



## DISCOVERY WORKBOOK

*Prepared for:*.....



## PREFACE

**THE INFORMATION DEVELOPED FROM THE DISCOVERY WORKBOOK WILL BE CAREFULLY ANALYZED AND WILL ESTABLISH THE FOUNDATION FOR YOUR INVESTMENT PROGRAM. CLEARLY DEFINED GUIDELINES AND INVESTMENT OBJECTIVES WILL BE OUTLINED IN OUR PROPOSAL AND INVESTMENT POLICY STATEMENT.**

The time spent completing the Discovery Workbook will contribute significantly to the formal establishment of our relationship.

Experience has shown that to successfully customize an investment strategy, it is essential for us to learn

about your investment experience and circumstances. The Discovery Workbook is designed to help us define and prioritize your goals, establish your investment time horizon and to understand your ability to accept risk and loss.

We ask that you complete the Investor Information and Financial Profile sections as completely as possible and that you give careful consideration to each of your responses to the ten questions appearing in the Investment Objectives and Risk Tolerance section. Your answers to these questions will provide us with insight into your prior investment experience and will enable us to more closely align our recommendations with your goals and preferences.

1. What about your current circumstance is motivating you to seek advice and counsel?

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.....

2. What is important about money to you? Why?

.....  
.....

3. What are your primary financial goals and objectives?

.....  
.....

4. Where would you like to be five years from now?

.....  
.....

5. What areas would you most like to improve upon?

.....  
.....

**ADDITIONAL CONCERNS OR COMMENTS:**

.....  
.....  
.....  
.....



## INVESTMENT OBJECTIVES

## AND RISK TOLERANCE

### INVESTMENT OBJECTIVES AND RISK TOLERANCE

- Which of the following best describes your primary financial goal for this investment?
  - a. My goal is preserving the real (inflation protected) value of my investment; I am not concerned with outperforming the market.
  - b. My goal is generating current income; I am not concerned with growing the value of my investment.
  - c. My goal is a combination of generating current income and growing the value of my investment.
  - d. My goal is growing the value of my investment, and I am willing to tolerate losses in some years.
- What is the time horizon for your investment?
  - a. 1-3 years: these investments need to remain very liquid.
  - b. 3-5 years: I can only tolerate a small amount of volatility.
  - c. 5-10 years: I can tolerate a moderate amount of volatility.
  - d. Over 10 years: these assets are invested for the long term and can tolerate short-term fluctuations in value.
- The assets considered for investment are what percentage of your total investable assets?
  - a. More than 75%
  - b. 50%-75%
  - c. 25%-50%
  - d. Less than 25%
- Please choose the phrase that best describes the degree to which you will rely on these assets.
  - a. These investments are critical to my current and future financial well-being; I have few other assets or sources of current and future income.
  - b. While these assets are a significant portion of my wealth; I have other assets and additional sources of current and future income.
  - c. While these investments are an important portion of my wealth; I have considerable additional assets and other significant sources of current and future income.
  - d. This investment is fairly small in relation to my overall wealth and my other sources of current and future income.
- How likely is it you will need to withdraw a significant portion of these assets prior to your planned time horizon to pay for a home, education or some other purpose?
  - a. There is little to no chance.
  - b. It is possible, but not likely.
  - c. There is a strong chance.
  - d. I will definitely be withdrawing assets.
- If you do expect to withdraw a significant portion of your account, when is it likely to be?
  - a. Not applicable
  - b. Within 5 years
  - c. Within 5 - 10 years
  - d. More than 10 years from now

7. Assume your investment time horizon is more than ten years. During the second year of investment, your portfolio declines to less than its initial value. Where would you place your reaction along the following scale?

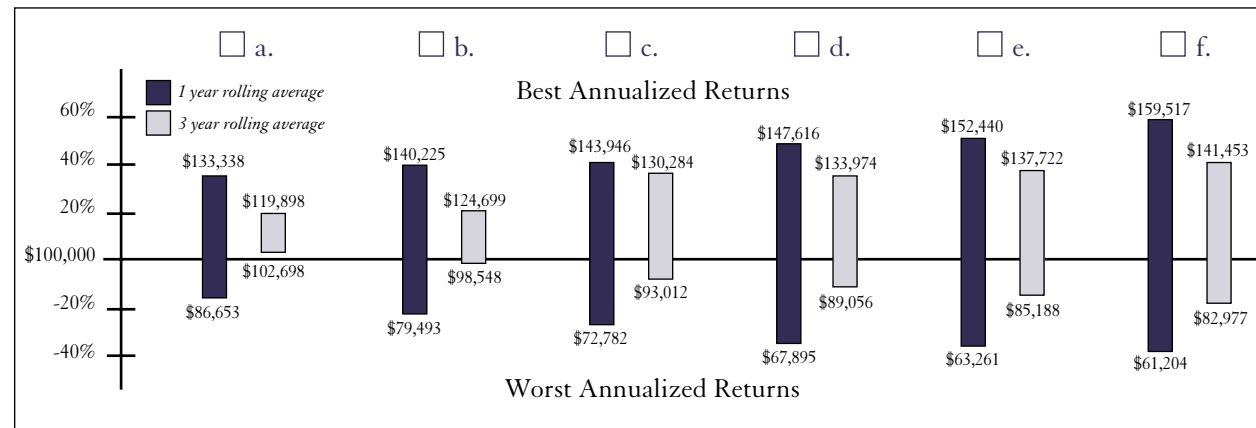
- a.  b.  c.  d.  e.  f.

*I never want to see the value of my investments decline.*

*I would be disappointed by this kind of loss, but I need a balanced, diversified portfolio to reach my long-term goals.*

*I don't pay any attention to short-term fluctuations in market value because I am investing for growth and I will not need my money until the end of my investment time horizon.*

8. Illustrated below is the range of annualized returns from best to worst for both 1 year and 3 year periods, from January 1973 through December 2004, for six hypothetical portfolios in which \$100,000 was invested.<sup>1</sup> Considering the range of returns and the downside risk associated with each portfolio, which portfolio do you feel would be the most appropriate for you?



<sup>1</sup>The returns are rolling 12 month and 36 month averages from January 1973 through December 31, 2004 for six hypothetical multi-asset class portfolios along the risk-return spectrum ranging from conservative to aggressive. These returns do not reflect the performance of actual investment accounts, and are presented for illustrative purposes only. Past performance is not indicative of future results.

9. If you made a long-term investment of \$100,000, how much of a loss in a single year would you withstand before selling?

- a. 5%, or \$5,000 on a \$100,000 investment.  b. 10%, or \$10,000 on a \$100,000 investment.  
 c. 20%, or \$20,000 on a \$100,000 investment.  d. I would not sell my investments based on a single year loss.

10. Suppose that, over a two to three year period, your portfolio has lost value. What action would you take?

- a. Transfer my investments to another investment manager of similar strategy that I believe is more skilled.  
 b. Move my investments to a more conservative portfolio to avoid losing more money.  
 c. Maintain my present disciplined, long-term strategy.  
 d. Develop a more aggressive strategy to recover my losses.



**INCOME**

Current annual income (including bonuses, commissions, dividends, interest, rental income, small business, etc.)  
\$.....

Does your income fluctuate on an annual basis (due to commissions, bonuses, etc.)?  
 No  Yes If yes, by what amount? \$ .....

Do you expect your annual income to change in the next five years beyond a normal cost of living adjustment?  
 No  Yes If yes, by what amount? \$ .....

**SAVINGS**

Outside your company retirement/savings plan, how much did you save last year after taxes?  
\$ .....

Do you expect to save a similar amount each year for the next few years? If no, how much do you expect to save each year?  
 No  Yes \$ .....

**TAX INFORMATION**

What is your current marginal federal tax rate?  15.0%  27.5%  30.5%  35.5%  39.1%

What is your current marginal state tax rate? .....%

To what state do you pay income tax? .....

**ASSETS**

Category (Self, Spouse, etc.)

Retirement Plans	\$ .....	\$ .....	\$ .....
Savings, CD, MM	\$ .....	\$ .....	\$ .....
Corp/Govt Bonds	\$ .....	\$ .....	\$ .....
Municipal Bonds	\$ .....	\$ .....	\$ .....
U.S. Stocks	\$ .....	\$ .....	\$ .....
International Stocks	\$ .....	\$ .....	\$ .....
Mutual Funds			
U.S. Stocks	\$ .....	\$ .....	\$ .....
U.S. Bonds	\$ .....	\$ .....	\$ .....
International Stocks	\$ .....	\$ .....	\$ .....
Other	\$ .....	\$ .....	\$ .....
Investment Real Estate	\$ .....	\$ .....	\$ .....
Other Investments	\$ .....	\$ .....	\$ .....

**Investment Experience**

E = Extensive / S = Some / N = None

<input type="checkbox"/> E	<input type="checkbox"/> S	<input type="checkbox"/> N
<input type="checkbox"/> E	<input type="checkbox"/> S	<input type="checkbox"/> N
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<input type="checkbox"/> E	<input type="checkbox"/> S	<input type="checkbox"/> N

**LIABILITIES**

Mortgage	\$ .....	\$ .....	\$ .....
Credit Cards	\$ .....	\$ .....	\$ .....
Auto Loans	\$ .....	\$ .....	\$ .....
Personal Business Loan	\$ .....	\$ .....	\$ .....
Other	\$ .....	\$ .....	\$ .....



**INVESTOR INFORMATION**

Name ..... Social Security Number .....

Address ..... Date of Birth .....

City ..... State ..... Zip .....

Country of Legal Residence ..... Home Phone .....

Employer ..... Occupation .....

Business Address ..... Business Phone .....

City ..... State ..... Zip .....

eMail Address ..... Years with Employer .....

Retired?  Yes  No Retirement Age: .....

Where would you like us to send your mail?  Home  Business  Alternate (*please provide below*)

Alternate Address ..... City ..... State ..... Zip .....

Specify any publicly traded company of which you are director, 10% shareholder or policy-making officer:

.....

Specify any securities firm with which you are affiliated: .....

.....

**DEPENDENTS**

Name	Age	Name	Age
1 .....	.....	3 .....	.....
2 .....	.....	4 .....	.....



**JOINT ACCOUNT HOLDER INFORMATION** *(if applicable)*

..... Name	..... Social Security Number	..... Date of Birth
..... Address	..... City	..... State      Zip
..... Country of Legal Residence	..... Home Phone	
..... Employer	..... Occupation	..... Business Phone
..... Address	..... City	..... State      Zip
..... eMail Address	..... Years with Employer	

Retired?  Yes  No Retirement Age: .....

**OTHER FINANCIAL ADVISORS**

**Accountant**

..... Name	..... Phone
..... Address	
..... City	..... State      Zip

**Attorney**

..... Name	..... Phone
..... Address	
..... City	..... State      Zip

Do you know of anyone who would also benefit from our services?

Name	Phone
1. ....	.....
2. ....	.....

Name	Phone
3. ....	.....
4. ....	.....

**CLIENT SIGNATURES**

..... Signature	..... Date
..... Signature	..... Date

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