

DEFINING YOUR INVESTMENT RISK TOLERANCE



WHAT KIND OF INVESTOR ARE YOU?

Complete this questionnaire to find out.

1. If you had an investment account – when do you think you would need to withdraw money?

- a. Less than 1 year
- b. 1-2 years
- c. 3-4 years
- d. 5-7 years
- e. 8-10 years
- f. 11+ years

SCORING: Please circle your answer for each question. At the end of the questionnaire, you will add up the scores associated with the answers you chose.

a. 0 b. 1 c. 3 d. 7 e. 9 f. 11

2. What is the primary goal of this investment?

- a. Education funding
- b. Retirement funding
- c. Estate planning
- d. Use money to buy a house, go on vacation, etc.

SCORING: a. 0 b. 5 c. 10 d. 15

3. Over the next five years, do you expect your financial situation to:

- a. Dramatically improve
- b. Improve somewhat
- c. Stay about the same
- d. Worsen

SCORING: a. 2 b. 4 c. 5 d. 6

4. When investing, there may be natural trade-off between investment performance and the risk of a decline in a portfolio value. Typically, the higher the return you pursue, the more willing you must be to withstand fluctuations and potentially incur loss. Considering the above, which statement best describes your investment objectives?

- a. Protect the value of my account
- b. Keep risk to a minimum
- c. Balance risk and return
- d. Maximize long-term investment returns

SCORING: a. 0 b. 5 c. 10 d. 15

WHAT KIND OF INVESTOR ARE YOU? *continued*

5. If you owned a portfolio that declined 25% in a short period of time due to a volatile market and you had 10 years until you needed to take withdrawals, what action below would you take?

- a. I would change immediately
- b. I would wait only three months to react
- c. I would wait at least a year before deciding what to do
- d. I would not change my portfolio

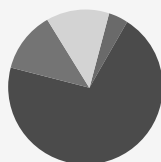
SCORING: a. 0 b. 5 c. 10 d. 15

Total Score: _____

(Add up the values for all the answers circled above)

The pie charts below show suggested allocations based on your level of risk tolerance.

Cash equivalents
 Bonds/Fixed income
 Domestic stocks
 International stocks



Score between 0-11

Equity: 20.00% **Fixed:** 80.00%

CAPITAL PRESERVATION – As an investor you seek stability and are concerned with preservation of capital.



Score between 12-24

Equity: 40.00% **Fixed:** 60.00%

CONSERVATIVE – As an investor you seek stability with modest potential for increase in the value of your investments.



Score between 25-37

Equity: 60.00% **Fixed:** 40.00%

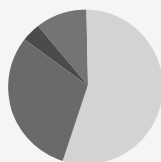
MODERATE – You are an investor who doesn't need the money today and you're looking to accept a moderate amount of risk to achieve long-term steady growth in asset values.



Score between 38-50

Equity: 80.00% **Fixed:** 20.00%

GROWTH – You are a long-term investor who doesn't need the money today and you understand in order to achieve moderately high growth in asset values you will experience market volatility.



Score between 51-62

Equity: 100.00% **Fixed:** 0%

AGGRESSIVE GROWTH – You are a long-term investor who is willing to entail substantial year-to-year volatility in asset value in exchange for potentially high long-term returns.