

# INVESTOR RISK TOLERANCE QUESTIONNAIRE

Your risk tolerance is an indication of your potential level of comfort with different investment products. Your Investment objective determines how you should invest. Check the response that best reflects your answer to each of the following questions below and enter your name, date, and signature when complete.

## RISK TOLERANCE

1. Which of the following investments would you feel most comfortable owning?  
 a. Certificates of Deposit                       b. U.S. Government securities  
 c. Blue-chip stocks                                 d. Stocks of new, growth companies
2. Which of the following investments would you least like to own?  
 a. Stocks of new, growth companies     b. Blue-chip stocks  
 c. U.S. Government securities             d. Certificates of Deposit
3. How optimistic are you about the long-term prospects for the economy?  
 a. Very pessimistic       b. Unsure     c. Somewhat optimistic     d. Very optimistic
4. Which of the following best describes your attitude about investments outside the US?  
 a. I believe that investing in foreign markets involves risk  
 b. I believe that overseas markets provide attractive investment opportunities
5. Which of the following statements would best describe your reaction if the value of your purchase were to decline suddenly by 15%?  
 a. I would be very concerned because I cannot accept fluctuations in the value of my purchase  
 b. If the amount of income I receive was unaffected, it would not bother me  
 c. Although I invest for long-term growth, I would be concerned about even a temporary decline  
 d. Because I invest for long-term growth, I accept temporary fluctuations due to market influences
6. You have just received a windfall of \$50,000. How would you invest it?  
 a. I would invest in something that offered preservation of my money  
 b. I would invest in something that offered the potential for high income with a moderate amount of risk  
 c. I would invest in something that offered the potential for high total return (income plus capital appreciation with a moderately high amount of risk)  
 d. I would invest in something that offered substantial capital appreciation even though it has a high amount of risk

\_\_\_\_\_ **Subtotal 1-6**

## INVESTMENT OBJECTIVE

7. Which of the following best describes your investment objectives?  
 a. Preserving principal and getting a moderate amount of income  
 b. Generating a high amount of income  
 c. Generating some income and increasing my assets over an extended time frame  
 d. Increasing my assets substantially over an extended time frame
8. What do you expect your standard of living to be 10 years from now as compared to your standard of living today?  
 a. Lower than it is today                       b. The same as it is today  
 c. Somewhat higher than it is today         d. Substantially greater than it is today
9. Ten years from today, you expect the value of your investment to be:  
 a. The same as it is today                       b. Somewhat more than it is today  
 c. Greater than it is today                       d. Substantially greater than it is today

\_\_\_\_\_ **Subtotal 7-9**

## INVESTMENT TIME HORIZON

10. What is your age?

- a. 56 and over     b. 46-55     c. 36-45     d. 18-35

11. What is your primary financial goal?

- a. Wealth preservation     b. Retirement Planning     c. Wealth accumulation

12. What is the time frame for you to achieve your financial goals?

- a. 0-4 years     b. 5 to 14 years     c. 15 years or more

\_\_\_\_\_ **Subtotal 10-12**

## TOTALS

The total for each section is weighted (multiplied) by a number that represents the overall importance of that section when determining your investment Objective.

1. Multiply each subtotal by its weighted factor.
2. Add the subtotals to determine your Total Score.

*Risk Tolerance Subtotal*                      \_\_\_\_\_ x 3 = \_\_\_\_\_

*Investment Objective Subtotal*                      \_\_\_\_\_ x 2 = \_\_\_\_\_

*Investment Time Horizon Subtotal*                      \_\_\_\_\_ x 1 = \_\_\_\_\_

TOTAL SCORE = \_\_\_\_\_

### Reference Table

#### Total Score      Investment Objective

27-51	A	Income with Capital Preservation
40-70	B	Income with Moderate Growth
61-86	C	Growth with Income
72-97	D	Growth
84-100	E	Aggressive Growth

Match your total score with one of the Investment Objectives listed below. You will notice that there is some overlap in the Total Score ranges. If your score falls within an overlap, please examine each applicable objective to determine which best represents your needs.

## RISK TOLERANCE/INVESTMENT OBJECTIVE

### Investment Objectives Corresponding to Risk Tolerance

- Conservative** -- Prefer little risk and low volatility in return for accepting potentially lower returns. **A only**  
Minimizing exposure of principal to loss or fluctuations is important.
- Moderately Conservative** -- Willing to take some risk to seek enhanced returns. Reduced exposure of principal to loss or fluctuation is important. **A or B only**
- Moderate** – Willing to assume average amount of market risk and volatility or loss of principal to achieve higher returns. **A, B or C only**
- Moderately Aggressive** – Willing to assume an above average amount of risk and volatility or loss of principal to take advantage of potentially higher return opportunities. **A, B, C or D only**
- Aggressive** – Willing to sustain substantial volatility or loss of principal and assume a high level of risk in pursuing higher returns. **Any**

**DATE COMPLETED:** \_\_\_\_\_

**NAME OF CLIENT(S):** \_\_\_\_\_

**SIGNATURE OF CLIENT(S):** X \_\_\_\_\_