

## RISK TOLERANCE ASSESSMENT

These questions will help in determining your risk/reward tolerance. Complete this profile questionnaire by circling the appropriate response. Your financial professional will score and discuss your responses in detail. Your answers to the following questions are used to generate an asset allocation model that may be the most appropriate to help you achieve your stated goals, taking into account your investment horizon and tolerance for risk. Asset allocation and diversification does not guarantee against loss; they are methods used to help manage risk and cannot ensure that your investments will earn a desired rate of return.

1. Your investment objective and risk/tolerance summarize the way you wish to invest in order to achieve your goals. This serves to define how assets should be managed in your account. While asking yourself, “What do I most want to accomplish?” select the objective that best fits the purpose of your account.

- A. My investment should be safe. Preserving value is my focus and I do not want to risk losing my principal.
- B. My investment should generate regular income I can spend.
- C. My investment should generate some current income and grow in value over time.
- D. My investment should achieve capital appreciation. There is no need for current income.

2. I am comfortable with investments that may go down in value from time to time, if they offer the potential higher returns.

- A. Strongly Disagree
- B. Disagree
- C. Somewhat Agree
- D. Agree
- E. Strongly Agree

3. Age is a very important determinant of portfolio selection. Please select your age bracket below.

- A. 65 or older
- B. 56-64
- C. 46-55
- D. 36-45
- E. 35 or younger

4. Your investment time horizon is an important variable to consider when constructing a financial strategy. How long will it be before you begin making withdrawals?

- A. 0-1 Years
- B. 1-2 Years
- C. 2-5 Years
- D. 5-10 Years
- E. More than 10 years

5. Once you begin taking withdrawals from your portfolio, how long will the money in your portfolio have to last before it is depleted?
- A.** Immediate lump sum
  - B.** Less than 1 year
  - C.** 1-5 Years
  - D.** 6-10Years
  - E.** 11 years or more
6. Do you need to receive income from your investment NOW? What percentage of your CURRENT income must be paid out to you from this investment?
- A.** Over 50%
  - B.** 31-50%
  - C.** 16-30%
  - D.** 6-15%
  - E.** 0-5%
7. How long could you cover monthly living expenses with cash and short-term liquid investments you currently have on hand?
- A.** 1 Month or less
  - B.** 1-3 Months
  - C.** 3-6 Months
  - D.** 6-12 Months
  - E.** 12 Months or more
8. What is your outlook for your future income from sources other than investments over the next ten years?
- A.** It will greatly decrease or will be zero
  - B.** It will decrease, but not by much
  - C.** It will stay the same
  - D.** It will increase, but not by much
  - E.** It will greatly increase
9. How much investing experience do you have with stocks or stock mutual funds?
- A.** None
  - B.** Some
  - C.** A fair amount
  - D.** A great deal
10. How much investing experience do you have with bonds or bond mutual funds?
- A.** None
  - B.** Some
  - C.** A fair amount
  - D.** A great deal
11. What portion of your investable assets is being used for this account?
- A.** Greater than 50%
  - B.** 25-50%
  - C.** 10-25%
  - D.** Less than 10%

12. I understand the value of my portfolio will fluctuate over time. The maximum loss in any one-year period that I am willing to accept before changing my investment strategy is (assuming you start with \$100,000)?

- A.** 0% (value \$100,000)
- B.** 5% (value \$95,000)
- C.** 10% (value \$90,000)
- D.** 20% (value \$80,000)
- E.** 30% (value \$70,000)

13. Which of these plans would you choose for your investment dollars?

- A.** You invest your dollars in fixed guaranteed investments.
- B.** You go for maximum diversity by dividing your dollars among many different investments to achieve a moderate rate of return with a moderate level of risk.
- C.** You would put your dollars into one investment with the highest rate of return and the most risk.

14. Due to a general market correction, one of your investments loses 14% of its value a short time after you buy it. What do you do?

- A.** Sell the investment so you won't have to worry about it any longer.
- B.** Hold on to it and wait for it to climb back up.
- C.** Buy more of the same investment. At the new low price, it looks even better than when you originally bought it.
- D.** Mortgage the house and buy as much as possible to lower your average cost basis on the investment.

15. You have an opportunity to fund an underwater salvage operation to recover sunken treasure. The chances of finding the vessel are 25%. But, if recovered, you could earn 75-100 times your investment. How much do you invest?

- A.** Nothing at all
- B.** One month's salary
- C.** Three months salary
- D.** Six months salary

16. Investing internationally entails additional risk factors such as currency, politics, etc. While these investments may be more volatile than United States investments, over the long term they may tend to produce higher rates of return. Which describes your attitude about investing internationally?

- A.** I would not invest
- B.** I would invest a portion of my assets
- C.** I would invest a majority of my assets

17. You have just reached the \$10,000 plateau on a game show. Do you quit with the \$10,000 or do you bet the entire \$10,000 in one of three categories?

- A.** Take the money and run
- B.** A 50% chance of winning \$50,000
- C.** A 20% chance of winning \$75,000
- D.** A 5% chance of winning \$100,000

18. Regarding your current situation, which statement best describes your attitude:

- A. I am happy with the result of my portfolio.
- B. I would like to enhance my returns without adding undue risk to my portfolio.
- C. I do not know what my portfolio has done.
- D. I am willing to look at alternative investment as a way of attaining my goals.

19. Are there any legal or tax considerations, which may affect the manner in which your assets are invested?

20. Do you anticipate any major expenditure that may require the liquidation of part or all of your investment portfolio? If so, please list the frequency and amount below.

21. Are there any special considerations that may affect the manner in which your assets are to be managed?

Client Signature

Date

<b>SIGN</b> 
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Name (printed)

Client Signature

Date

<b>SIGN</b> 
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Name (printed)

## Scoring

Question #	1	2	1	4	5	6	7	8	9	10	11	12	13	14	15	16	17	Total
Answer																		
Score																		
<b>A</b>	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
<b>B</b>	2	3	3	3	3	3	2	3	3	3	3	3	5	3	3	5	3	
<b>C</b>	3	5	5	5	5	5	3	5	5	5	5	5	9	7	7	9	7	
<b>D</b>	5	7	7	7	7	7	5	7	7	7	7	7		9	9		9	
<b>E</b>	7	9	9	9	9	9	7	9				9						

### Risk Category

Risk Category	Score
Capital Preservation - Conservative	17-34
Income - Conservative to Moderate	35-54
Income/Growth - Moderate	55-74
Long Term Growth - Moderate to Aggressive	75-109
Aggressive Growth - Capital Appreciation	110-143

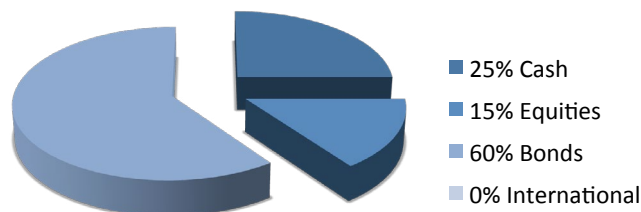
### Asset Allocation

Asset Allocation	Equities	International	Bonds	Cash
Capital Preservation - Conservative	15%	0%	60%	25%
Income - Conservative to Moderate	35%	0%	50%	15%
Income/Growth - Moderate	55%	5%	35%	5%
Long Term Growth - Moderate to Aggressive	70%	10%	20%	0%
Aggressive Growth - Capital Appreciation	70%	20%	10%	0%

## Recommended Asset Allocation

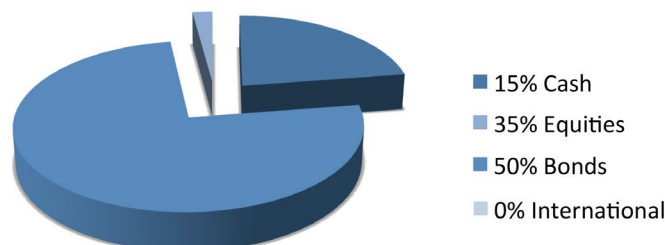
Capital Preservation-Conservative: Preservation of capital is the primary concern.

### Capital Preservation - Conservation



Income-Conservative to Moderate: Preserving capital and income are the main objectives

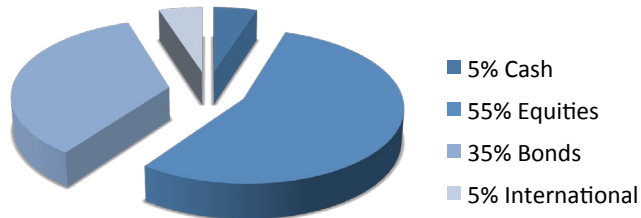
### Income - Conservative to Moderate



## Recommended Asset Allocation (continued)

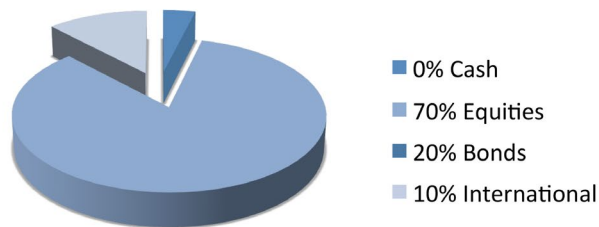
**Income/Growth Moderate:** An investor in this category is willing to accept possible loss of principal in return for the opportunity to potentially produce higher total returns.

### Income/Growth - Moderate



**Income/Growth Moderate:** An investor in this category is willing to accept possible loss of principal in return for the opportunity to potentially produce higher total returns.

### Long Term Growth – Moderate to Aggressive



Long Term Growth-Moderate to Aggressive: An investor in this category has time on their side is willing to take on more risk of losing principal in return for the opportunity to potentially produce higher total returns.

### Aggressive Growth - Capital Appreciation

