**Global Retail Investor Risk Appetite Questionnaire**

This questionnaire is designed to **assess your financial market risk appetite** (risk tolerance) based on widely used investor profiling frameworks​. It covers factors like **investment goals, time horizon, and reactions to market volatility**​. For each question, select the option that best describes you. Each answer has an associated **risk score** from 1 (very conservative) to 5 (very aggressive)​. At the end, sum your scores to determine your risk appetite category.

**Risk Profile Questions**

1. **Risk & Return Preference:** Which statement best describes your investment approach?​
   * a. *“I only invest if I have a guarantee of getting back at least my original investment.”* – I take **minimal risk** and accept lower returns (Risk Score: **1**)
   * b. *“I’m willing to take a small amount of risk to earn slightly more than bank deposit rates.”* – **Conservative**: minor risks for modest returns (Risk Score: **2**)
   * c. *“I seek steady long-term growth and can handle some short-term fluctuations.”* – **Moderate** risk for balanced growth (Risk Score: **3**)
   * d. *“I aim for strong long-term growth and understand this means larger short-term swings in value.”* – **Growth-oriented**: sizable risk for higher returns (Risk Score: **4**)
   * e. *“I want to maximize returns and am very comfortable with high volatility and potential losses.”* – **Highly aggressive** in pursuit of returns (Risk Score: **5**)
2. **Investment Time Horizon:** How long do you plan to invest these funds before you will need to withdraw a significant portion?​
   * a. **Short-term (under 3 years):** I may need the money very soon (Risk Score: **1**)
   * b. **2–5 years:** I have a fairly short investment horizon (Risk Score: **2**)
   * c. **6–10 years:** Medium-term horizon (Risk Score: **3**)
   * d. **11–20 years:** Long-term, ample time to ride out ups and downs (Risk Score: **4**)
   * e. **Over 20 years:** Very long-term; no need for funds in the foreseeable future (Risk Score: **5**)
3. **Reaction to Market Volatility:** If your investment portfolio dropped **20% in value within a year**, what would you most likely do? (Assume the decline is market-wide)​​
   * a. **Sell all investments** to prevent further losses – I cannot tolerate this loss (Risk Score: **1**)
   * b. **Sell a portion** and shift to safer assets – I’d reduce risk if losses continue (Risk Score: **2**)
   * c. **Hold** the investments but feel very concerned – I’d avoid selling immediately, though uneasy (Risk Score: **3**)
   * d. **Hold and stay the course** confidently – I would not panic and stick to my long-term plan (Risk Score: **4**)
   * e. **Buy more** at the lower prices – I see a downturn as an opportunity and can accept short-term loss (Risk Score: **5**)
4. **Risk Trade-off Mindset:** Which statement best reflects your attitude toward the trade-off between potential returns and potential losses?​​
   * a. **“Avoiding loss** is my top priority; I accept much lower returns to keep my money safe.” (Risk Score: **1**)
   * b. “I’m **more concerned with losses** than gains; I prefer to minimize risk even at the cost of some growth.” (Risk Score: **2**)
   * c. “I **balance** my concern about losses and gains equally; a moderate risk/return trade-off is fine.” (Risk Score: **3**)
   * d. “I’m **more focused on returns**; I can tolerate some losses in pursuit of higher growth.” (Risk Score: **4**)
   * e. “I **prioritize maximizing returns**; potential losses are of little concern to me.” (Risk Score: **5**)
5. **Maximum Loss Tolerance:** What is the **largest decline** in your portfolio’s value you could comfortably tolerate in a **single year**?​
   * a. **Less than 5%** loss – even a small drop would be uncomfortable (Risk Score: **1**)
   * b. **5–10%** loss – I could endure a modest decline (Risk Score: **2**)
   * c. **10–15%** loss – a moderate drop is acceptable for me (Risk Score: **3**)
   * d. **15–25%** loss – I’m fairly comfortable with significant volatility (Risk Score: **4**)
   * e. **Over 25%** loss – I can tolerate very large swings in value (Risk Score: **5**)
6. **Preferred Investment Choice:** Which of the following investment portfolios would you feel **most comfortable** with for the **majority of your money**?​
   * a. **Very conservative:** Mostly cash or guaranteed products (e.g. deposits, government bonds) – minimal risk/return (Risk Score: **1**)
   * b. **Conservative:** Portfolio of primarily high-quality bonds and a small portion of stocks – low risk, low-medium returns (Risk Score: **2**)
   * c. **Balanced:** Mixed portfolio (~50% stocks and 50% bonds) – moderate risk and returns (Risk Score: **3**)
   * d. **Growth:** Portfolio mostly in stocks (e.g. 80% stocks/20% bonds) – higher risk, higher potential returns (Risk Score: **4**)
   * e. **Aggressive:** Nearly all in stocks or risky assets (e.g. emerging markets) – maximum risk for maximum return (Risk Score: **5**)
7. **Investment Experience/Comfort:** Which statement best describes the type of investments you **currently hold or are most familiar** with?​
   * a. **Very low-risk only:** I stick to bank savings, fixed deposits, or guaranteed funds (Risk Score: **1**)
   * b. **Mostly conservative:** I have invested in **bonds or bond funds**, but little in stocks (Risk Score: **2**)
   * c. **Balanced exposure:** I hold a **mix of stock and bond investments** (Risk Score: **3**)
   * d. **Mostly stocks:** I’m comfortable investing in **stocks, equity funds**, or similar growth-oriented assets (Risk Score: **4**)
   * e. **High-risk instruments:** I have experience with **very volatile or speculative investments** (e.g. small-cap stocks, commodities) (Risk Score: **5**)

**Scoring and Risk Appetite Categories**

After answering all questions, **add up the risk scores** for your selected answers (total score will range from 7 to 35). Based on the total score, your risk appetite is classified as:

* **Low Risk Appetite (Score 7–16):** Indicates a **conservative investor** who **prioritizes capital preservation**, aiming to minimize losses and volatility​. Such investors accept lower returns and prefer stability and security of principal.
* **Medium Risk Appetite (Score 17–26):** Indicates a **moderate investor** with a **balanced approach** – willing to accept **some risk** for moderate growth​. These investors seek a mix of growth and income, tolerating occasional market fluctuations while still being mindful of losses.
* **High Risk Appetite (Score 27–35):** Indicates an **aggressive investor** focused on **maximizing growth**, with a **high tolerance for risk and large short-term fluctuations**​. Such investors are comfortable with significant volatility and the possibility of substantial losses in exchange for higher potential long-term returns.

**Usage Note:** This scoring model aligns with common industry practice where the most aggressive answers yield the highest points and vice versa​. Financial advisors and robo-advisors use similar questionnaires to ensure investment recommendations match the investor’s risk comfort level and time horizon.