

Risk Tolerance Questionnaire

Question 1

When do you expect to begin withdrawing money from your investment account?

- A. Less than 1 year
- B. 1 to 2 years
- C. 3 to 4 years
- D. 5 to 7 years
- E. 8 to 10 years
- F. 11 years or more

Question 2

Once you begin withdrawing money from your investments, how long do you expect the withdrawals to last?

- A. I plan to take a lump sum distribution
- B. 1 to 4 years
- C. 5 to 7 years
- D. 8 to 10 years
- E. 11 years or more

Question 3

Inflation is the rise in prices over time. Long-term investors should be aware that if portfolio returns are less than inflation, the ability to purchase goods and services in the future might actually decline. Portfolios with long-term returns that significantly exceed inflation, however, are associated with a higher degree of short-term risk. Which of the following portfolios is most consistent with your investment philosophy?

- A. **Portfolio 1** will most likely exceed long-term inflation by a significant margin and has a high degree of short-term risk.
- B. **Portfolio 2** will most likely exceed long-term inflation by a moderate margin and has a high to moderate degree of short term risk.
- C. **Portfolio 3** will most likely exceed long-term inflation by a small margin and has a moderate degree of short-term risk.
- D. **Portfolio 4** will most likely match long-term inflation and has a low to moderate degree of short-term risk.

Question 4

Portfolios with the highest average returns also tend to have the highest chance of losing money. The table below provides the average dollar return for an investment of \$100,000 and possibility of losing money (ending value of less than \$100,000) Over a one-year holding period in four different portfolios. Please select the portfolio with which you are most comfortable.

Probabilities after 1 Year		
	Possible Average Dollar Return	Chance of Losing Money
A. Portfolio A	\$105,000	17%
B. Portfolio B	\$107,000	23%
C. Portfolio C	\$108,000	29%
D. Portfolio D	\$109,000	31%

Question 5

Investing involves a trade-off between risk and return. Historically, investors who have received high long-term average returns have experienced greater price fluctuations and higher potential for loss than investors in more conservative investments. Considering the above, which statement best describes your investment goals?

- A. Protect the value of my account. In order to minimize the chance for loss, I am willing to accept the lower long-term returns provided by conservative investments.
- B. Keep risk to a minimum while trying to achieve slightly higher returns than provided by more conservative investments.
- C. Balance moderate levels of risk with moderate levels of return.
- D. Maximize Long-term investment returns. Therefore, I am willing to accept large and sometimes dramatic fluctuations in the value of my investments.

Question 6

Historically, markets have experienced periods of substantial short-term price swings (volatility) as well as prolonged down markets. Suppose you owned a well-diversified portfolio that fell by 20% over a short period. Assuming you still have 10 years until you begin withdrawals, how would you react?

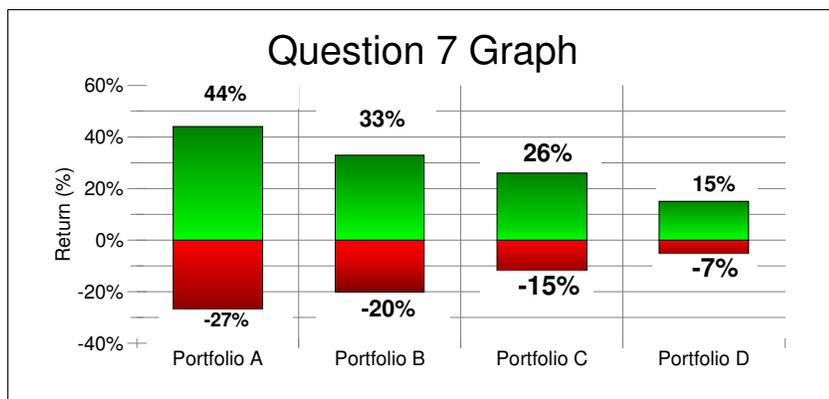
- A. I would **not** change my portfolio.
- B. I would **wait at least a year** before changing to more conservative options.
- C. I would **wait at least three months** before changing to more conservative options.
- D. I would **immediately** change to more conservative options.

Question 7

The following graph shows the hypothetical results of four sample portfolios over a one-year holding period. The best potential gains and losses are presented. Note that the portfolio with the best potential gain also has the largest potential loss.

Which of these portfolios would you prefer to hold?

- A. Portfolio A
- B. Portfolio B
- C. Portfolio C
- D. Portfolio D



Question 8

I am comfortable with investments that may frequently experience large declines in value if there is a potential for higher returns.

- A. Agree
- B. Disagree
- C. Strongly Disagree