Risk Tolerance Questionnaire

hypothetical portfolios potential gain for that p	at the end of a 1-year period. portfolio, while the number to aly information that you have	or losses of a \$100,000 investment in each of seven. The number to the right of each bar shows the best of the left of each bar shows the worst potential loss. It is not these seven hypothetical portfolios, which one	
☐ Portfolio A	-\$5,000	\$10,000	
☐ Portfolio B	-\$8,250	\$16,500	
☐ Portfolio C	-\$11,500	\$23,000	
☐ Portfolio D	-\$14,750	\$29,500	
☐ Portfolio E	-\$18,000	\$36,000	
☐ Portfolio F	-\$21,250	\$42,500	
☐ Portfolio G	-\$24,000	\$49,000	
 2. Inflation (rising prices for goods and services) can have a significant effect on your investments by decreasing their potential purchasing power over time. Aggressive investments have historically outpaced inflation over the long run, but have had more instances of short-term losses than more conservative investments. How do you feel about inflation and its potential impact on your investments? You are satisfied with your investments keeping pace with inflation. Limiting the potential for short-term loss is your main goal, and you are willing to sacrifice the potential for higher returns. You would like your investments to outpace inflation. You are willing to assume some potential for short-term loss in order to pursue that goal. 			
market were to experie		ent portfolio is invested in securities. If the stock et, losing 50 percent of its value over a 3-year period, ed in a similar fashion)?	
afraid that the stock and you cannot affor Sell half of the securi think that the marke	in your portfolio. You are market is in a downturn d the decrease in value. ties in your portfolio. You t may rebound, but you re all of your investment oss.	 ☐ Hold the securities in your portfolio. You understand that your investment may be subject to short-term price swings and are comfortable 'weathering the storm'. ☐ Buy more securities for your portfolio to take advantage of their low price. You are comfortable with market fluctuations and assume that the securities will potentially regain their previous value or increase in value. 	





Risk Tolerance Questionnaire (cont.)

4. Once again, assume you have a substantial portion of y market were to gradually decline at an average of 2 per over a year, which of the following would you do?	
☐ Sell the securities in your portfolio and realize the 24% loss. You wish to avoid the risk of further loss.	☐ Invest more now because securities are selling for approximately 24% less than they were 12 months ago. You believe that the securities will potentially regain their value or possibly appreciate even higher over the long-term.
☐ Sell half of the securities in your portfolio. You are not willing to leave all of your investment at risk for further loss.	
☐ Do nothing. You are comfortable waiting for the securities to regain their previous value or to increase in value.	
5. Aggressive investments have historically provided hiterm price fluctuations and potential for loss. How deportfolio?	
You want to minimize the possibility of loss in the value of the portfolio. You understand that you are sacrificing higher long-term returns by holding investments that reduce the potential for short-term loss and price fluctuation.	☐ You can tolerate the risk of large losses in your portfolio in pursuit of greater potential gains.
You can tolerate the risk of moderate losses in order to pursue potentially favorable returns.	
6. What is the investment time horizon on these invest	able assets?
☐ Less than 3 years	☐ 6 – 9 years
☐ 3 – 5 years	☐ 10+ years



