

A C EGGLETON & CO

RISK PROFILES

Conservative

Completely risk averse, preferring to place money only on deposit in bank and building society type institutions. Investments in equity shares are not appropriate and nor are corporate bonds or property.

Cautious

Prepared to accept some degree of risk by investing in broadly based collective funds with a modest exposure to equity shares (in established companies), property and loan stocks, but with minimal overseas exposure, and is able to understand and be comfortable with the investment fluctuating in value, on occasion quite significantly.

Balanced

Prepared to invest in broadly-based collective investments with more substantial exposure to equity shares and of greater diversity, as well as property and loan stocks, and may have a modest overseas component in mature markets (with its additional risk/reward potential arising from currency fluctuations). The crunch question for this investor is: you have invested £7,000 just 6 months ago, there has been a sharp fall in the stock market and your investment is now worth £4,900. How do you feel? Relaxed? Comfortable? Or worrying yourself silly? If the latter then you belong in a lower risk category.

Adventurous

As balanced, but may extend to direct investment in individual equities and corporate loan stocks and more narrowly-based industry/activity specific collective funds and a more substantial overseas component, including in emerging markets

Speculative

All investments in equity shares, loan stocks and property related securities contain a speculative element. However, the speculative investor seeks to actively identify opportunities which have prospects of rapid growth and these almost by definition will be very narrowly-based, niche investments with a consequent severe risk to capital.