

Risk Tolerance Questionnaire

Tolerance for risk is a key consideration in determining your probable level of comfort with varying investing choices.

Risk Questionnaire

Time Horizon

Your current situation and future income needs.

- 1 When do you expect to begin withdrawing money from your investment account?
- Less than 2 years
 2 years
 3 to 4 years
 5 to 7 years
 8 to 10 years
 11 years or more

- 2 Once you begin withdrawing money from your investment account, how long do you expect the withdrawals to last?
- I plan to take a lump sum distribution
 1 to 4 years
 5 to 7 years
 8 to 10 years
 11 years or more

Risk Tolerance

- 3 Which of the following choices best reflects your attitude toward inflation and risk?
- My main goal is to avoid loss, even though I may only keep pace with inflation.
 My main goal is to earn slightly more than inflation, while taking on a low level of risk.
 My main goal is to increase my portfolio's value. Therefore, I am willing to accept short-term losses, but I am not comfortable with extreme performance shifts that may be experienced in the most aggressive investment options.
 My main goal is to maximize my portfolio value, and I am willing to take on more extreme levels of risk and performance shifts in my portfolio to do so.

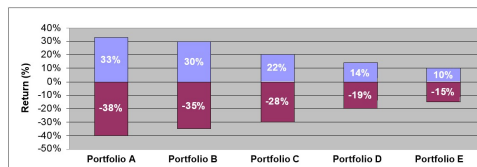
- 4 The table below presents a hypothetical worst case loss, expected gain, and best case gain of five sample portfolios over a one-year period with an initial \$100,000 investment. Which portfolio would you prefer to hold?
- | | Hypothetical Best Case (\$) | Expected Gain (\$) | Hypothetical Worst Case (\$) |
|--------------------------------------|-----------------------------|--------------------|------------------------------|
| <input type="checkbox"/> Portfolio 1 | 109,500 | 105,500 | 85,000 |
| <input type="checkbox"/> Portfolio 2 | 114,500 | 107,000 | 81,000 |
| <input type="checkbox"/> Portfolio 3 | 121,500 | 108,500 | 72,500 |
| <input type="checkbox"/> Portfolio 4 | 130,000 | 110,000 | 65,000 |
| <input type="checkbox"/> Portfolio 5 | 133,000 | 111,000 | 62,000 |

- 5 Investing involves a trade-off between risk and return. Which statement best describes your investment goals?
- 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.
 Keep risk to a minimum while trying to achieve slightly higher returns than the returns provided by investments that are more conservative.
 Focus more on the long-term investment returns. Long-Term growth is equally as important as managing portfolio risk.
 Maximize long-term investment returns. I am willing to accept large and sometimes dramatic short-term fluctuations in the value of my investments.

- 6 Historically, markets have experienced downturns, both short-term and prolonged, followed by market recoveries. Suppose you owned a well-diversified portfolio that fell by 20% (i.e. \$1,000 initial investment would now be worth \$800) over a short period, consistent with the overall market. Assuming you still have 10 years until you begin withdrawals, how would you react?
- I would not change my portfolio.
 I would wait at least one year before changing to options that are more conservative.
 I would wait at least three months before changing to options that are more conservative.
 I would immediately change to options that are more conservative.

7 The following graph shows the hypothetical best and worst results of five sample portfolios over a one year holding period. Note that the portfolio with the highest upside also has the largest downside. Which of these portfolios would you prefer to hold?

- Portfolio A
- Portfolio B
- Portfolio C
- Portfolio D
- Portfolio E



8 I am comfortable with investments that may frequently experience large declines in value if there is a potential for higher returns. What is your view regarding this statement?

- Strongly disagree
- Disagree
- Somewhat agree
- Agree
- Strongly agree