

# Risk Illustrations - Capacity For Loss

Last Modified on 19/08/2022 4:05 pm BST

This article is a continuation of article [Risk Illustrations - Charges & Fees](#).

Complete the capacity for loss questions below to audit the discussion around whether committing to an extended term is appropriate for your client.

The screenshot displays the 'Risk Illustration' software interface. At the top, there is a navigation menu with options like 'Synaptic Pathways', 'Home', 'Contacts', 'Research', 'Portfolio Builder', 'Investment Pathways', 'Configuration', 'Fund Lists', 'Knowledge Base', 'My Apps & Settings', and 'Valuations'. The current page is titled 'Risk Illustration' and includes a search bar and several utility icons. Below the navigation, there is a progress bar with steps: 'Term of Investment', 'Initial Amount', 'Growth Basis', 'Total Solution Cost', 'Investment Risk Category', 'Objective Risk Category', and 'Report'. The 'Outcome' step is currently active. The main content area is divided into several sections: 'Capacity For Loss' (with sub-sections for Results, Suitability, Compliance Details, Report Content, and Advanced Options), 'Confirmation of Capacity for Loss using the Moody's Value at Risk Measure', and a table of questions for the client to answer. The table has 6 rows of questions, each with a set of radio buttons for responses. The first row has options: '< 5 yrs', '5 to 9 yrs', '10 to 14 yrs', '15 to 19 yrs', and '> 20 yrs'. The second, third, and fourth rows have options: 'Strongly Disagree', 'Disagree', 'No Opinion', 'Agree', and 'Strongly Agree'. The fifth row has the same five options. The sixth row has options: 'Yes' and 'No'. The right-hand side of the interface contains a detailed explanation of the Moody's Value at Risk Measure, stating that a client should not be exposed to risks they do not understand, nor are 'willing and able to take'. It also explains that the 'min gain' value is a stochastic value from the Moody's Analytics research investment item, indicating the extent of losses expected in a 'bad year'.

If you would like to add MiFiD compliance supporting notes, add them here:

## Supporting Notes to meet MiFiD Compliance

Enter supporting notes here

For further information on Risk Illustrations screen, see the below article:

[Risk Illustrations - Results Screen](#)