

Risk Profiling

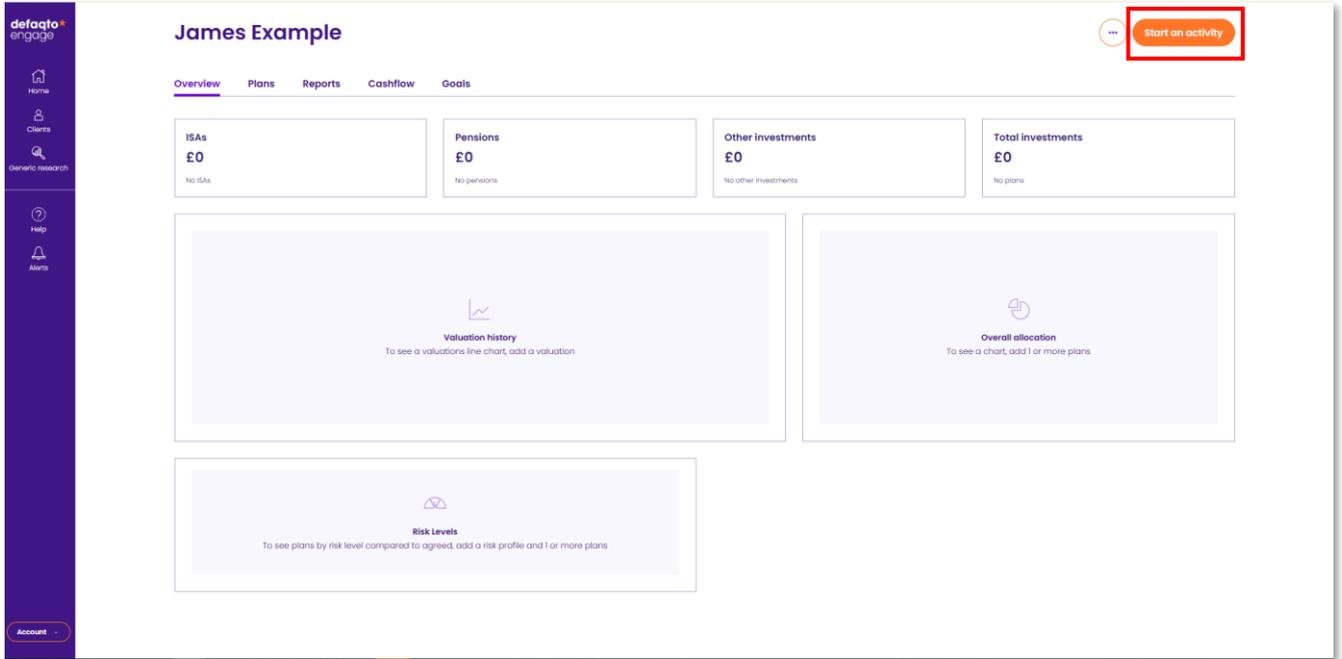
September 2025

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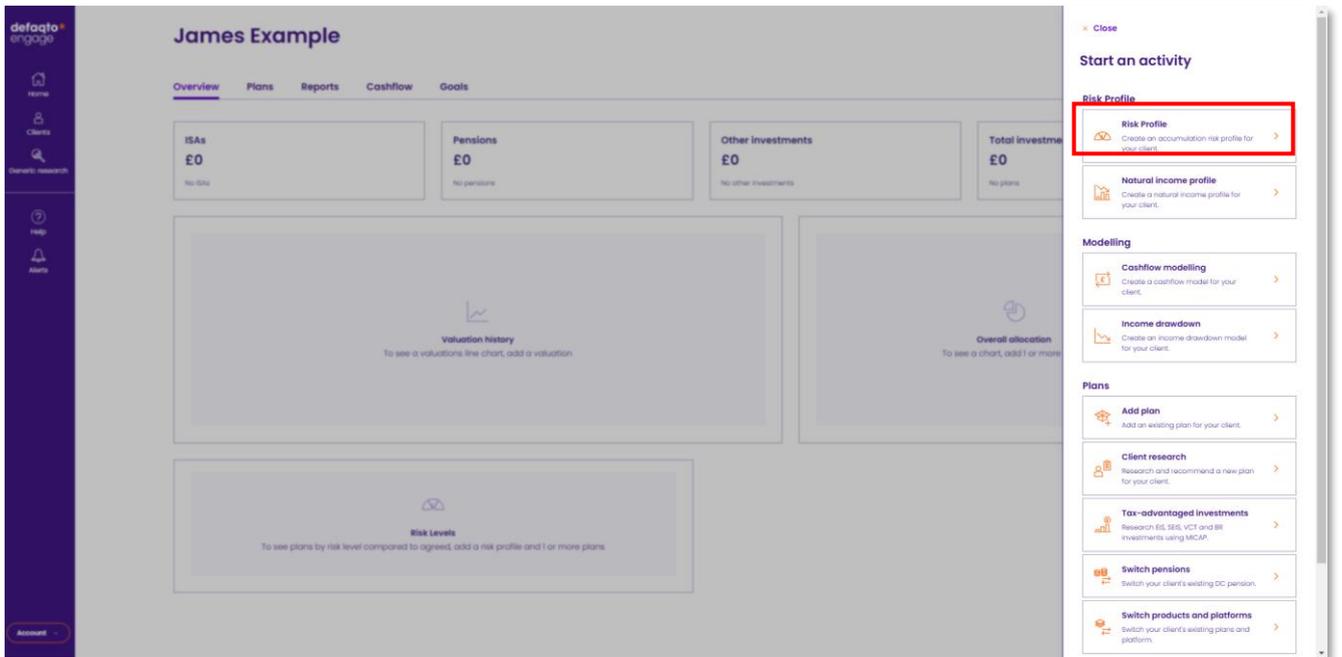
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Risk profiling

First select the client, then click **Start an Activity**



Then click **Risk Profile**.



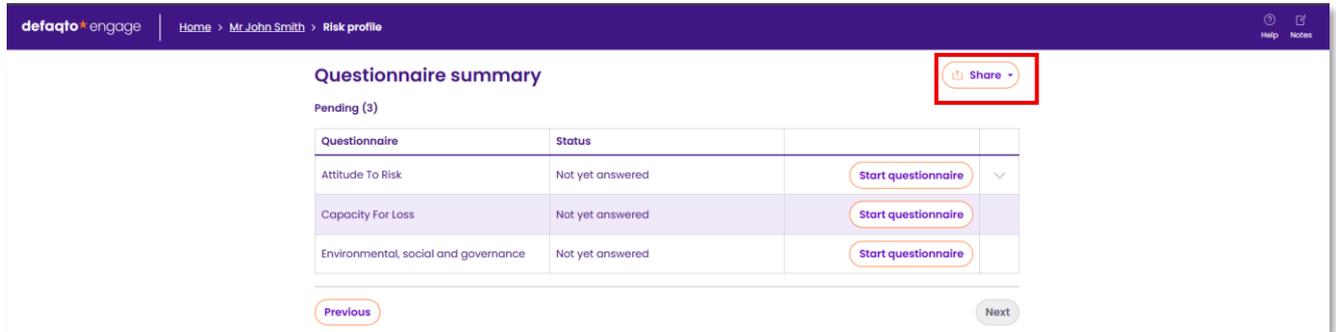
The screen will now show the available questionnaires.

You can untick any questionnaires the client doesn't have to complete. Attitude to risk can also be unticked and manually entered.

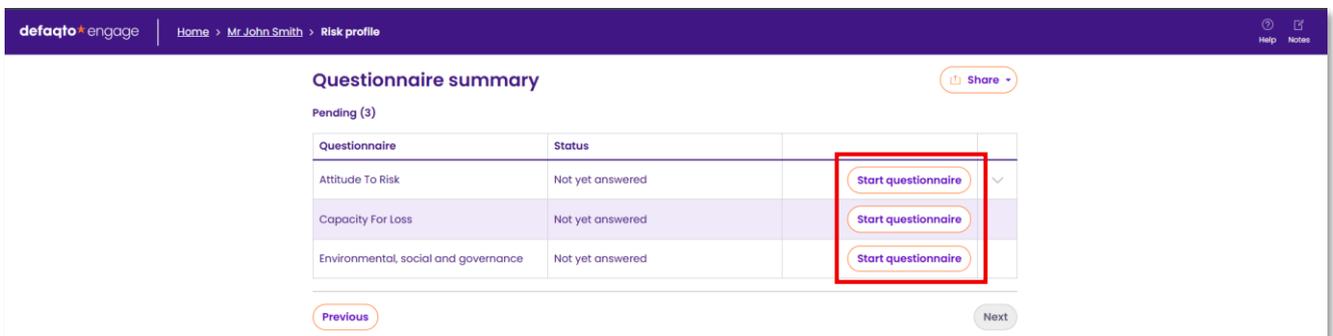
Alternatively, if you wish to use all questionnaires, leave them selected and click **Next**.

On the next page, you have multiple options to send the questionnaires to the client.

Click **Share** to either email them directly to the client, copy a link or download paper copies.



You can also **Start questionnaire** and complete them from within the software.



Once the client completes the questionnaires, you'll receive an email confirmation and alert on the system. You can then return to this page to view the answers and then click **Next** to carry on to the Projection.

Projection graph

You now arrive on the projection graph. This graph allows you to identify if your client’s natural risk level has the potential to deliver the level of return the client requires, within their capacity for loss.

The screenshot shows the Defaqto Engage Risk Profiling interface. The top navigation bar includes the Defaqto Engage logo and the user's path: Home > Mr. John Smith > Risk profile. The interface is divided into two main sections: 'Investment type*' and 'Projection Risk comparison'. The 'Investment type*' section has two tabs: 'General savings' (selected) and 'Targeted investment'. Below the tabs, there is an 'Agreed Risk Level' slider ranging from 1 to 10, with the slider set to 7. Below the slider, it says 'Questionnaire result: 7 - Growth'. The 'Investment type*' section also includes several input fields: 'Investment period*' (years), 'Investment*' (£), 'Regular investment*' (£), 'Investment interval*' (Monthly), 'Annual increase' (% per year), 'Estimated total cost*' (%), and 'Capacity for loss' (Low to High) with a slider. The 'Maximum Loss of Capital*' is set to 50%. The 'Projection Risk comparison' section is currently empty, displaying the message 'Please enter investment details to begin'. At the bottom of the interface, there are 'Previous' and 'Next' buttons.

There are two types of projection graphs:

- **General Savings** – Suitable for clients who are generally investing and haven't set a target to reach.
- **Targeted Investment** – Suitable for clients who wish to reach a target amount from their investments e.g. house deposit.

Investment type*
 General savings Targeted investment

Agreed Risk Level
 1 2 3 4 5 6 **7** 8 9 10
 Questionnaire result: 7 - Growth

Investment period* years

Investment*

Regular investment ⓘ

Investment interval*

Annual increase % per year

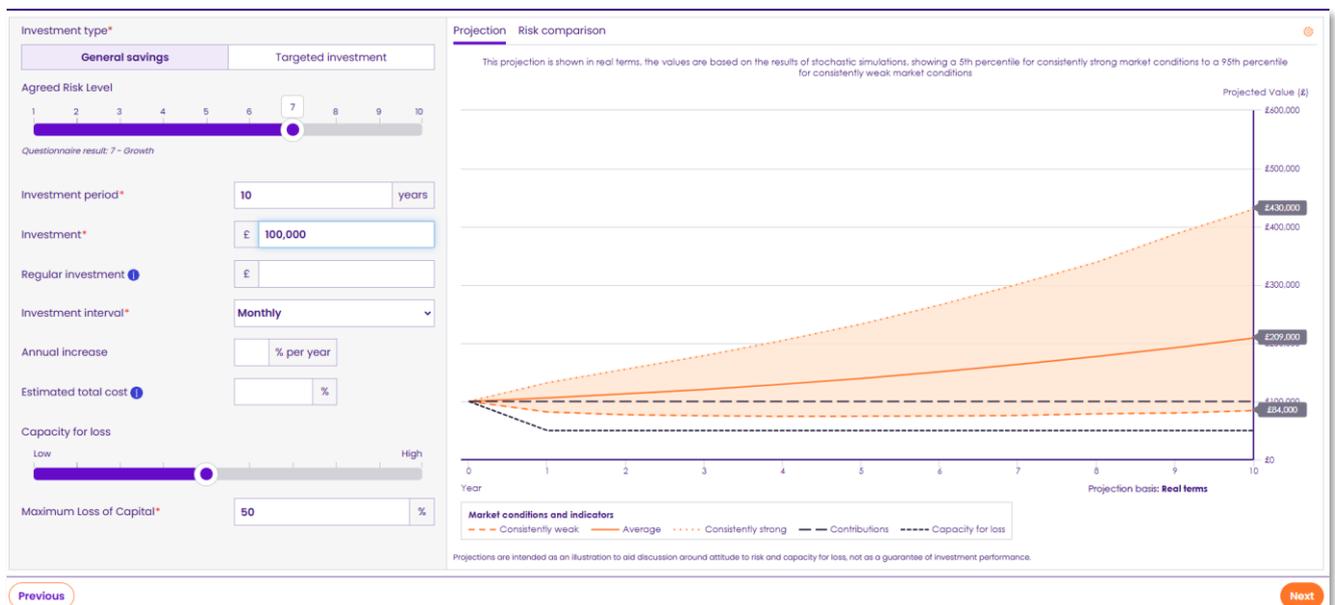
Estimated total cost ⓘ %

Capacity for loss
 Low High

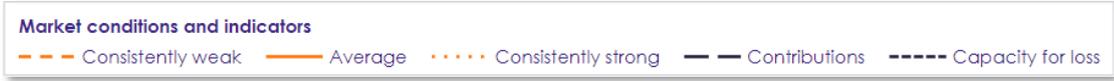
Maximum Loss of Capital* %

The agreed risk level slider defaults to your client's risk level and can be moved up or down. Enter the investment period and investment amount. Regular investments, the annual increase for the regular investment and estimated cost can be entered as well but aren't mandatory.

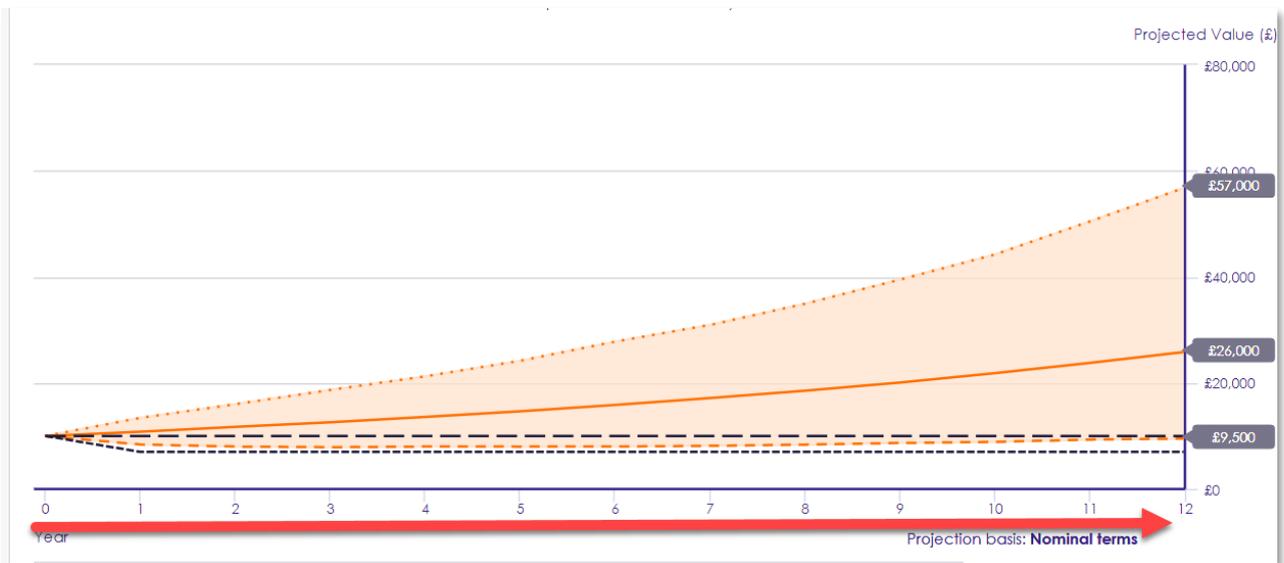
Once your client's investment data has been added, the asset allocation for the selected risk level will be stochastically modelled to show the potential returns of the investment.



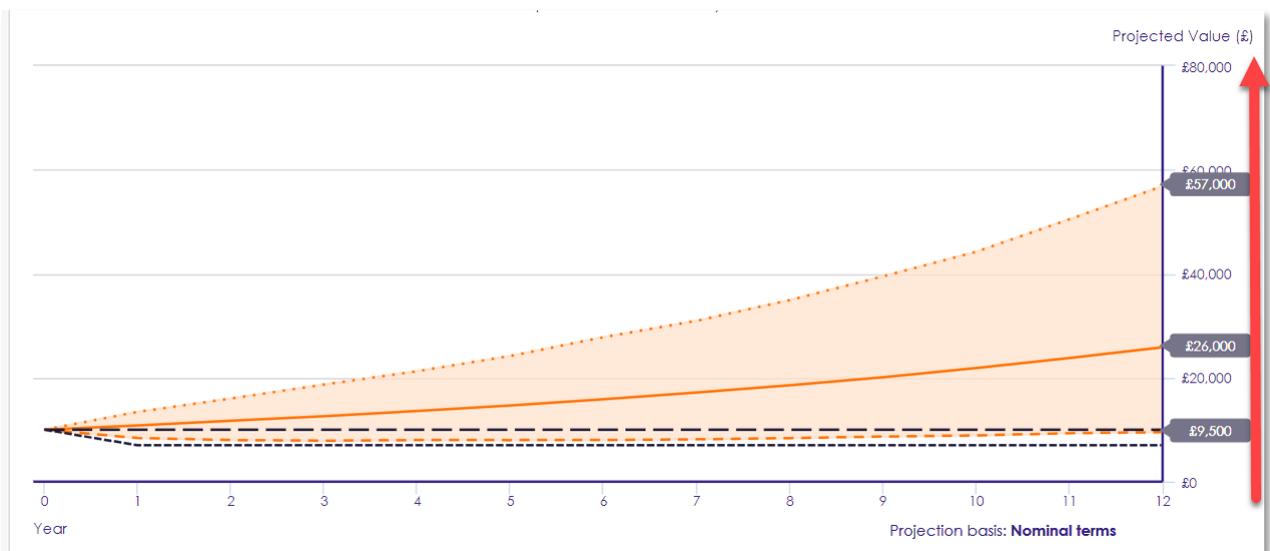
The lines on the graph represent the potential value of the client’s investment in consistently weak, average and strong market conditions.



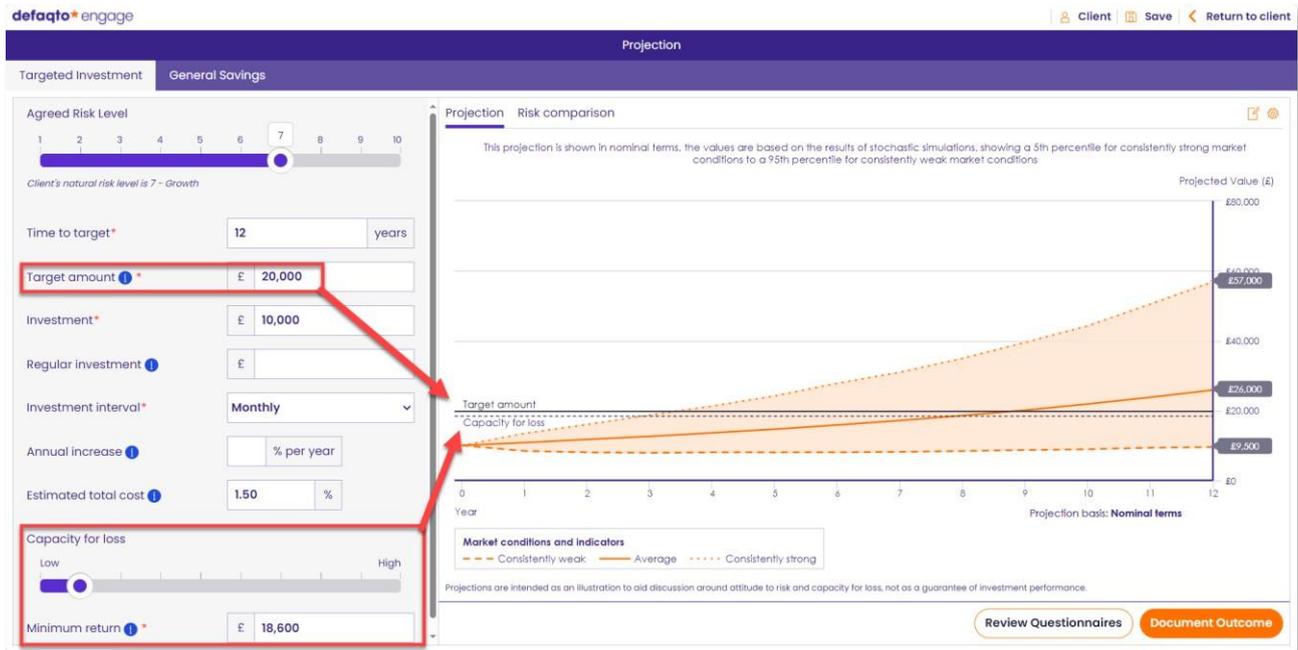
The x-axis shows the length of the investment term.



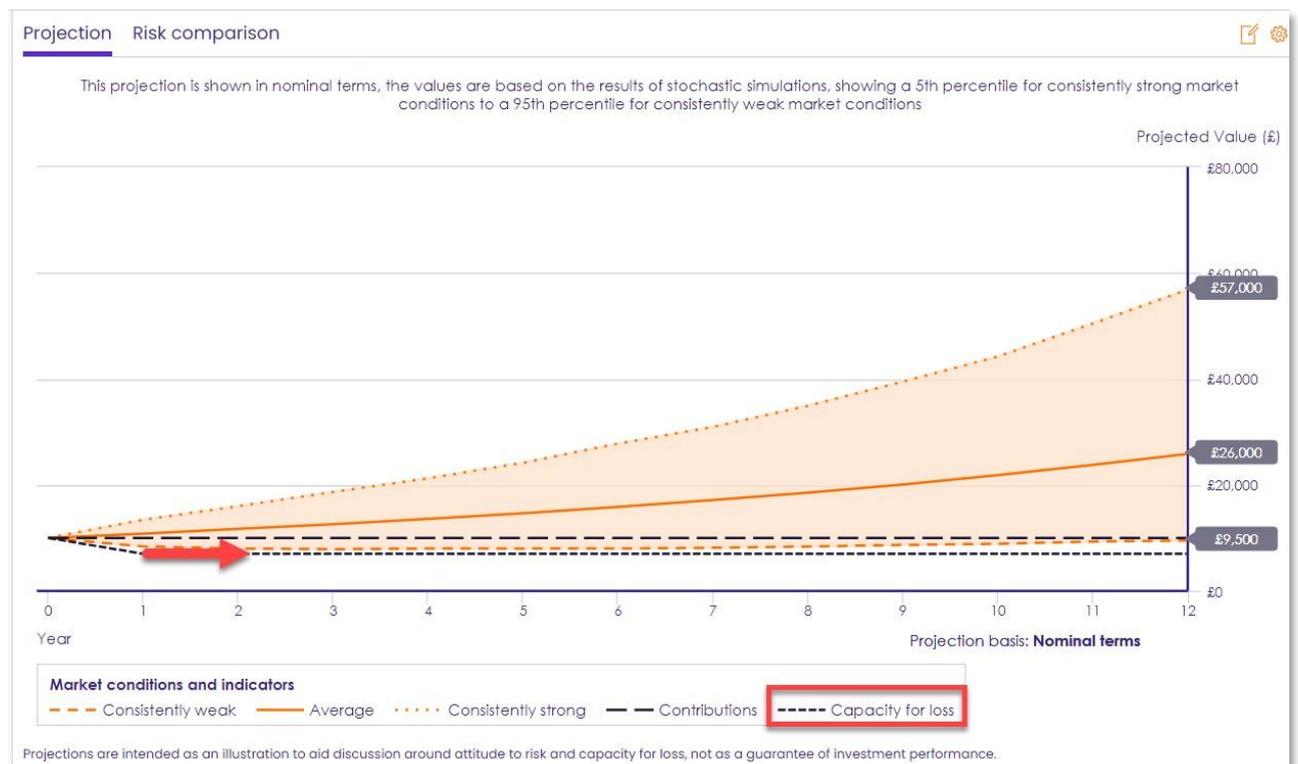
The y-axis represents the value of the investment.



Under **General Savings**, the long purple dotted line represents the original amount of capital invested. Under **Targeted Investment**, the purple line represents the target value your client is trying to achieve.



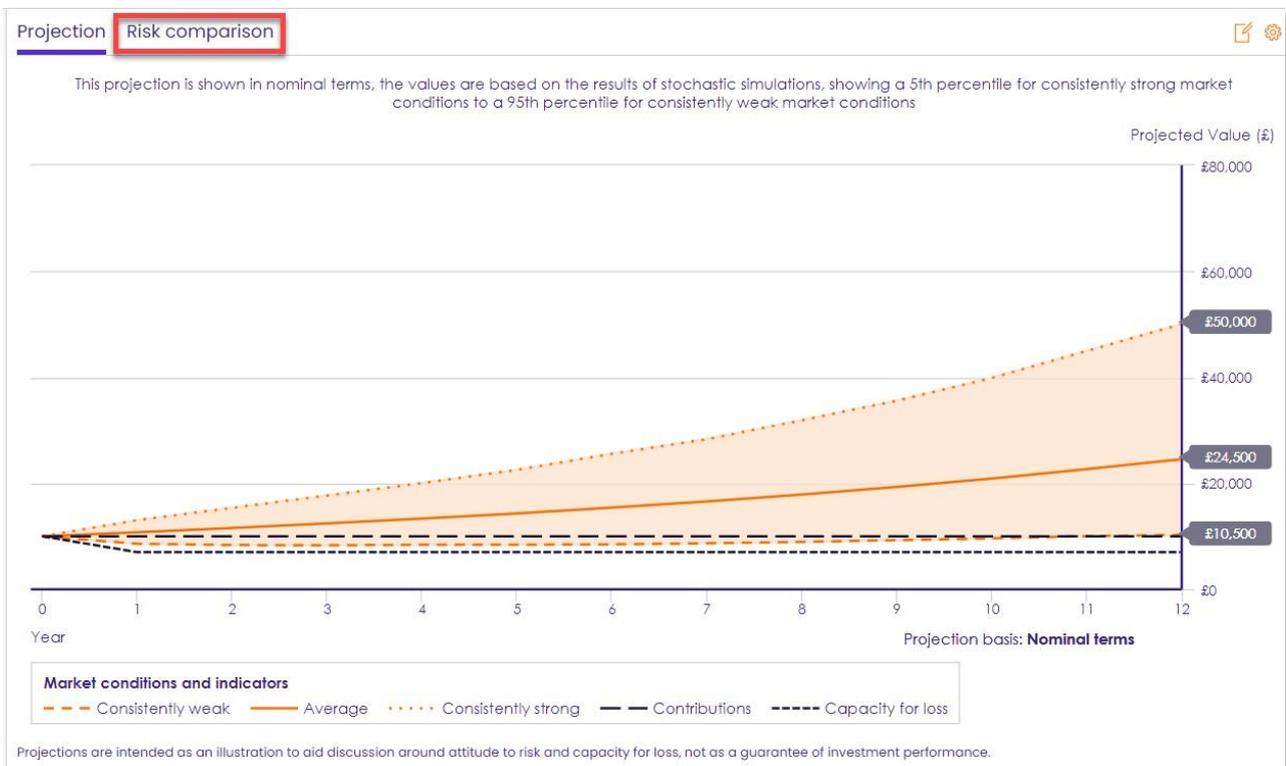
The short dotted purple line represents the minimum level of return the client requires from the investment.



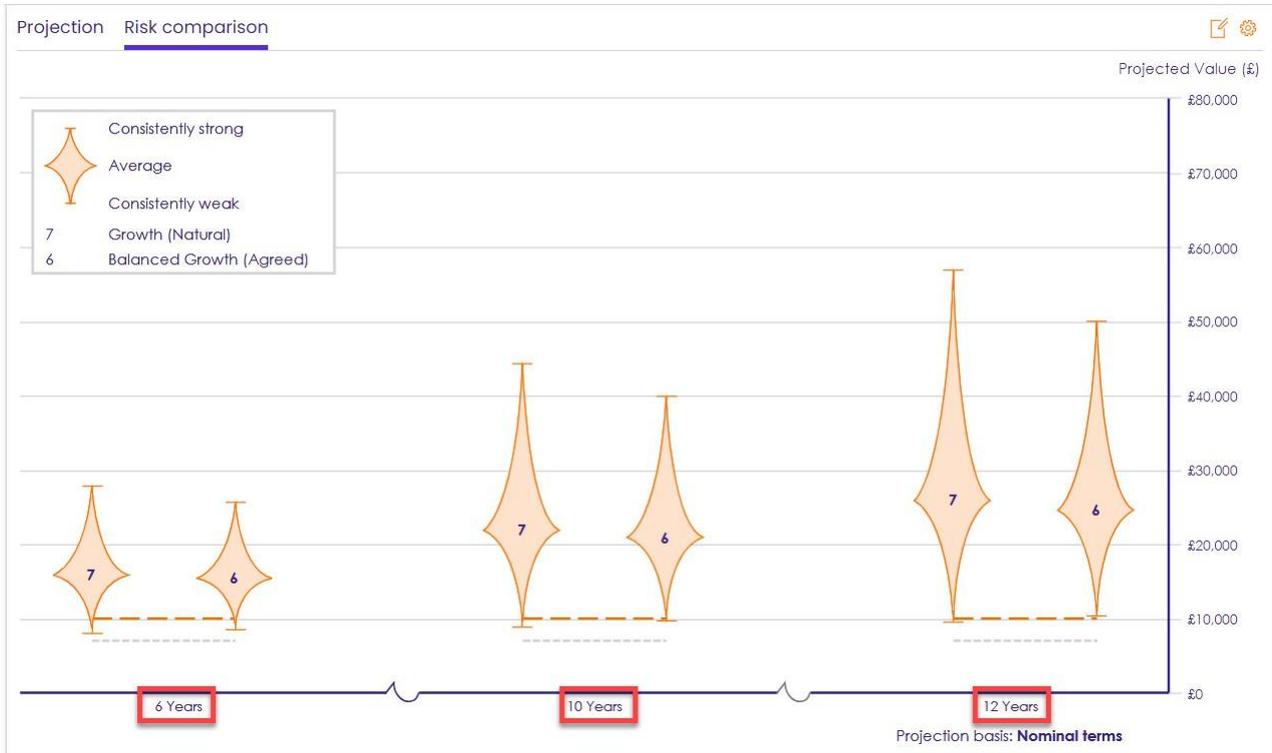
This figure is controlled by the **Capacity for loss** field. You can set an amount by either using the slider or by entering a value.



Once the risk slider is moved to a new risk level, by clicking **Risk comparison**, you will be able to compare the potential returns of different risk levels.



You can compare the potential returns of the two risk profiles at 50%, 80% and 100% of the investment term.



The returns of each risk profile are displayed as diamonds:

- The bottom of the diamond represents the potential value of the investment in consistently weak market conditions.
- The centre of the diamond represents the potential value of the investment in average market conditions.
- The top of the diamond represents the potential value of the investment in consistently strong market conditions.



Click **Next** when completed to create the report.

Investment type*

General savings | Targeted investment

Agreed Risk Level

1 2 3 4 5 6 **7** 8 9 10

Questionnaire result: 7 - Growth

Investment period* years

Investment

Regular investment ⓘ

Investment interval*

Annual increase % per year

Estimated total cost ⓘ %

Capacity for loss

Low High

Maximum Loss of Capital* %

Projection | Risk comparison

This projection is shown in real terms, the values are based on the results of stochastic simulations, showing a 5th percentile for consistently strong market conditions to a 95th percentile for consistently weak market conditions

Projected Value (£)

Year

Projection basis: **Real terms**

Market conditions and indicators

- Consistently weak
- Average
- Consistently strong
- Contributions
- Capacity for loss

Projections are intended as an illustration to aid discussion around attitude to risk and capacity for loss, not as a guarantee of investment performance.

[Previous](#)
[Next](#)

You can then capture any supplementary notes on the selected risk profile.

defaqto★engage Client Save Return to client

Document outcome

Outcome for Mrs Anne Example is

Notes

These sections will be included in the Risk Profile section of the Research Report along with an explanation of the client's Risk Level.

Questionnaires

Attitude to Risk
Document any discussions regarding the client's Attitude to Risk questionnaire responses.

Record your discussion here

Capacity For Loss
Document any discussions regarding the client's Capacity For Loss questionnaire responses.

Record your discussion here

Environmental, social and governance
Document any discussions regarding the client's Environmental, social and governance questionnaire responses.

Record your justifications here

Projection

Other notes

As well as giving your saved risk profile a name (mandatory) and a description (optional). The default name can be overwritten.

Goal Details

A goal has been created from this profile. You are able to rename and describe the goal, or keep the default.

Name*
Risk Profile 2023-12-01 12:59:04

Description
Describe the goal here

Back Finish

Once all the soft facts have been documented, click **Finish**.

A message will then appear informing you the risk profile has been successfully saved.

✓

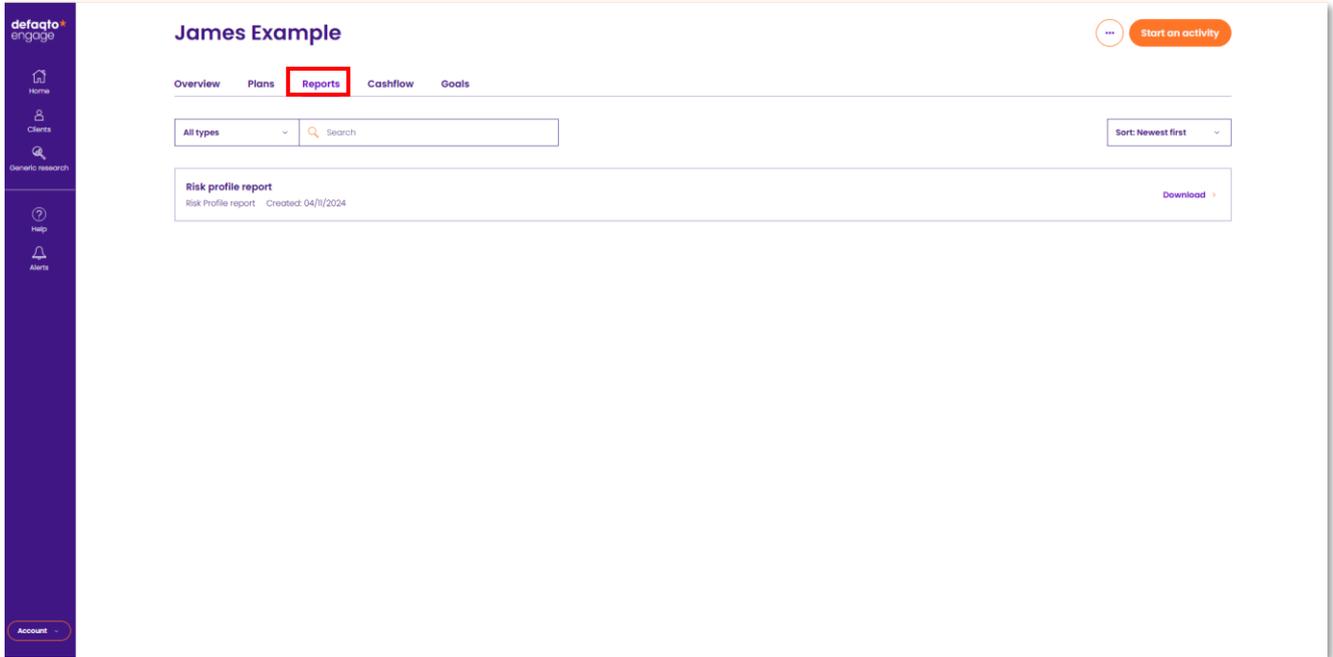
The report can be found in the reports screen, which is accessible by selecting 'Documents' tab from the goal's summary screen

Close

By clicking **Close**, you will return to the client record.

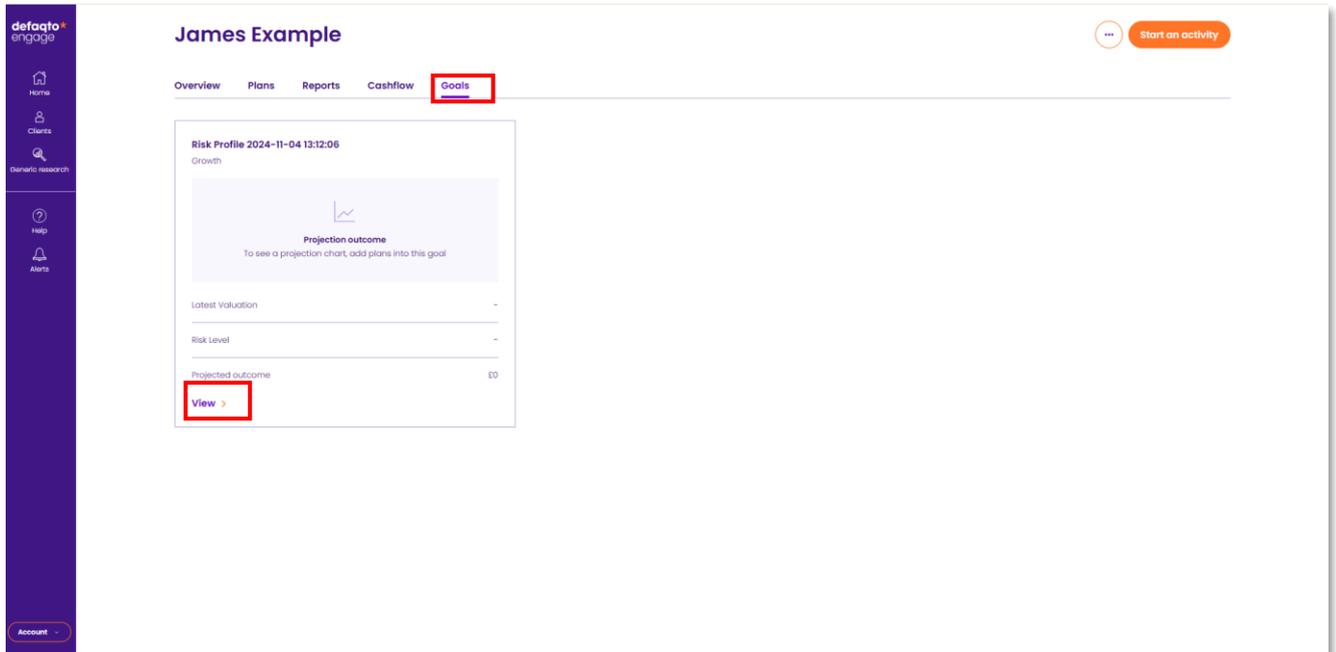
Report

The report can be downloaded from the **Reports** tab.



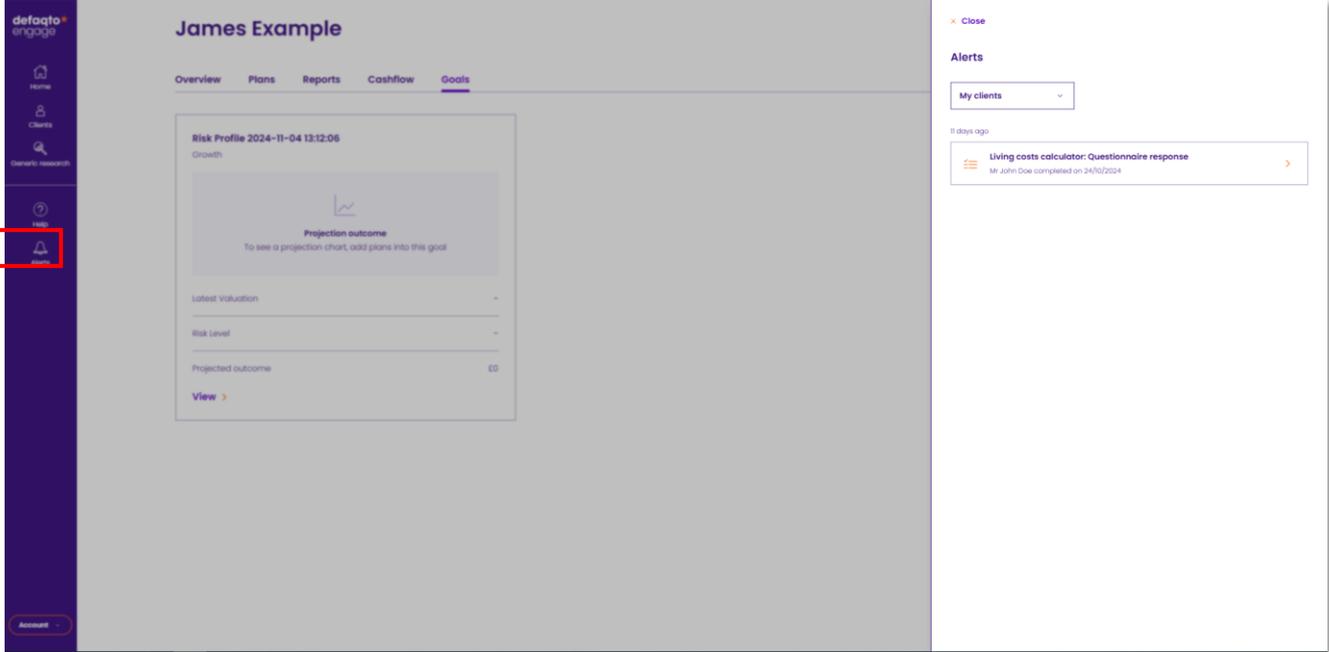
The risk profile has now created a **Goal**.

From within the **Goal**, you can **add plans**, **review the goal** and conduct **risk profiled research**.



Notifications

If you choose to email your client the risk questionnaire (or Generate links and send the links in an email), you'll receive a notification when they've completed a questionnaire. These can be viewed from the **Alerts** button.



Alerts can be turned on from the Account button.

