

RISK PROFILE QUESTIONNAIRE

Instructions:

The questions in this profile (along with other information gathered in the data gathering phase) will be used to evaluate the client(s) tolerance for and acceptable level of risk for investments and/or investment portfolio. If this is completed by two clients each should answer the questions independently. This questionnaire will be reviewed with your financial planner during the data gathering phase.

Client 1 Client 2

1-5	1-5

- 1. Please rank your level of investment experience on a scale of 1 to 5.**
 1- None
 2- Limited
 3- Good
 4- Very Good
 5- Extensive

Check one	

- 2. When do you expect to start pulling distributions from your portfolio?**
 a. Immediately
 b. 1-5 years
 c. 6-10 years
 d. 10-20 years
 e. >20 years

Check one	

- 3. Once you start pulling distributions from your portfolio, how long do you expect to continue?**
 a. Immediately
 b. 1-5 years
 c. 6-10 years
 d. 10-20 years
 e. >20 years

Check one	

- 4. Over the next several years do you expect your earned income to:**
 a. Stay about the same
 b. Grow Moderately
 c. Grow Substantially
 d. Decrease Moderately
 e. Decrease Substantially
 f. Decrease Entirely

- 5. For each of the following attributes, identify a number on a scale from 1 to 5 that most correctly reflects your level of concern. The more important the higher number. You may use any number more than once.**
 a. Capital Preservation
 b. Growth
 c. Low Volatility
 d. Inflation Protection
 e. Current Cash Flow
 f. Aggressive Growth

%	%
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- 6. What percentage of your investments are you likely to need within the next five years?**

%	%
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- 7. Up to what percentage of your portfolio can be invested in long-term investments (i.e., over five years)?**

RISK PROFILE QUESTIONNAIRE (continued)

8. Investment "risk" means different things to different people. Please rank the following statements from 1 to 5 (1 least concern and 5 most concern) You may use any number more than once.

- a. I would be very concerned if I did not achieve the return on my portfolio that I expected (i.e., my target rate of return)
- b. I would be very concerned if my portfolio was worth less in "real" dollars because of inflation erosion.
- c. I would be very concerned with short-term volatility (i.e., if my portfolio dropped substantially in value over one year)

9. Except for the Great Depression, the longest time investors have had to wait after a market crash or significant decline, for their portfolio to return to its earlier value, has been 4 years for stock and 2 years for bond investments. Knowing this, and that is impossible to protect yourself from an occasional loss, answer the following question:

If my portfolio produces a long-term return that allows me to accomplish my goals, I am prepared to live with a time of recovery of:

Check one

- a. Less than 1 year.
- b. Between 1 and 2 years.
- c. Between 2 and 3 years.
- d. Between 3 and 4 years.
- e. Between 4 and 5 years.

Y/N Y/N 10.

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If you answered a, b or c in question #9, are you prepared to substantially reduce your goals?

Choose one 11.

- I would rather be out of the stock market when it goes down than in the market when it goes up (i.e., I cannot live with volatility of the stock market).
- I would rather be in the stock market when it goes down than out of the market when it goes up (i.e., I may not like the idea, but I can live with the volatility of the stock market in order to earn market returns).

12. Your investment advisor expects inflation to return and suggests that your portfolio be restructured.

Check one

- a. Ignore the advice and stick with your current portfolio
- b. Agree to adjust your portfolio partly to the latest recommendation
- c. Completely re-adjust your portfolio per your adviser's direction.

13. Now you have a test to take. There are two parts to the test. For each question, please check (a) or (b).

Choose (a) or (b)

- Question #1**
- a. You win \$80,000
 - b. You have an 80% chance of winning \$100,000 and a 20% chance of winning nothing.

Choose (a) or (b)

- Question #2**
- a. You lose \$80,000
 - b. You have an 80% chance of losing \$100,000 and a 20% chance of losing nothing.