

Module 13 – Risk Tolerance Profile

RISK QUESTIONNAIRE



BUILDING SOUND FINANCIAL MANAGEMENT SKILLS

The following Questionnaire is intended to provide basic insights into your investor profile by evaluating inputs such as investing goals, risk level, liquidity needs, and time horizon. If your personal circumstances change (e.g. income, time horizon, comfort with volatility, etc.), it is recommended that you review your responses to determine whether a modification to your investor profile is required. Recipients of this Questionnaire should seek further information and advice from a professional advisor,

Responses to each question are assigned a certain number of points. Your total score will reflect which investor profile best captures your attitude towards risk and an appropriate asset allocation.

RETURN OBJECTIVES

1) Which of the following best describes your primary objective for investing?

- a) Preserve capital (1 point)
- b) Generate stable income (2 points)
- c) Generate a combination of growth and income (4 points)
- d) Maximize capital appreciation (5 points)

Score: _____

TIME HORIZON

2) Over what time period, should the portfolio be structured to meet your financial goals:

- a) Within 1 year (1 point)
- b) 1 – 3 years (2 points)
- c) 3 – 5 years (3 points)
- d) 5 – 10 years (5 points)

Score: _____

LIQUIDITY NEEDS

3) What is the likelihood that you will make a partial withdrawal (up to 1/3 of your investment) before the end of your investment time horizon?

- a) Definitely will not (5 points)
- b) Probably will not (4 points)
- b) Likely will (2 points)
- d) Definitely will (1 point)

Score: _____

4) If you had to make an unexpected withdrawal, how much of the portfolio would you liquidate?

- a) All of my holdings (1 point)
- b) A significant portion of my invested capital (2 points)
- c) No more than 10% of the portfolio (3 points)
- d) I would not need to access the portfolio (5 points)

Score: _____

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RISK TOLERANCE

5) Assuming you had \$100,000 to invest for a period of 10 years, which of the following statements best describes your comfort level with potential fluctuations in portfolio value?

- a) I would not want to lose any money. (1 point)
- b) I could handle some downside volatility as long as the portfolio generated a moderate income stream with the expectation of breaking even. (3 points)
- c) I could tolerate moderate downside volatility with the expectation the portfolio could generate a higher potential capital gain and a modest income stream. (4 points)
- d) I am willing to experience large fluctuations in portfolio value for the possibility of maximizing capital appreciation. (5 points)

Score: _____

6) Based on the scenario above, how would you characterize your willingness to experience market risk in order to achieve your investment objective?

- a) Below average (1 point)
- b) Low (2 points)
- c) Average (3 points)
- b) Above average (4 points)
- d) High (5 points)

Score: _____

CLIENT EXPERIENCE

7) When evaluating the performance of your investment portfolio, over which time period do you place the most emphasis on results?

- a) Most recent quarter? (1 point)
- b) Past 12 months? (2 points)
- c) Past 5 years? (4 points)
- d) Past 10 years? (5 points)

Score: _____

INVESTOR PROFILE SCORE

Total Points: _____

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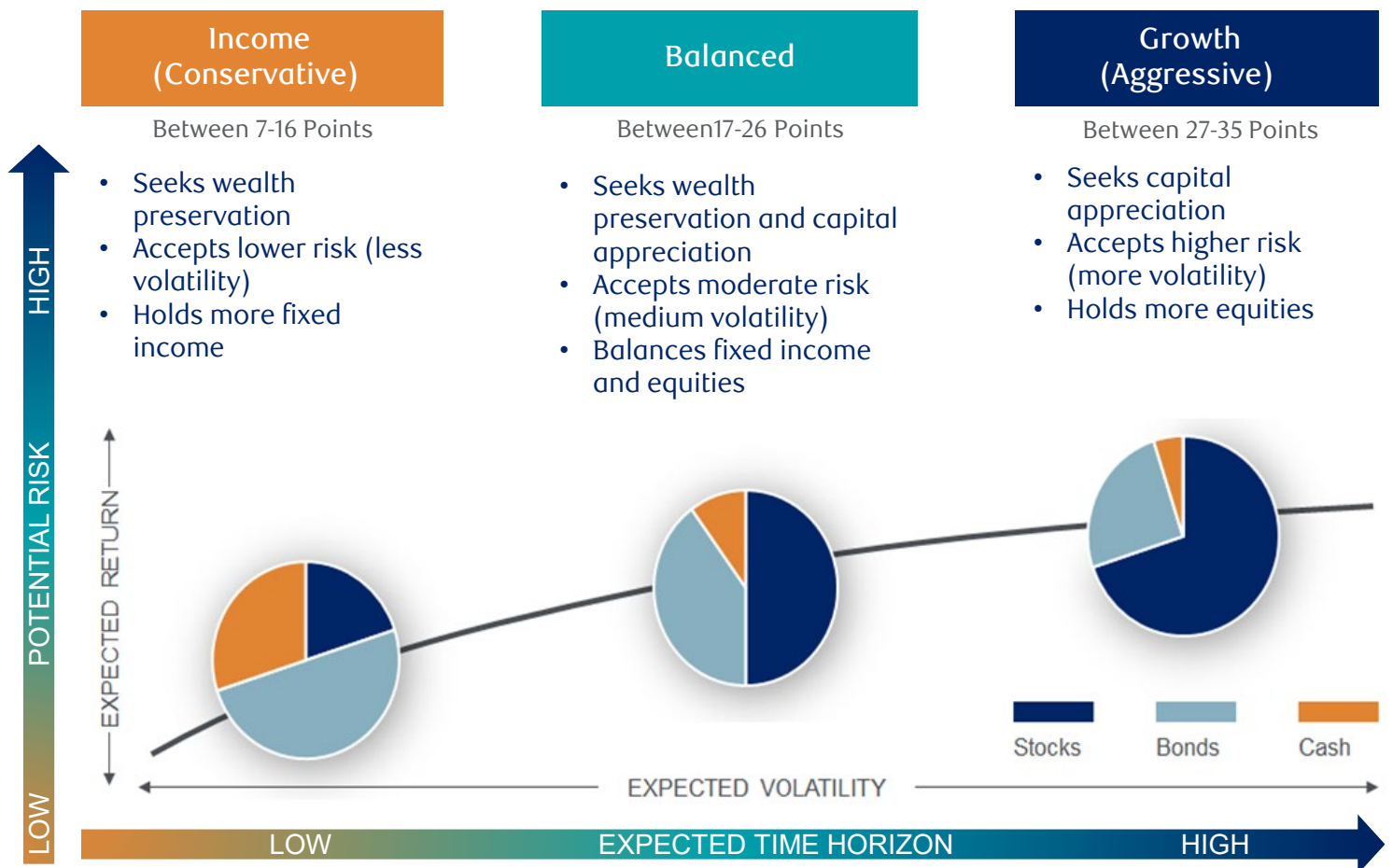
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Investors typically fall into one of five risk tolerance profiles. However, for the purposes of the 'Risk Tolerance Profile' module, we have discussed the three most distinct profiles. Each risk tolerance profile recommends a blend of asset classes that satisfies a specific objective. Based on your responses, your **total score** indicates which asset allocation profile might be most appropriate for you.

INVESTOR PROFILES



Risk Analysis: Based on the answers provided, you are in a stage of life that does not encourage unnecessary risk.

Risk Analysis: Based on the answers provided, you are in a stage of life where a moderate level of risk is generally acceptable.

Risk Analysis: Based on the answers provided, you are in a stage of life where you are generally able to take on a higher level of risk (within your comfort zone).

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