

# Investment Risk Tolerance Questionnaire

Our goal is to help you achieve your goals. In order to better understand how you feel about using your investments as a tool for enhancing your life style, please complete the following.

Name: \_\_\_\_\_ Age: \_\_\_\_\_

**Question 1**

What is the goal for your investments? \_\_\_\_\_

**Question 2**

What do you feel is a reasonable annual return for your investment portfolio?

- | (Equity/Fixed-Income) |              |             |                          |
|-----------------------|--------------|-------------|--------------------------|
| A.                    | 4.0%         | (30% / 70%) | <input type="checkbox"/> |
| B.                    | 5.0%         | (50% / 50%) | <input type="checkbox"/> |
| C.                    | 6.0%         | (60% / 40%) | <input type="checkbox"/> |
| D.                    | 7.0%         | (70% / 30%) | <input type="checkbox"/> |
| E.                    | 8.0%         | (80% / 20%) | <input type="checkbox"/> |
| F.                    | 9% and above | (90% / 10%) | <input type="checkbox"/> |

\* Rates of return are for illustration purposes only

**Question 3**

A. What is your annual cost of living increase currently? \_\_\_\_\_

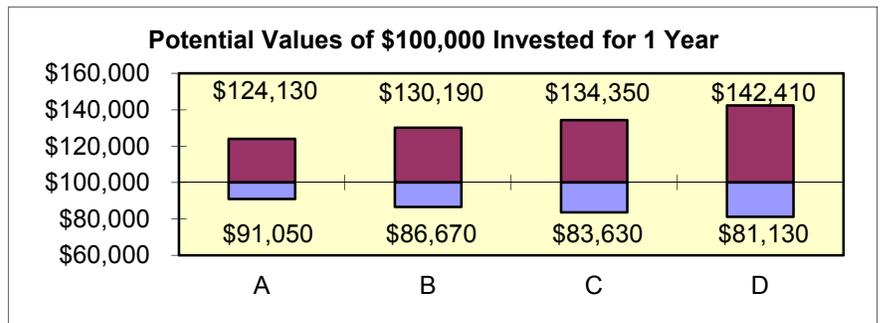
B. My level of concern due to the impact of inflation over a 10 year period:

- |    |           |                          |                          |
|----|-----------|--------------------------|--------------------------|
| 1. | None      | \$10,000 @ 0% = \$10,000 | <input type="checkbox"/> |
| 2. | Very Low  | \$10,000 @ 1% = \$9,052  | <input type="checkbox"/> |
| 3. | Low       | \$10,000 @ 2% = \$8,203  | <input type="checkbox"/> |
| 4. | Average   | \$10,000 @ 3% = \$7,440  | <input type="checkbox"/> |
| 5. | High      | \$10,000 @ 4% = \$6,755  | <input type="checkbox"/> |
| 6. | Very High | \$10,000 @ 5% = \$6,139  | <input type="checkbox"/> |

**Question 4**

The following graph shows fictional examples of the ranges of returns on \$100,000 for four different investments over a one year period. For example, if you invest in portfolio C, your worst case scenario is a loss of \$17,370, and your best case scenario is a gain of \$34,350. Given that this is the only information that you have on these four portfolios, which one would you choose to invest in?

- A.   
 B.   
 C.   
 D.



### Question 5

A. What would you like your current investments to be able to provide for you? \_\_\_\_\_  
\_\_\_\_\_

B. Rank each of the following options from **most concerned** to **least concerned** regarding your retirement assets.

#### OBJECTIVE

	<i>Most Concerned</i>	<i>Average</i>	<i>Least Concerned</i>
1. Safety	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Growth	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Portfolio Stability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Inflation Protection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Providing Current Income	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Aggressive Growth	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Regular Portfolio Tracking	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Question 6

A. What would you need to withdraw from your investments for? \_\_\_\_\_

B. I expect to continue my current standard of living for \_\_\_\_\_ years

C. What is the portfolio's investment time horizon? Investment time horizon refers to the number of years you expect the assets to be invested **before** you will have to take income from the portfolio.

- |    |                       |                          |
|----|-----------------------|--------------------------|
| 1. | 1 year or less        | <input type="checkbox"/> |
| 2. | 3 Years               | <input type="checkbox"/> |
| 3. | 5 Years               | <input type="checkbox"/> |
| 4. | 7 Years               | <input type="checkbox"/> |
| 5. | 10 Years              | <input type="checkbox"/> |
| 6. | Greater than 10 Years | <input type="checkbox"/> |

### Question 7

If my portfolio produces a **long-term** return that allows me to accomplish my goals, I am prepared to live with portfolio losses that could take up to \_\_\_\_\_ year(s) to fully recover.

- |    |                     |                          |
|----|---------------------|--------------------------|
| A. | Less than 1 year    | <input type="checkbox"/> |
| B. | Between 1 & 2 Years | <input type="checkbox"/> |
| C. | Between 2 & 3 Years | <input type="checkbox"/> |
| D. | Over 3 Years        | <input type="checkbox"/> |

**Question 8**

I am more concerned about running out of money in the future than I am about fluctuations in my investments in the near term.

- Yes
- No

**Question 9**

Suppose that one of your mutual funds that you bought 1 year ago lost 15% of its value. The fund's performance is similar to other funds and to the stock market. What is your reaction?

- A. Be very upset, and sell all of my shares
- B. Wouldn't be happy, but wouldn't sell
- C. Would think this is a great opportunity, and buy more shares

**Question 10**

Suppose that your retirement plan calls for a *Portfolio Rate of Return* that is greater than your *Acceptable Risk Tolerance* as indicated by this questionnaire. Would you be willing to accept more risk (meaning greater portfolio volatility and greater potential losses) in order to meet your retirement goals?

- A. No, I would be more comfortable reducing my retirement income needs than I would be in increasing my potential for losses.
- B. Yes, I would be willing to accept a modest increase in risk, but I would also be willing to reduce my retirement needs as well.
- C. Yes, if I need to be a more aggressive investor to reach my retirement goals, I am more than ready to do so.

Please list any information that you would like us to consider regarding your previous investment experiences.

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KFS will use this information as part of the planning process to develop the tools necessary to help you achieve your goals. If your feelings change on any of these items please notify us.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_