

INVESTMENT ALLOCATION RISK PROFILE

Circle the answers that best represent your goals and preferences to help determine your investor profile.

Name: _____

- | | Points |
|---|---------------|
| 1) What is your objective for this account? | |
| a. Seeking maximum growth potential | 4 |
| b. Achieving moderate to substantial growth | 3 |
| c. Generating income and achieving slight growth | 2 |
| d. Preserving initial investment | 1 |
| 2) When do you expect to tap into your account? | |
| a. In less than 5 years | 1 |
| b. In 6–10 years | 2 |
| c. In 11–15 years | 3 |
| d. In 16–20 years | 4 |
| 3) Over the next 10 years, do you expect your income to: | |
| a. Increase considerably? | 4 |
| b. Outpace inflation and grow steadily? | 3 |
| c. Keep pace with inflation? | 2 |
| d. Decline (due to raising children, retirement, slow economy)? | 1 |
| 4) If the value of your account dropped suddenly by 30 percent, would you: | |
| a. Add to your investments to take advantage of low prices? | 4 |
| b. Do nothing and wait for the value to come back? | 3 |
| c. Transfer some of your money to more conservative investments? | 2 |
| d. Sell all of your investments and move to cash? | 1 |
| 5) You can live off your current cash savings and investments for: | |
| a. 0–3 months | 1 |
| b. 4–6 months | 2 |
| c. 7–12 months | 3 |
| d. More than 1 year | 4 |
| 6) How much risk are you willing to take to achieve a potentially higher return? | |
| a. A lot of risk. You are not concerned with market fluctuations. | 4 |
| b. Moderate risk. You understand the relationship between risk and reward. | 3 |
| c. A little risk. You are concerned about significant market fluctuations. | 2 |
| d. None. You are risk-averse. | 1 |
| 7) How knowledgeable do you consider yourself to be about economic issues, personal finance, and investing? | |
| a. Very knowledgeable | 4 |
| b. Somewhat knowledgeable | 3 |
| c. Not very knowledgeable | 2 |
| d. Virtually no understanding of the economy, personal finance, and investing | 1 |

Total Score: _____

What is your investor profile?

7–10: Income with Limited Growth
19–23: Primarily Growth

11–14: Income with Moderate Growth
24–28: Aggressive Growth

15–18: Growth and Income

Income with Limited Growth: Conservative investors seek to reduce short-term losses and to maintain a high level of portfolio stability. This type of portfolio typically seeks to provide a steady current income, while also investing in certain growth-oriented vehicles to keep pace with inflation. An example of a conservative investor might be a retiree or an individual very near retirement age.

Income with Moderate Growth: The primary objective of moderate conservative investors is to experience some growth while avoiding extreme fluctuations in the market. This type of portfolio typically seeks stability of principal, steady current income, and some growth. Again, an example of a moderate conservative investor might include a retiree or an individual very near retirement age.

Growth and Income: Balanced investors are long-term investors who are willing to accept some ups and downs in portfolio value over time. They tend to be less inclined than more growth-oriented investors to tolerate short-term fluctuations, however. This type of portfolio is typically balanced between equities/stocks and bonds to provide more growth potential, as well as the potential for steady current income and stability of principal. An example of a balanced investor might be someone who is five to ten years from retirement.

Primarily Growth: Growth investors typically focus on long-term results. In return for the growth potential they seek, they accept the potential for increased portfolio risk and more significant market volatility over time. This type of portfolio typically has a greater allocation to equities/stocks than the more conservative options above. An example of a growth investor might be a younger investor who, due to his or her long-term time horizon, can ride out short-term market fluctuations.

Growth: An aggressive investor seeks maximum growth potential, which may or may not focus on the generation of current income. This long-term-oriented portfolio is typically invested almost entirely in equities/stocks, with a minimal cash position. It has historically offered the highest level of risk and potential return. An example of an aggressive investor might be a young investor who has no concern for short-term volatility and focuses solely on future growth potential.

Name: _____

Signature: _____

Date: _____