

Risk Tolerance Questionnaire

Pocket Risk - U.S.

Client Name: _____

The following questionnaire is a financial risk tolerance assessment. It seeks to establish your level of financial risk relative to the population. It is typically one part of a larger assessment your advisor is completing to give you advice. The results are not the sole determinant in your financial plan and thus other factors must be considered.

Please Read

Below are common questions asked by previous respondents, which will help you complete the questionnaire.

Q – How much time will the questionnaire take?

A – 5 to 10 minutes.

Q - What if the situation described in a question has never happened to me?

A - The questions are designed to gain a picture of what you would do in such circumstances, regardless of whether you have ever been in them before. Please answer as best you can.

Q - What if I need more information to answer the question?

A - The questions are designed to see what you would do with limited information. Though in real life you could obtain more information, certainty is a rarity in making financial decisions. Please answer as best you can.

Q - What if none of the choices in a multiple-choice question is my preferred answer?

A - Some questions give you a limited choice of responses. This is designed to obtain a picture of what you would do given the choices available. Please choose the closest option to how you would respond.

Q - Where can I find more information about the definitions, sources and indices used in the questionnaire?

A - You can find this information at www.pocketrisk.com/us/questionnaire.

Q - How should I mark my answer?

A - Please circle the appropriate answer.

1. I can understand financial and investment terms without difficulty.

Strongly Agree - Agree - Somewhat Agree - Undecided - Somewhat Disagree - Disagree - Strongly Disagree

2. I am comfortable with financial risk, knowing there can be increases and decreases in the value of my investments.

Strongly Agree - Agree - Somewhat Agree - Undecided - Somewhat Disagree - Disagree - Strongly Disagree

3. In 2008 the U.S. stock market dropped by approximately 37%. This meant that \$100,000 invested in the U.S. stock market at the beginning of 2008 was worth \$63,000 at the end of 2008.

If a similar event were to occur again in your lifetime, what would you do with your investment?

I would sell my entire investment - I would significantly decrease my investment - I would slightly decrease my investment - I would neither buy nor sell - I would slightly increase my investment investment - I would significantly increase my investment - I would double my investment

4. The chart below is a historical representation of U.S. stock and bond market performance from 1950 to 2013 (with dividends and interest reinvested).

Although past performance is no guarantee of future results, which portfolio best suits your desired level of risk and return?

	Portfolio	Average Annual Return	Best Year	Worst Year
A	100% Equities	12.6%	56.0%	-37.0%
B	80% Equities 20% Bonds	11.3%	45.5%	-25.6%
C	60% Equities 40% Bonds	10.0%	34.9%	-15.1%
D	50% Equities 50% Bonds	9.3%	30.5%	-12.2%
E	40% Equities 60% Bonds	8.6%	29.1%	-9.4%
F	20% Equities 80% Bonds	7.3%	30.6%	-6.2%
G	100% Bonds	6.0%	32.8%	-11.1%

5. I would describe my past financial decisions as conservative.

Strongly Agree - Agree - Somewhat Agree - Undecided - Somewhat Disagree - Disagree - Strongly Disagree

6. I would feel anxious if my investment were performing negatively.

Strongly Agree - Agree - Somewhat Agree - Undecided - Somewhat Disagree - Disagree - Strongly Disagree

7. I want to minimize short-term volatility in the value of my investments more than I want to keep up with inflation.

Strongly Agree - Agree - Somewhat Agree - Undecided - Somewhat Disagree - Disagree - Strongly Disagree

8. In the event of an emergency (e.g. personal or financial crisis) I want to sell some of my investments within a few days.

Strongly Agree - Agree - Somewhat Agree - Undecided - Somewhat Disagree - Disagree - Strongly Disagree

9. I am willing to invest in assets with a limited track record in search of higher returns.

Strongly Agree - Agree - Somewhat Agree - Undecided - Somewhat Disagree - Disagree - Strongly Disagree

10. When I think of the word risk I associate it with the word opportunity.

Strongly Agree - Agree - Somewhat Agree - Undecided - Somewhat Disagree - Disagree - Strongly Disagree

11. I consider myself an experienced stock market investor.

Strongly Agree - Agree - Somewhat Agree - Undecided - Somewhat Disagree - Disagree - Strongly Disagree

12. I believe I need to take greater investment risk to meet my financial goals.

Strongly Agree - Agree - Somewhat Agree - Undecided - Somewhat Disagree - Disagree - Strongly Disagree

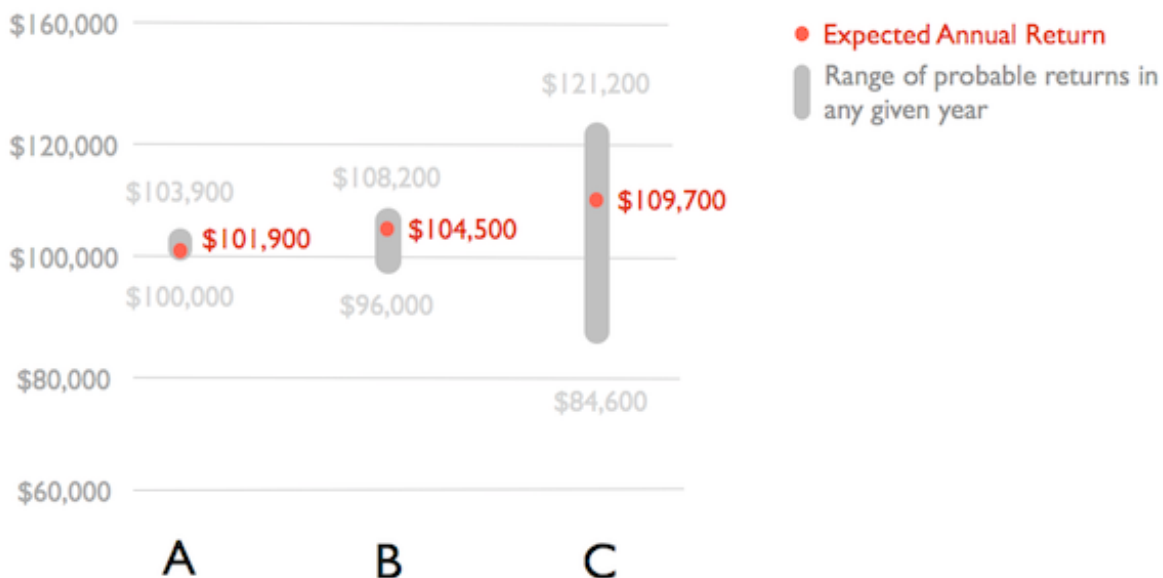
13. I am more concerned with maximizing returns than minimizing losses.

Strongly Agree - Agree - Somewhat Agree - Undecided - Somewhat Disagree - Disagree - Strongly Disagree

14. If my investments fall in value during the first two years, I would want to...

Sell them immediately - Wait an extra 1-3 years to see if they recover - Wait an extra 4 or more years to see if they recover.

15. If you were to invest \$100,000 over a one-year period, which of these possible investment outcomes would best suit your current investment needs?



16. In 2008, international stock markets (outside the U.S.) dropped by approximately 44%. This means that \$100,000 invested at the beginning of 2008 would have been worth \$56,000 at the end of 2008. However, in 2009, world stock markets rose by approximately 36% meaning that \$100,000 invested at the beginning of 2009 would have been worth \$136,000 at the end of 2009.

To what extent do you agree with the statement "I am comfortable with this kind of volatility"?

Strongly Agree - Agree - Somewhat Agree - Undecided - Somewhat Disagree - Disagree - Strongly Disagree

17. It is possible for some investments to undergo long periods of underperformance. For example, the average annual return for the U.S. stock market between 2001 and 2010 was approximately 2.2%, including dividends. The average annual return for the U.S. stock market between 1950 and 2000 was approximately 14.4%, including dividends.

To what extent do you agree with the statement "I am willing to maintain my investment during long periods of underperformance."

Strongly Agree - Agree - Somewhat Agree - Undecided - Somewhat Disagree - Disagree - Strongly Disagree

18. I am comfortable investing in a new business venture.

Strongly Agree - Agree - Somewhat Agree - Undecided - Somewhat Disagree - Disagree - Strongly Disagree

19 . I am confident in my ability to make good financial decisions.

Strongly Agree - Agree - Somewhat Agree - Undecided - Somewhat Disagree - Disagree - Strongly Disagree

20. This risk tolerance questionnaire is scored from 0 to 100, 0 being the most risk-averse and 100 being those who are most prepared to take risks. 60% of scores are between 40 and 60.

What score do you think you will receive?

Enter a number from 0-100