

Why Take the FinaMetrica Risk Tolerance Profile?

You know how some people have a natural instinct for avoiding risk, while others are drawn to it like fireflies? Well, the FinaMetrica Risk Tolerance profile allows us to pinpoint your natural tolerance for risk, so we both know exactly where you stand. When we do that, we know how much you're willing to let your portfolio dip for the chance at some above-average returns. That means we won't make any rash decisions, selling when we should be buying or buying when we should be selling.

We can even use it to assess the risk tolerance profiles of couples, ensuring we reconcile any differences between you long before there is ever a problem.

It means less stress and panic for you and better long-term advice from me.

What you can expect from FinaMetrica

- ❖ Gain a better understanding of your financial self and financial risk.
- ❖ Highly personalised report.
- ❖ Better understand how your risk tolerance relates to alternative portfolio outcomes through the FinaMetrica Risk and Return Guide.
- ❖ I, as your advisor, get to know your needs faster and more accurately resulting in better advice.
- ❖ Both you and I value the outcome of a planning process where you can make a properly informed decision as to the financial risk in your plan.

About FinaMetrica

The FinaMetrica Risk Tolerance Profile was launched in 1998. It was developed and trialed in Australia over four years with the assistance of the University of New South Wales. It's now maintained with expertise from the London School of Economics, and has gained international recognition as world's best practice. The profile's reliability and validity is backed by over a million uses by thousands of financial advisors in over 20 countries.

The FinaMetrica Toolkit is made up of three parts:

- ❖ a psychometric questionnaire of personal financial risk tolerance (risk tolerance profile),
- ❖ a method for taking the results of the questionnaire into account in the financial planning process, and
- ❖ educational materials designed to personalise the explanation of investment risk and return to help investors better understand how their investments might perform in the future.

Psychometrics is the blending of psychology and statistics. It is the scientific discipline for testing personal characteristics such as risk tolerance. Psychometrics sets international standards for both the development of tests and for evaluating the qualities of tests. The FinaMetrica risk tolerance profile exceeds these standards for validity and reliability.



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