

RISK TOLERANCE QUESTIONNAIRE CLASSIC ASSET ALLOCATION MODELS



TIME HORIZON

1. How soon do you plan to begin withdrawing the money in this portfolio?

Answer:

- A. 1 – 3 years
- B. 4 – 9 years
- C. 10 – 15 years
- D. Over 15 Years

2. For how many years do you expect to withdraw the money in this portfolio?

Answer:

- A. Less than one year
- B. 1 – 3 years
- C. 4 – 9 years
- D. 10 – 15 years
- E. Over 15 Years

3. Portfolio Investment Objectives

Answer:

A. Capital Preservation

My primary investment objective is capital preservation. I am a conservative investor. My risk tolerance is very low. I seek to preserve my capital and am not willing to accept risk to my capital in order to grow my portfolio. I am willing to accept lower returns to preserve my portfolio and capital.

B. Income

My primary investment objective is income. I am a moderately conservative investor. My risk tolerance is low to moderate. I seek income, but am willing to accept minimal risk to my capital in order to grow my portfolio.

C. Growth and Income

My primary investment objective is growth and income. I am a moderate investor who seeks both growth and income. I am willing to accept some risk, fluctuation and losses to my capital in order to grow my portfolio.

D. Growth

My primary investment objective is growth. I am a moderately aggressive investor who seeks to grow my portfolio. I am willing to accept more risk, fluctuation and losses to my capital in order to grow my portfolio.

E. Aggressive Growth

My primary investment objective is aggressive growth. I am an aggressive investor who seeks to aggressively grow my portfolio. I am willing to accept higher risk, fluctuation and losses to my capital in order to aggressively grow my portfolio.

EXPECTED INCOME

4. What do you expect your total income and investment earnings to do over the next 10 years

Answer:

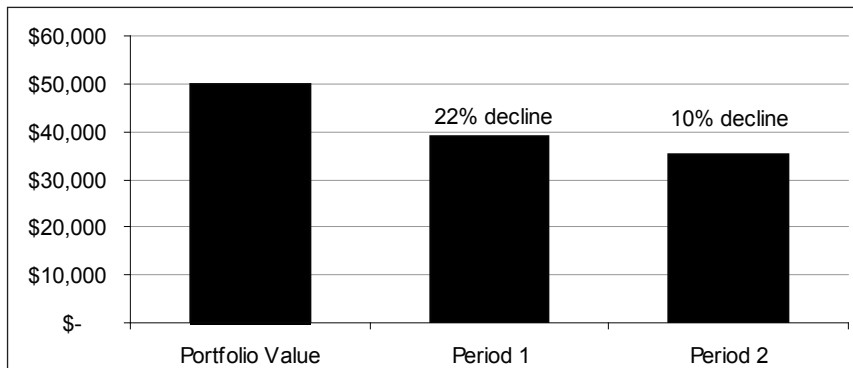
- A. Decline significantly
- B. Decrease somewhat
- C. Stay the same
- D. Improve
- E. Increase substantially

RISK TOLERANCE

5. I would best describe my tolerance for capital fluctuation as:
- Answer:
- A. Very Low. I am not willing to accept any risk to my capital in order to grow my portfolio.
 - B. Low. I am willing to accept minimal risk to my capital in order to grow my portfolio.
 - C. Moderate. I am willing to accept some risk to my capital and also the potential for some losses in order to grow my portfolio.
 - D. High. I am willing to accept more risk and also the potential for higher losses to my capital in order to grow my portfolio.
 - E. Very High. I am willing to accept high risk and also the potential for significant losses to my capital in order to aggressively grow my portfolio.
6. If changes to investments within your portfolio result in more fluctuation, but could also increase your returns and risk, would you:
- Answer:
- A. be unlikely to take more risk
 - B. be willing to take a little more risk with some of my overall portfolio
 - C. be willing to take a lot more risk with some of my overall portfolio
 - D. be willing to take a lot more risk with my entire portfolio

CURRENT LOSS

Use the following graph to answer the questions below.



7. If your portfolio valued at \$50,000 declined in value to \$39,000 within one year as period 1 represents, what would you most likely do?
- Answer:
- A. Sell all the positions and move the money to safer investments.
 - B. Sell only the losing investments.
 - C. Sell nothing.
 - D. Buy more as the losing investments may represent opportunity.

CONTINUED LOSS

8. If the above portfolio declined by an additional 10% to \$35,100 the following year as period 2 represents, what would you most likely do?
- Answer:
- A. Sell all the positions and avoid investments that fluctuate greatly.
 - B. Sell only the losing positions and move the money to safer investments.
 - C. Keep the same positions.
 - D. Purchase additional positions as the investments that declined may represent an opportunity.

9. When it comes to investing, I would describe myself as:

Answer:

A. An investor with no or limited knowledge about investing or investment experience.

B. An investor with basic knowledge about investing and some investment experience.

C. An investor with considerable knowledge about investing and significant investment experience.

D. An investor with vast knowledge about investing and extensive investment experience.
10. Which of the following best describes how you monitor and review your investments?

Answer:

A. I do not monitor and review my investments.

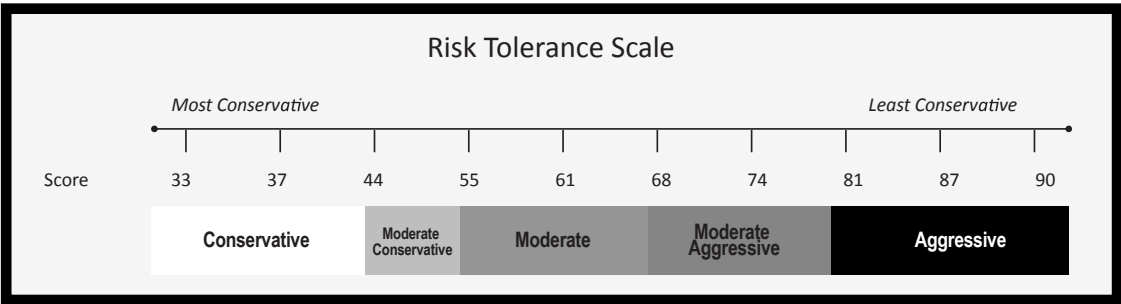
B. I have not monitored or reviewed my investments since I originally invested.

C. I monitor and review my investments occasionally, but not regularly.

D. I monitor and review my investments regularly.

Name: _____ Date: _____

Your Score: _____



Find your score. (if printed out and unable to use auto-calculation)

Answer	Score	Answer	Score	Answer	Score	Answer	Score
Question 1		Question 2		Question 3		Question 4	
A	4	A	-12	A	-12	A	1
B	7	B	6	B	2	B	2
C	8	C	8	C	5	C	3
D	10	D	12	D	9	D	4
		E	16	E	17	E	6

Question 5		Question 6		Question 7		Question 8	
A	-12	A	4	A	4	A	5
B	3	B	5	B	5	B	6
C	5	C	6	C	6	C	7
D	6	D	8	D	7	D	8
E	8						

Question 9		Question 10	
A	2	A	2
B	3	B	3
C	4	C	4
D	5	D	5

Score	Portfolio	Equity:Fixed Income
33-36	Conservative 20	20:80
37-43	Conservative 30	30:70
44-54	Moderate Conservative 40	40:60
55-60	Moderate 50	50:50
61-67	Moderate 60	60:40
68-73	Moderate Aggressive 70	70:30
74-80	Moderate Aggressive 80	80:20
81-86	Aggressive 90	90:10
87-90	Aggressive 98	98:2