



Investment Objectives and Risk Tolerance Questionnaire

Investor: _____

Date: _____

Risk Tolerance Questionnaire

The risk tolerance questionnaire is designed to help an investor determine an appropriate investment portfolio given his/her personal circumstance and personality. The questions are grouped into two areas: Risk Capacity (one's ability to take on risk), and Risk Attitude (one's desire to take on risk). Please complete as thoroughly as possible. If you have any questions, we can review in greater detail at our next meeting.

Part I - Risk Capacity

Risk capacity is the ability for an investor to take on risk based on current financial resources. For example, an investor with \$25 million of assets has more ability to take on risk than an investor with \$250,000. Or an investor with a 30 year time horizon has more capacity for risk than an investor with a 3 year time horizon.

1) When do you expect to begin withdrawing money from your investment account(s)?

<u>1 yr. or Less</u>	<u>2 Yrs.</u>	<u>3 Yrs.</u>	<u>4 Yrs.</u>	<u>5 Yrs.</u>	<u>6 Yrs.</u>	<u>7 Yrs.</u>	<u>8 Yrs.</u>	<u>9 Yrs.</u>	<u>10 Yrs. +</u>
1	2	3	4	5	6	7	8	9	10

2) Once you begin withdrawing money from your investment accounts, how long do you expect withdrawals to last?

<u>1 yr. or Less</u>	<u>2 Yrs.</u>	<u>3 Yrs.</u>	<u>4 Yrs.</u>	<u>5 Yrs.</u>	<u>6 Yrs.</u>	<u>7 Yrs.</u>	<u>8 Yrs.</u>	<u>9 Yrs.</u>	<u>10 Yrs. +</u>
1	2	3	4	5	6	7	8	9	10

3) Does your current monthly income fall short, meet or exceed your monthly expenses?

<u>Fall Short</u>			<u>Meet</u>				<u>Exceed</u>		
1	2	3	4	5	6	7	8	9	10

4) Measuring your portfolio's ability to replace your income is a good indicator of financial security. What is your savings / investments to income ratio? (i.e. if savings / investments is \$1,000,000 and your income is \$100,000, your assets are 10 times your annual income.)

<u>> 1x</u>	<u>1.5x</u>	<u>2x</u>	<u>3x</u>	<u>5x</u>	<u>7x</u>	<u>10x</u>	<u>13x</u>	<u>16x</u>	<u>> 20x</u>
1	2	3	4	5	6	7	8	9	10

5) Controlling your debt is a good indicator of financial preparedness. What is your solvency ratio (total savings / total debt)? Total savings include investable assets (cash, bonds, stocks, mutual funds, alternative investments, etc.) in taxable and retirement accounts.

<u><30%</u>	<u>30% - 40%</u>	<u>40% - 50%</u>	<u>50% - 60%</u>	<u>60% - 70%</u>	<u>70% - 85%</u>	<u>85% - 100%</u>	<u>100% - 125%</u>	<u>125% - 150%</u>	<u>150% +</u>
1	2	3	4	5	6	7	8	9	10

6) Over the next five years, do you expect your income outside this portfolio to . . .

("Outside Income" is earnings not in connection with the portfolio, i.e. salary earnings, rental income, pension, social security, trust income, etc.)

<u>Decrease</u>			<u>Remain Constant</u>				<u>Increase</u>		
1	2	3	4	5	6	7	8	9	10

Sum of Risk Capacity Questions:



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Part II - Risk Attitude

Risk attitude is the risk aversion profile of the investor. Risk attitude is an attempt to understand an investor's willingness or desire to take on risk.

1) Which of the following best describes your investment objectives?

Conserve Principal			Balance of Growth & Income				Growth		
1	2	3	4	5	6	7	8	9	10

2) Which potential portfolio investments annual return scenario do you find most attractive?

High: 6%	High: 10%	High: 13%	High: 15%	High: 18%	High: 21%	High: 25%	High: 29%	High: 35%	High: 40%
Avg: 3%	Avg: 3.5%	Avg: 4%	Avg: 5%	Avg: 6%	Avg: 7%	Avg: 8%	Avg: 9%	Avg: 10%	Avg: 11%
Low: 0%	Low: -2%	Low: -4%	Low: -5%	Low: -7%	Low: -10%	Low: -12%	Low: -15%	Low: -20%	Low: -25%
1	2	3	4	5	6	7	8	9	10

3) How would you describe your knowledge of the financial markets?

Limited			Moderate				Extensive		
1	2	3	4	5	6	7	8	9	10

4) During the bear market that occurred in late 2007 to the spring of 2009, equities fell approximately 50%. During the worst of this unsettling period, did you...

Sell		Hold			Buy			Buying Opportunity for Long Term	
1	2	3	4	5	6	7	8	9	10

5) How much financial risk are you willing to take?

Little		Some			Reasonable			What is Necessary	
1	2	3	4	5	6	7	8	9	10

Sum of Risk Capacity Questions:

Client Signature & Date _____

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