

RISK ANALYSIS FORM

<u>Asset</u>	<u>Cash</u>	<u>Fixed Interest</u>	<u>Investment Property</u>	<u>Cautious Managed</u>	<u>Balanced Managed</u>	<u>Flexible Managed/ Shares</u>	<u>Totals</u>
6 months NSI	()						
Mortgage		()					
Totals							
Percentage of Total							
Volatility	X 0.4	X 4.3	X 4.4	X 7.5	X 12.1	X 14.4	--
Risk							

The Risk Analysis form overleaf should record the most up to date values available of all assets held by any client in their own name, ISA's, bonds or pension schemes. Whilst it is possible to put one figure in for insurance company funds which fall under the flexible, balanced or cautious headings, our own portfolios will carry the following volatility ratings based on the benchmarks;

Very cautious	3.8
Cautious	4.8
Balanced	9.7
Adventurous	11.4
Aggressive	13.4

Looking at the Risk Analysis for a particular client, we should exclude any Greyfriars Platform investments from the initial calculations.

The resultant volatility figure then needs to be adjusted for any Greyfriars Platform investment.

For example, assume the risk analysis of a client, excluding the Platform investments comes out at 5, the assets held are £300,000. However, the client also has £200,000 invested in our Adventurous portfolio on the Platform. The following calculation gives the true risk position;

$$300 \div 500 \times 5 = 3$$

$$200 \div 500 \times 11.4 = 4.6$$

$$3 + 4.6 = 7.6 \text{ which keeps those particular clients in the cautious risk category overall.}$$

Per calculation overleaf:

(Amount 1) @ (Volatility as calculated)

Existing Platform investment:

(Amount 2) @ (Volatility for risk graded portfolio as above)

Risk Calculation:

$$\frac{\text{Amount 1}}{\text{Amount 1} + \text{Amount 2}} \times \text{volatility as per overleaf} = A$$

$$\frac{\text{Amount 2}}{\text{Amount 1} + \text{Amount 2}} \times \text{volatility as per portfolio} = B$$

Final Risk position A+ B