



EBS Risk Categories

We define the risk categories of our investors based on the Ibbotson Associates® model, as follows:

1. The Cautious Investor

This category is appropriate where the investor requires high security and is willing to accept significantly limited upside potential. The investments are predominantly in cash deposits and fixed interest holdings. The remainder of the portfolio will usually comprise of equity-backed investments (limited to around 20% of the portfolio) predominantly in the UK in a broad selection of equities. Risk aspects include general stock market risk, currency risk and an additional risk of insolvency of the provider where return of capital may be limited to compensation scheme limits. Values may fall as well as rise and the investor may not get back the amount originally invested.

2. The Cautious To Balanced Investor

This category is appropriate where the investor requires relatively high security and is willing to accept limited upside potential. The investments are predominantly in cash deposits and fixed interest holdings. The remainder of the portfolio will usually comprise of equity-backed investments (limited to around 40% of the portfolio) predominantly in the UK in a broad selection of equities. Risk aspects include general stock market risk, currency risk and an additional risk of insolvency of the provider where return of capital may be limited to compensation scheme limits. Values may fall as well as rise and the investor may not get back the amount originally invested.

3. The Balanced Investor

This category is appropriate where the investor requires some short-term security and is willing to balance this with the upside potential of the portfolio. The holdings are predominantly (around 60%) in equity-backed investments predominantly in the UK in a broad selection of equities. The remainder of the portfolio will usually comprise of fixed interest holdings, cash and property backed investments. Risk aspects include general stock market risk, currency risk and an additional risk of insolvency of the provider where return of capital may be limited to compensation scheme limits. Values may fall as well as rise and the investor may not get back the amount originally invested.

4. The Balanced To Adventurous Investor

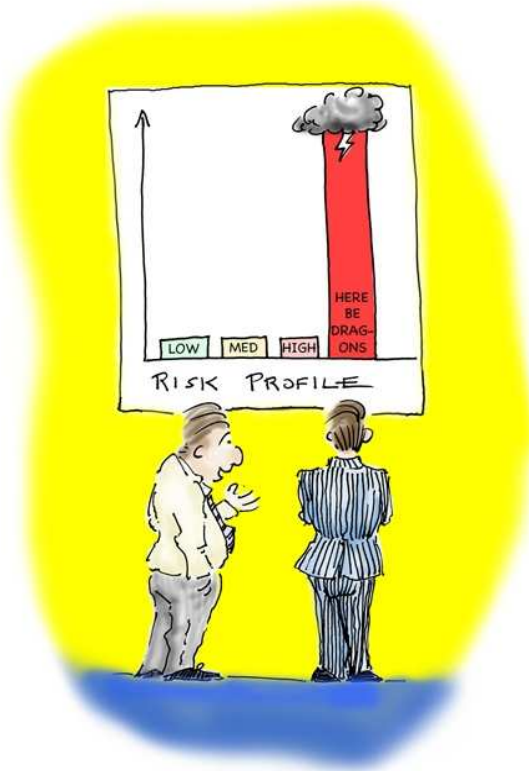
This category is appropriate where the investor requires relatively low short-term security and significantly upside potential. The holdings are predominantly (around 80%) in equity-backed investments predominantly in the UK in a broad selection of equities. The remainder of the portfolio will usually comprise of fixed interest holdings, cash and property backed investments. Risk aspects include general stock market risk, currency risk and an additional risk of insolvency of the provider where return of capital may be limited to compensation scheme limits. Values may fall as well as rise and the investor may not get back the amount originally invested.





5. *The Adventurous Investor*

This category is appropriate where the investor requires very limited short-term security and high upside potential. The holdings are predominantly (around 90%) in equity-backed investments predominantly in the UK in a broad selection of equities. The remainder of the portfolio will usually comprise of fixed interest holdings, cash and property backed investments. Risk aspects include general stock market risk, currency risk and an additional risk of insolvency of the provider where return of capital may be limited to compensation scheme limits. Values may fall as well as rise and the investor may not get back the amount originally invested.



“I commend you on your attitude to risk, Mr Bannatyne.”



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