

Risk Tolerance Questionnaire (RTQ)

Instructions

The Risk Tolerance Questionnaire (RTQ) is designed to help you assess your client's risk tolerance and investment objective. The questions of the RTQ are assigned numerical weights to reflect each one's comparative importance in overall risk determination. Completing the questionnaire in its entirety will allow you to better evaluate your client's profile.

Client and Registered Representative Information

Client Name	Registered Representative Name and Number # _____
Statement of Investment Selection (SIS) Number (Optional)	

Risk Tolerance Questionnaire

Question 1: (Purpose of Investment)

For these funds, which of the following closely aligns with your current financial goal?

- | | |
|---|----|
| <input type="checkbox"/> Sustaining current income and account preservation | 0 |
| <input type="checkbox"/> Sustaining current income with possible growth opportunity | 10 |
| <input type="checkbox"/> Growing account value, not tied to current income needs | 20 |
| <input type="checkbox"/> Aggressive growth, maximizing accumulation | 30 |

Question 2: (Investment Horizon)

How long do you plan to keep these funds invested in order to achieve your financial goal?

- | | |
|--|----|
| <input type="checkbox"/> Less than 1 year | 0 |
| <input type="checkbox"/> 1 to 2 years | 3 |
| <input type="checkbox"/> 3 to 5 years | 8 |
| <input type="checkbox"/> 6 to 10 years | 15 |
| <input type="checkbox"/> 11 to 20 years | 23 |
| <input type="checkbox"/> Greater than 20 years | 30 |

Question 3: (Risk & Reward)

How much potential risk and reward are you willing to invest in with these funds?

Every investment has an opportunity for both risk and reward. The image below represents a one-year hypothetical risk and reward scenario for five portfolios with incremental levels of risk and reward.



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Risk Tolerance Questionnaire (continued)

Question 4: (Reaction in Adverse Market)

How would you react to a significant fall in the value of the stock market?

If your hypothetical investment of **\$100,000** experienced a sudden and unexpected drop of **24%** over a three-month period, what would your reaction be?



Question 5: (Measuring Investor Patience)

How soon would you need these funds to recover after experiencing a sudden meaningful loss in value?

- | | |
|---|----|
| <input type="checkbox"/> 0 to 6 months | 0 |
| <input type="checkbox"/> 6 months to 1 year | 3 |
| <input type="checkbox"/> 1 to 3 years | 7 |
| <input type="checkbox"/> 3 years or more | 10 |

Question 6: (Client Comfort with Uncertainty)

How would you respond to the following statement?

I am comfortable investing during times of uncertainty.

- | | |
|--|----|
| <input type="checkbox"/> Strongly disagree | 0 |
| <input type="checkbox"/> Disagree | 3 |
| <input type="checkbox"/> Agree | 7 |
| <input type="checkbox"/> Strongly agree | 10 |

RTQ Scorecard

Use this scorecard after completing the Risk Tolerance Questionnaire. The total point score is then used on the Point Scale below to determine the client's Risk Tolerance.

Question #	Score: _____	Point Scale	Investment Objective	Risk Tolerance
Question #1	Score: _____	1 through 20	Capital Preservation	Conservative
Question #2	Score: _____	21 through 40	Current Income	Moderately Conservative
Question #3	Score: _____	41 through 60	Balanced	Moderate
Question #4	Score: _____	61 through 80	Capital Growth	Moderately Aggressive
Question #5	Score: _____	81 through 100	Maximum Growth	Aggressive
Question #6	Score: _____			
Total Score: <input type="text"/>				