



*"Always do right. This will gratify some people & astonish the rest."*

## **Investment Risk**

Before you start investing, it is important to understand your tolerance for investment risk. The following questions were created to help you understand your risk level comfort and investment expectations in order to discuss this with your financial advisor so an appropriate, personalized portfolio can be put together for you. Risk level is how comfortable you are with tolerating downside market fluctuations and how much you expect to profit when the markets are going up.

### **Risk Tolerance & Investment Financial Discovery Information**

Before you invest in anything, you should determine how you feel about the potential of losing money in a down market. The higher the return you seek, the higher the potential risk.

1. Based on potential risks and returns, I am looking for:

- Investment preservation.
- Investment income as well as capital appreciation
- Increasing my portfolio value while accepting lower risk levels.
- Increasing my portfolio value while accepting moderate risk levels.
- Increasing my portfolio value while accepting higher risk levels.
- Increasing my portfolio value as quick as possible while accepting higher risk levels.

2. What best describes my investment experience?

- No investment experience, need education
- Limited investment experience (ex: 401k at work), need more education
- Average investment experience (Mutual Funds)
- Above average experience (Mutual Funds, Bonds)
- Extensive background and understanding (Stocks, Bonds, Mutual Funds, ETF's)

3. What is my overall approach to investing in order to achieve my financial goals?

- Stability of my investment.
- Increasing my investment while minimizing potential losses.
- Growing my investment while accepting moderate risk levels and market fluctuations.
- Growing my investment while accepting higher risk levels and market fluctuations.
- Maximizing my capital gains investment while accepting market volatility and the potential higher risks.

4. In a cyclical market decline that may last more than a year, how comfortable am I with market volatility that could show a 20% decline in my portfolio value?

- I am more concerned with long-term investment.
- I am concerned about an investment loss, but am willing to allow the market to recover rather than sell my investments.
- I am concerned about an investment loss, but may consider selling a portion of my investments.
- I am very concerned and would sell my investments/put them all in cash in order to protect the remaining investment.
- I do not want to risk anything.

5. What reasonable percentage annual return am I seeking?

6. What is my comfort level with portfolio diversification?

- Just starting to invest, so I don't have one.
- Have some investments in mutual funds or stocks through my work 401k program.
- I have an average amount of diversification in my current portfolio and would like to keep it the same.
- I would like to add more diversification to my portfolio.
- I have extensive diversification range which includes stocks, bonds and mutual funds.

7. What is my time-line for investing?

- Short-term (1 to 4 years)
- Long term (5 to 10 Years)
- Longer term (11 to 20 years)
- Longest term (Over 20 years)

8. What is my time frame for making withdrawals from my portfolio and list the estimated withdrawal percentage I expect to need ?

- I am currently making withdrawals.
- I need to start making withdrawals within the next couple years.
- I will need to start withdrawing within 5 to 10 years.
- I will need to start withdrawing in the next 11-15 years.
- I don't anticipate needing to withdraw until 20 years or more.

9. In what types of investment stage goals am I experiencing?

- Short term college savings
- New Home Purchase
- Living Expenses
- Retirement (decreased income)
- Estate Planning
- Debt Elimination
- Other (Please list) \_\_\_\_\_

10. What percentage of my total income am I currently saving?

- None
- Between 1% and 4
- Between 5% and 7%
- Between 8% and 10%
- Over 11 %

11. What tax, property or other concerns or issues do I need to take into consideration before investing? List them out.

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12. Do I have a will, Medical Power of Attorney or other documents in place and is it current?

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13. Do I feel my health, life and property insurance adequately covers me and/or my family? If not, what are my concerns and needs?

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14. How stable and sufficient do I feel my personal income is at this time?

- o Low or not very stable making it difficult to invest.
- o It can easily fluctuate but I can invest a small amount intermittently.
- o Somewhat predictable so I can invest monthly.
- o Predictable so I can invest monthly and on a lump sum basis.
- o I have a large excess I can invest.

15. How much total debt do I have? List the total amounts, interest rates and monthly payment for all your credit cards, loans, mortgages, alimony, child support, etc.

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