

# RISK TOLERANCE QUESTIONNAIRE

Client Name(s): \_\_\_\_\_

Date: \_\_\_\_\_

Portfolio Manager / FA: \_\_\_\_\_

**RAYMOND JAMES®**

This risk tolerance assessment was designed to be used in conjunction with the Raymond James proprietary risk rating system.

It should not be relied upon or considered valid unless used in conjunction with that system which is available only to clients of Raymond James. This assessment does not constitute investment advice and should not be relied upon for any such purpose. There are no guarantees regarding the accuracy or adequacy of the score card, risk profile, percentages, ranges or investment objectives.

## RISK TOLERANCE PROFILE

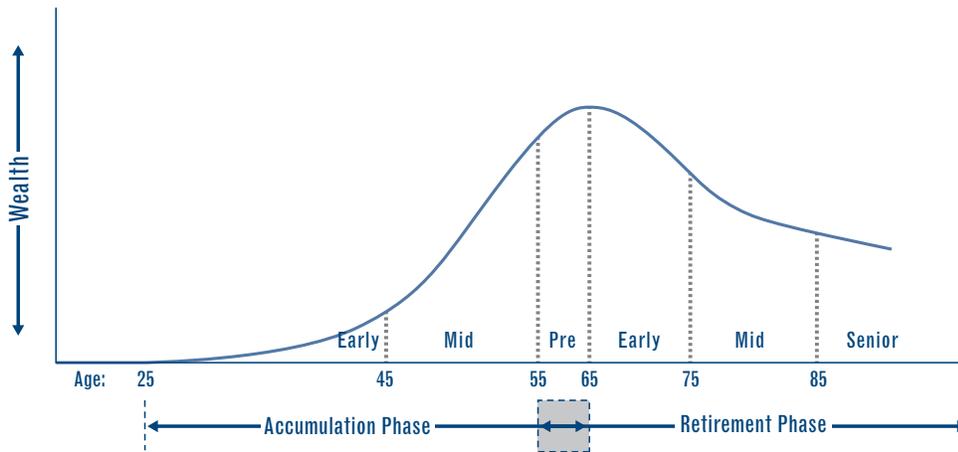
### LIFE CYCLE POSITION

Through the progression of age, the average individual advances through several investment phases while working towards the financial goal of getting to and then living in retirement. The illustration below diagrams the six different phases of an investor's life cycle based on age and wealth.

In the **Accumulation phase**, the investor is making contributions to the portfolio in an effort to save for retirement. As time moves closer to that goal, larger relative contributions, as well as **market performance and volatility** have a significant effect on the portfolio's value.

In the **Distribution phase**, the investor is taking distributions from the portfolio to fund expenses in retirement. While market volatility is still a factor, a larger focus should be on **longevity risk** and maintaining a proper allocation to ensure that the investor's assets last throughout retirement.

### THE INVESTOR LIFE CYCLE



### 1. INVESTOR LIFE CYCLE

Which phase best represents your position in the Investor Life Cycle (Refer to Life Cycle chart above):

- Early Accumulation (20-40 years before retirement) 12 \_\_\_\_\_
- Mid Accumulation (10-20 years before retirement) 9 \_\_\_\_\_
- Pre-Retirement (0-10 years before retirement) 7 \_\_\_\_\_
- Early Retirement (0-10 years into retirement) 6 \_\_\_\_\_
- Mid Retirement (10-20 years into retirement) 4 \_\_\_\_\_
- Senior Retirement (20-30 years into retirement) 2 \_\_\_\_\_

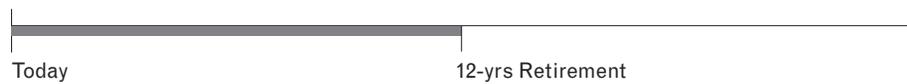
**2. TIME HORIZON**

An important consideration when making investment decisions is where you are in your financial life cycle and how long you have before you will need to start withdrawing the assets. Through consultation with your Financial Advisor, please indicate your portfolio's appropriate time horizon. A multi-stage time horizon would indicate that you have several goals in the future that your investment portfolio needs to address.

**A. Example of a short time horizon (1-4 years)**



**B. Example of a long time horizon (5-10+ years)**



**C. Example of a multi-stage time horizon**



**PRIMARY TIME FRAME**

Please indicate your primary goal for your investment portfolio.

- Planning for Retirement
- Current Income Generation and Portfolio Longevity Planning in Retirement
- Current Income Generation
- Education
- Long-term Capital Appreciation
- Other: \_\_\_\_\_

Please indicate approximately how many years from today until you reach your primary goal.

- Within 1 to 4 years **1** \_\_\_\_\_
- Within 5-10 years **5** \_\_\_\_\_
- Within 11-20 years **7** \_\_\_\_\_
- More than 20 years **9** \_\_\_\_\_

**3. SECONDARY TIME FRAME**

Some investors have a multi-stage time horizon with several goals for their portfolio. Please indicate your secondary goal for your investment portfolio.

- Planning for Retirement
- Current Income Generation and Portfolio Longevity Planning in Retirement
- Current Income Generation
- Education
- Long-term Capital Appreciation
- Estate Planning / Charitable Giving
- Other: \_\_\_\_\_
- Not applicable, I only have a single primary objective for this pool of assets.

Please indicate approximately how many years from today until you reach your secondary goal?

- Not applicable, I only have a single stage, short-term time horizon. **1** \_\_\_\_\_
- Not applicable, I only have a single stage, long-term time horizon. **6** \_\_\_\_\_
- Within 1 to 4 years **2** \_\_\_\_\_
- Within 5 to 10 years **4** \_\_\_\_\_
- More than 10 years **4** \_\_\_\_\_

**4. RISK FACTOR**

Before you make a decision on any investment, you need to consider how you feel about the prospect of potential loss of principal. This is a basic principle of investing: the higher return you seek, the more risk you face. Based on your feelings about risk and potential returns, your goal is to:

- Potentially increase my portfolio's value as quickly as possible while accepting higher levels of risk. **10** \_\_\_\_\_
- Potentially increase my portfolio's value at a moderate pace while accepting moderate to high levels of risk. **7** \_\_\_\_\_
- Income is of primary concern while capital appreciation is secondary. **5** \_\_\_\_\_
- The safety of my investment principal is my only concern. **3** \_\_\_\_\_

**5. INVESTMENT APPROACH**

Which of the following statements best describes your overall approach to investing as a means of achieving your goals?

- Having a relative level of stability in my overall investment portfolio. **2** \_\_\_\_\_
- Slightly increasing my investment value while minimizing potential for loss of principal. **4** \_\_\_\_\_
- Pursue moderate investment growth, accepting moderate to high levels of risk and principal fluctuation. **6** \_\_\_\_\_
- Pursue investment growth, accepting moderate to high levels of risk and principal fluctuation. **8** \_\_\_\_\_
- Seek maximum long-term returns, accepting maximum risk with principal fluctuation. **10** \_\_\_\_\_

**6. VOLATILITY**

The value of most investments fluctuates from year to year as well as over the short term. How would you feel if an investment you had committed to for ten years lost 20% of its value during the first year?

- I would be extremely concerned and would sell my investment. **3** \_\_\_\_\_
- I would be concerned and may consider selling my investment. **5** \_\_\_\_\_
- I would be concerned, but I would not consider selling my investment. **7** \_\_\_\_\_
- I would not be overly concerned given my long-term investment philosophy. **10** \_\_\_\_\_

**7. VARIATION**

Realizing that any market-based investments may move up or down in value over time, with which of the hypothetical portfolios below would you feel most comfortable?

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	AVERAGE ANNUAL RETURN	
<input type="checkbox"/> A.	3%	3%	3%	3%	3%	3%	<b>2</b> _____
<input type="checkbox"/> B.	2%	6%	6%	-1%	7%	4%	<b>4</b> _____
<input type="checkbox"/> C.	-6%	7%	21%	2%	8%	6%	<b>6</b> _____
<input type="checkbox"/> D.	14%	-9%	-4%	28%	18%	8.5%	<b>8</b> _____
<input type="checkbox"/> E.	-15%	-9%	18%	40%	31%	11%	<b>10</b> _____

**8. INVESTMENT EXPERIENCE**

What is your overall knowledge of investments?

- None **1** \_\_\_\_\_
- LOW – I have very little investment experience outside of bank savings accounts, money market or certificates of deposit (CD's) **3** \_\_\_\_\_
- MEDIUM – I have some experience investing in mutual funds or individual stocks / bonds **5** \_\_\_\_\_
- HIGH – I have been an active participant in the stock market and understand that all investments including international markets, can be volatile and unpredictable **8** \_\_\_\_\_

**9. ANNUAL DISTRIBUTION NEEDS**

Based on current expenses that will need to be addressed by this portfolio, what percentage of your portfolio value do you think will need to be distributed to you on an annual basis?

- I will not need distributions from this portfolio at this time. **10** \_\_\_\_\_
- 0.0% - 5.0% annually **5** \_\_\_\_\_
- Over 5.0% annually, including the possibility of having to withdraw principal. **8** \_\_\_\_\_

**10. RISK OF LOSS**

The following are risk characteristics, in terms of possible annual downside risk, of three hypothetical diversified portfolios. Based on the information provided, please select the portfolio that is the most closely aligned with your ability to accept losses in any twelve-month period.

	Chance of Losing Money In Any 1-yr Period	Chance of Losing > 10.0% In Any 1-yr Period	Max. Expected Loss In Any 1-yr Period	Potential Annual Return		
<input type="checkbox"/> A. Portfolio 1	1 in 10	None	-5%	6%	<b>4</b>	_____
<input type="checkbox"/> B. Portfolio 2	2 in 10	1 in 20	-10%	8%	<b>6</b>	_____
<input type="checkbox"/> C. Portfolio 3	3 in 10	1 in 10	-20%	10%	<b>8</b>	_____
<input type="checkbox"/> D. The above portfolios exhibit characteristics that are more volatile than my risk tolerance.					<b>1</b>	_____

**11. LIVING EXPENSE**

Given interruptions of periodic income or other unforeseen circumstances, some individuals are forced to tap their investment resources to meet living expenses. In such an instance, how many months of living expenses could be covered by your current liquid investments?

- More than 12 months, or not a concern **9** \_\_\_\_\_
- Between 4 and 12 months **6** \_\_\_\_\_
- Less than 4 months, or already withdrawing **3** \_\_\_\_\_

**12. HOUSEHOLD INCOME**

Total earnings, which includes earned and investment income, is a requirement when assessing your risk tolerance and determining allocation of assets. What is your total annual household income (including interest and tax deferred income)?

- More than \$500,000 **9** \_\_\_\_\_
- \$250,000 to \$499,999 **7** \_\_\_\_\_
- \$100,000 to \$249,999 **5** \_\_\_\_\_
- Less than \$100,000 **3** \_\_\_\_\_

**13. FUTURE EARNINGS**

In the next five years, you expect that your earned income will probably:

- Decrease **1** \_\_\_\_\_
- Stay about the same **4** \_\_\_\_\_
- Increase modestly **6** \_\_\_\_\_
- Increase significantly **8** \_\_\_\_\_

**14. INCOME SAVING**

The percentage of your total income that you currently save is approximately:

- I do not currently save any income. **1** \_\_\_\_\_
- Between 2.0% - 10.0% **4** \_\_\_\_\_
- Between 10.1% - 20.0% **6** \_\_\_\_\_
- Greater than 20.0% **10** \_\_\_\_\_

**15. ESTATE PLANNING**

Estate planning is an important factor in the construction and risk tolerance of a retirement portfolio. What are your expectations with regards to future gifting?

- I plan to draw down all of the assets in this portfolio. **3** \_\_\_\_\_
- I plan to gift less than 50.0% of my current investable assets to my heirs / charity. **5** \_\_\_\_\_
- I plan to gift 50.0% of my current investable assets to my heirs / charity. **7** \_\_\_\_\_
- I plan to gift more than 50.0% of my current investable assets to my heirs / charity. **8** \_\_\_\_\_
- I am in the accumulation phase of my life cycle therefore this is not applicable at this time. **10** \_\_\_\_\_

**SECTION 2: CONCLUSION**

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

To the best of my knowledge, the information contained in this investment policy questionnaire is both accurate and complete. I understand that any recommendations are based upon the information supplied by me.

Client Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Client Signature: \_\_\_\_\_ Date: \_\_\_\_\_

## GENERAL INVESTMENT OBJECTIVE DESCRIPTIONS

TOTAL POINTS: \_\_\_\_\_

**POINTS GENERAL INVESTMENT OBJECTIVE // RISK TOLERANCE**

**36 - 48 CAPITAL PRESERVATION**

You have selected a Capital Preservation objective for this account. This objective primarily emphasizes current income generation with little or no concern for capital appreciation or inflation protection. Due to its fixed income nature, general stability of principal value should be obtained but is not guaranteed.

**49 - 60 CONSERVATIVE**

You have selected a Conservative objective for this account. This objective emphasizes current income through a large allocation to fixed income securities, complemented by a secondary consideration for capital appreciation through a small allocation to equity securities.

**61 - 82 MODERATE**

You have selected a Moderate objective for this account. This objective is designed to offer the potential for both capital appreciation and current income.

**83 - 103 MODERATE (GROWTH)**

You have selected a Moderate with Growth objective. This objective is designed to invest a substantial portion of assets in equities for potential growth, while using fixed income or alternative investments to moderate risk.

**104 - 130 AGGRESSIVE**

You have selected an Aggressive objective for this portfolio. This objective emphasizes maximizing total return and protecting against inflation. The portfolio consists of primarily equity investments.

**131+ SPECULATOR**

You have selected a Speculative objective for this account. The primary goals of this portfolio are Long-term growth and maximum capital appreciation. The portfolio consists of 100% equity investments. This objective represents an aggressive strategy and while it strives for high returns, performance can be volatile from year to year.

Based on your score, we recommend that you pursue an investment strategy that has a risk profile within the minimum and maximum bounds indicated in the highlighted column below:

	Capital Preservation	Conservative	Moderate	Aggressive	Speculator
<b>Minimum Low</b>	100% - 60%	70% - 30%	40% - 0%	20% - 0%	10% - 0%
<b>Maximum High</b>	0% - 5%	0% - 15%	0% - 30%	25% - 60%	50% - 100%

## Client Confirmation of Risk Tolerance

Please select one of the following tick boxes and ensure that the percentages add to 100.

- I agree with the results in part C above. In consultation with my advisor, and in keeping with the minimum and maximum limits detailed in part C, my overall risk tolerance (for all investments held at RJL) is as follows:

\_\_\_\_\_ % Low + \_\_\_\_\_ % Medium + \_\_\_\_\_ % High

OR

- I disagree with the results in part C above and wish to pursue an investment strategy with the following risk profile:

\_\_\_\_\_ % Low + \_\_\_\_\_ % Medium + \_\_\_\_\_ % High

OR

- I decline the opportunity to complete this questionnaire because it isn't applicable to my particular circumstances.

\_\_\_\_\_ % Low + \_\_\_\_\_ % Medium + \_\_\_\_\_ % High

If you selected either of the last 2 choices above, please provide a brief explanation below:

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### Branch Manager's Approval

(only required if either of the last 2 choices are selected): \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

### Agreement

I hereby confirm that the information I have provided above is accurate and I understand that my advisor will rely on this information in order to recommend suitable investments to me. I understand that it is my responsibility to communicate any material changes in my risk tolerance or financial circumstances to my advisor.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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