accept a small amount of investment risk but only if this can be achieved without large variations in the value of your investments. This means that diversification is important- holding different types of asset is one sure way of damping down fluctuations in the value of your portfolio. Your answers indicate a low expectation of returns, somewhat above what you could get from deposit accounts.

C. Moderate risk and return

You indicate a general acceptance that returns significantly higher than you can get on deposit cannot be achieved without some degree of investment risk. However, your responses indicate that you are unwilling to take much risk within your overall portfolio. The benefits of diversification will be important since this is designed to mitigate the unavoidable risks involved in those investments that generate higher returns. Your expectation of returns higher than those you could get from deposits should be met with a diversified range of assets generating some income as well as capital growth.

D. Above average risk and return

You accept that investment risk is inevitable if you are going to achieve more attractive returns than you can get from deposits, and that there will therefore be fluctuations in the value of your investments. Because such fluctuations are inevitable, you need to diversify capital between different types of asset to reduce their scope, and should take a 5-10 year view of your investments.

E. High risk and return

You have a high tolerance of investment risk and expect to achieve a significantly higher return on your investments than you could from deposits. To achieve these higher returns, your investments will need to include funds subject to higher levels of price fluctuation and the value of your investments may fall sharply. These fluctuations can be offset to some extent by diversification- holding several different types of asset - but you need to have a long-term view of 5-10 years to enable your investments to produce satisfactory results.

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Risk and Return Questionnaire

The need to establish parameters for investment

Before making or reviewing an investment it is important to establish objectives and also parameters with regard to risk tolerance and investment return expectations. This questionnaire will assist your adviser in preparing recommendations of suitable investments for you.

Risk Questionnaire

The number corresponding to your answer should be circled.

Section One - Your knowledge of investing

In order to advise you on investing, we need to understand your experience and involvement in investment decisions.

A I would describe my knowledge of investments as:

- 1 Minimal 2 Low 3 Average
- 4 Above Average 5 Sophisticated

B My involvement in managing my investments in the past has been:

- 1 None 2 Minimal 3 Occasional
- 4 Regular 5 Active

C Going forward, I would like my involvement in the management of my investments to be:

- 1 None 2 Minimal 3 Occasional
- 4 Regular 5 Active

Section Two - Your attitude towards risk

The way you feel about risk in investing often relates to your general attitude to risk.

D I personally believe that when investing, protecting what you have is most important:

- 1 Strongly agree 2 Somewhat agree 3 Neither agree or disagree
- 4 Somewhat disagree 5 Strongly disagree

E I worry less about investment decisions than most people I know:

- 1 Strongly disagree 2 Somewhat disagree 3 Neither agree or disagree
- 4 Somewhat agree 5 Strongly agree

F I am prepared to forego potentially large gains if it means the value of my investment is secure:

- 1 Strongly agree 2 Somewhat agree 3 Neither agree nor disagree
- 4 Somewhat disagree 5 Strongly disagree

Section Three - Your attitude to price fluctuations

To achieve high returns, you usually have to accept a high level of variation in prices. Often, the investments with the biggest short-term price variations produce the highest returns over the long term. We need to know your attitude to this.

G I am willing to accept that my investments will fluctuate and could fall below their original value:

- 1 Strongly disagree 2 Disagree 3 Unhappy, but agree
- 4 Agree 5 Strongly agree

H If your portfolio fell in value by more than (say) 10% in a twelve month period, what would your attitude be?

- 1 Extremely concerned and worried 2 Concerned
- 3 Mildly concerned 4 Unconcerned
- 5 Would expect this type of fluctuation.

I If one fund within my portfolio were to fall sharply in value I would:

- 1 Wish to sell this fund immediately
- 2 Contact my adviser to seek reassurance
- 3 Be concerned but take this in the context of the performance of all my investments
- 4 Accept this characteristic of the performance within all of my investments
- 5 Contact my adviser to discuss the possibility of adding to my investment in that fund

J If my portfolio fell in value I would become very concerned once paper losses were:

- 1 Up to 10% 2 Between 10% and 15%
- 3 Between 15% and 20% 4 Between 20% and 25%
- 5 Over 25%

Section Four - Investment return expectation

Having reviewed your attitude to risk, we need to put this in the context of your expectations of returns from your investments.

K I would expect the total annual return from my investments (income plus capital growth) to exceed the return from a typical building society account by an average of:

- 1 Up to 1% a year 2 1% to 2% a year 3 2% to 3% a year
- 4 3% to 5% a year 5 Over 5% a year

L I would expect the value of my investments always to be greater than if I had left the money on deposit:

- 1 Strongly agree 2 Somewhat agree 3 Neither agree nor disagree
- 4 Somewhat disagree 5 Strongly disagree

M I can tolerate the risk of large losses in my investments in order to increase the likelihood of achieving high returns:

- 1 Strongly disagree 2 Somewhat disagree 3 Neither agree nor disagree
- 4 Somewhat agree 5 Strongly agree

Section Five - Client/adviser comment

This records any additional information or relevant experience that may contribute to the assessment of risk tolerance or expectation.

Client/adviser comments:

Please turn over and sign where indicated