



RISK TOLERANCE QUESTIONNAIRE

Please complete this section to identify your Risk Tolerance. This will help us determine the investments most appropriate for helping you achieve the financial goals that are important to you. Check one box for each question.

1. What type of returns are you seeking?

- (2) Income
- (3) Growth > Inflation
- (4) Maximum Growth Potential

2. Keeping in mind your primary financial goals, in approximately how many years would you expect to need this money?

- (2) 1 – 3 years
- (3) 3 – 7 years
- (4) 7+ years

3. Which one of the following describes your expected future earnings over the next five years?

- (4) I expect my earnings increases will far outpace inflation (due to promotions, new job, etc.)
- (3) I expect my earnings increases to stay somewhat ahead of inflation.
- (2) I expect my earnings to keep pace with inflation.
- (1) I expect my earnings to decrease (retirement, part time work, economically-depressed industry, etc.)

4. How concerned are you that your savings and investment dollars outpace inflation?

- (2) Not very concerned
- (3) Moderately concerned
- (4) Highly concerned
- (5) Very highly concerned

5. If you are looking for your investments to grow, approximately what annual rate of return would you want/need to meet your goals?

- (2) Less than 5%
- (3) 5% - 10%
- (4) Greater than 10%

6. How would you react if your long-term investments declined 10% in one year?

- (1) I understand there may be market fluctuations, but I would be very concerned if my principal declined 10%.
- (2) I accept some market fluctuations, but I would be somewhat concerned if my principal declined this much.
- (3) I generally invest for the long term and I would not be concerned with this decline.

(4) I invest for the long term and would accept a 10% decline.

7. How would you react if your long-term investments decline by 20% in one year?

- (1) I understand there may be market fluctuations, but I would be very concerned if my principal declined 20%.
- (2) I accept some market fluctuations, but I would be somewhat concerned if my principal declined this much.
- (3) I generally invest for the long term and I would not be concerned with this decline.
- (4) I invest for the long term and would accept a 20% decline.

8. Have you ever invested in individual bonds/stocks or bond/stock mutual funds.

- (1) No, but if I had, the fluctuations would make me uncomfortable.
- (2) No, but if I had, I would be comfortable with the fluctuations in order to receive the potential for higher returns.
- (3) Yes I have, but I was uncomfortable at times with the fluctuations, despite the potential for higher returns.
- (4) Yes I have, and I felt comfortable with the fluctuations in order to receive the potential for higher returns.

9. Which of the following statements best describes your feelings toward choosing your investments?

- (2) I would select investments that have a low degree of risk associated with them.
- (4) I prefer to diversify with a mix of investments, placing an emphasis on those with a low degree of risk and a small portion in others that have a higher degree of risk that may yield a greater return.
- (6) I prefer to diversify with a balanced mix of investments.
- (8) I prefer to diversify with an aggressive mix of investments including some that have a low degree of risk, but emphasizing those that may yield greater returns and have a higher degree of risk.
- (12) I would only select investments that have a higher degree of risk and a greater potential for higher returns.



INVESTMENT POLICY STATEMENT (IPS)

_____ (Initial) – **RTQ Score of 14-20: Conservative Income... Profile #1:** Your Risk Tolerance Score of 14-20 and/or your risk profile score of 1-2 is a Conservative Income Profile, indicating you are very conservative in nature and would not be comfortable with portfolio risk and market volatility of more than (-3 to -5%) downside in any given year. Safety of principal is very important, but you may accept minimal risk and volatility in pursuit of enhanced returns. You are open to other alternatives that may enhance monthly returns or income. Your goal is to preserve your capital while producing an income of 2-3% over inflation over an investment period of 1-3 years with a Volatility Risk Budget of (-3 to -5%) in any given year.

_____ (Initial) – **RTQ Score of 21-25: Income... Profile #2:** Your Risk Tolerance Score of 21-25 and/or your risk profile score of 3-4 is an Income Profile, indicating you are generally conservative in nature and would not be comfortable with portfolio risk and market volatility of more than (-5 to -10%) downside in any given year. Safety of principal is important, but you may accept some risk and volatility in pursuit of enhanced returns. You are open to other alternatives that may enhance monthly returns or income. Your goal is to produce income of 4-5% over inflation while maintaining stability of principal over an investment period of 3-5 years with a Volatility Risk Budget of (-5 to -10%) in any given year.

_____ (Initial) – **RTQ Score of 26-30: Balanced... Profile #3:** Your Risk Tolerance Score of 26-30 and/or your risk profile score of 5-6 is a Growth and Income or Balanced Profile, indicating that you are comfortable with portfolio risk and market volatility of (-10 to -15%) downside in any given year. You are attracted to higher returns, and are willing to accept some additional risk in order to achieve them. Your goal is to achieve a total annual rate of return of 6-7% over inflation over an investment period of 5-7 years with a Volatility Risk Budget of (-10 to -15%) in any given year.

_____ (Initial) – **RTQ Score of 31-35: Growth... Profile #4:** Your Risk Tolerance Score of 31-35 and/or your risk profile score of 7-8 is a Growth Profile, indicating that you are comfortable with portfolio risk and market volatility of (-15 to -20%) downside in any given year. Your focus is directed toward long-term financial goals. You are comfortable with higher degrees of risk and market fluctuations. Your goal is to maximize returns on all your investments with the target of achieving a total annual rate of return of 8-9% over inflation over an investment period of 7-10 years or more with a Volatility Risk Budget of (-15 to -20%) in any given year.

_____ (Initial) – **RTQ Score of 36+: Aggressive Growth... Profile #5:** Your Risk Tolerance Score of 36+ and/or your risk profile score of 9-10 is an Aggressive Growth Profile, indicating that you are comfortable with portfolio risk and market volatility of (-20 to -30%) downside in any given year. Your focus is directed toward long-term financial goals. You are comfortable with higher degrees of risk and market fluctuations. Your goal is to maximize returns on all your investments with the target of achieving a total annual rate of return of 10-12% or more over inflation over an investment period of 10 years or more with a Volatility Risk Budget of (-20 to -30%) in any given year.

Signature: _____

Date: _____

Signature: _____

Date: _____