

# Risk Tolerance Assessment

These questions will help the team at Comprehensive Financial Consultants in determining your risk/reward tolerance. Please complete this profile questionnaire by circling the appropriate response to each question. Your financial consultant will score and discuss your responses in detail with you. Your answers to the following questions are used to generate an asset allocation model that may be the most appropriate to help you achieve your stated goals. The questionnaire is taking into account your investment time horizon and tolerance for risk.

1. How often do you check on your investments?
  - A. I check on them daily
  - B. I check on them monthly
  - C. I check on them yearly
  - D. I never check them
  
2. Your investment objective and risk tolerance summarize the way you wish to invest in order to achieve your goals. This serves to define how assets should be managed in your account. While asking yourself, "What do I want most to accomplish?" select the objective that best fits the purpose of your account.
  - A. My investment should be safe. Preserving value is my focus and I do not want to risk losing my principal.
  - B. My investment should generate regular returns I can count on.
  - C. My investment should generate some income and grow in value over time.
  - D. My investment should achieve capital appreciation over time with returns that will fluctuate.
  - E. My investment should achieve maximum capital appreciation that could vary, and fluctuate greatly.
  
3. I am comfortable with investments that may go down in value from time to time, if they offer the potential for higher returns.
  - A. Strongly disagree
  - B. Disagree
  - C. Somewhat agree
  - D. Agree
  - E. Strongly Agree
  
4. Age is a very important determinant of portfolio selection. Please select your age bracket below.
  - A. Over 60
  - B. 50-60
  - C. 40-50
  - D. 30-40
  - E. Younger than 30

5. Your investment time horizon is an important variable to consider when building a financial strategy. How long will it be before you begin making withdrawals?
- A. 0-1 Year
  - B. 1-2 Years
  - C. 2-5 Years
  - D. 5-10 Years
  - E. More than 10 Years
6. Once you retire and start taking income from your investments, how long will your money need to last?
- A. Depleted immediately taking lump sum
  - B. Less than 1 year
  - C. 1-5 Years
  - D. 6-10 Years
  - E. 11 Years or more
7. How long could you cover monthly living expenses with cash and short-term liquid investment you currently have on hand? (CD's, Checking, Savings, under mattress)
- A. 1 Month or less
  - B. 1-3 Months
  - C. 3-6 Months
  - D. 6-12 Months
  - E. 12 Months or more
8. How much of this investment do you think will be needed for your retirement?
- A. None
  - B. Some, but not much
  - C. About half
  - D. Most of it
  - E. All of it
9. How much investing experience do you have with stock or stock mutual funds?
- A. None
  - B. Some
  - C. A fair amount
  - D. A great deal

10. How much investing experience do you have with bonds or bond mutual funds?
- A. None
  - B. Some
  - C. A fair amount
  - D. A great deal
11. What portion of your investable assets is being used for this account?
- A. Greater than 50%
  - B. 25-50%
  - C. 10-25%
  - D. Less than 10%
12. I understand the value of my portfolio will fluctuate over time. The maximum loss in any one-year period that I am willing to accept before changing my investment strategy is (assuming you start with \$100,000)?
- A. 0% (value \$100,000)
  - B. 5% (value \$95,000)
  - C. 10% (value \$90,000)
  - D. 20% (value \$80,000)
  - E. 30% (value \$70,000)
13. Which of these plans would you choose for your investment dollars?
- A. You invest your dollars in fixed guaranteed investments.
  - B. You go for maximum diversity by dividing your dollars among many different investments to achieve a moderate rate of return with moderate level of risk.
  - C. You would put your dollars into one investment with the potential for highest rate-of-return and the most risk.
14. Due to a general market correction, one of your investments loses 14% of its value a short time after you buy it. What do you do?
- A. Sell the investment so you won't have to worry about it any longer.
  - B. Hold on to it and wait for it to climb back up.
  - C. Buy more of the same investment. At the new low price, it looks even better than when you originally bought it.
  - D. Open a margin account and buy as much as possible to lower your average cost basis in the investment.

15. You have an opportunity to fund an underwater salvage operation to recover sunken treasure. The chances of finding the vessel are 25%. But, if recovered, you could earn 75-100 times your investment. How much do you invest?
- A. Nothing at all
  - B. One month's salary
  - C. Three month's salary
  - D. Six month's salary
16. Investing internationally entails additional risk factors such as currency, politics, etc. While these investments may be more volatile than United States investment, over the long term they potentially may tend to produce higher rates of return. Which describes your attitude about investing internationally?
- A. I would not invest
  - B. I would invest a portion of my assets
  - C. I would invest a majority of my assets
17. You have just reached the \$10,000 plateau on a game show. Do you quit with the \$10,000 or do you bet the entire \$10,000 in one of the three categories?
- A. Take the money and run
  - B. A 50% chance of winning \$50,000
  - C. A 20% chance of winning \$75,000
  - D. A 5% chance of winning \$100,000
18. Regarding your current situation, which statement best describes your attitude:
- A. I am happy with the result of my portfolio.
  - B. I would like to enhance my returns without adding undue risk to my portfolio.
  - C. I do not know what my portfolio has done
  - D. I am willing to look at alternative investment as a way of attaining my goals.

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Client Signature

Date

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Name (Printed)

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Client Signature

Date

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Name (Printed)



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Investment Advice offered through Comprehensive Financial Consultants, an SEC Registered Investment Advisor.

Asset allocation and diversification do not guarantee against loss; they are methods used to help manage risk.

No investment strategy can guarantee performance. Investing in securities involves risks, including the loss of principal.

It is not possible to invest directly in an index.

# Scoring

Question #	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	Total		
Answer																					
Score																					

A	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
B	2	3	3	3	3	3	2	3	3	3	3	3	5	3	3	5	3	2		
C	3	5	5	5	5	5	3	5	5	5	5	5	9	7	7	9	7	1		
D	5	7	7	7	7	7	5	7	7	7	7	7		9	9		9	5		
E	7	9	9	9	9	9	9	9				9								

***If answer to question #1 is D then go directly to Target Date Funds.***

Where You Fall	Score
Capital Preservation – Conservative	18-35
Income – Conservative to Moderate	36-56
Income/Growth – Moderate	57-75
Long Term Growth – Moderate to Aggressive	76-109
Aggressive Growth – Capital Appreciation	110-150

## Recommended Asset Allocations

	<u>Equities</u>	<u>International</u>	<u>Bonds</u>	<u>Cash</u>
Capital Preservation – Conservative	15%	0%	60%	25%
Income – Conservative to Moderate	35%	0%	50%	15%
Income/Growth – Moderate	55%	5%	35%	5%
Long Term Growth – Moderate to Aggressive	70%	10%	20%	0%
Aggressive Growth – Capital Appreciation	70%	20%	10%	0%

**Capital Preservation:**

**Cash 25%**

**Equities 15%**

**International 0%**

**Bonds 60%**

**Cash 25%**

Schwab Retirement Advantage Money Fund	10%
Short Term Federal Adm	15%

**Fixed Income(Bonds) 60%**

Inflation Protected Securities Institutional	15%
Institutional Total Bond Market Index	20%
Intermediate Term Bond Treasury Adm	15%
Long Term Bond index	10%

**Equities 15%**

Total Stock Market IDX Signal	10%
REIT Index	5%

**Income – Conservative to Moderate:**

**Cash 15%, Equities 35%, International 0%, Bonds 50%**

**Cash 15%**

Schwab Retirement Advantage Money Fund	10%
Short Term Federal Adm	5%

**Fixed Income (Bonds) 50%**

Inflation Protected Securities	15%
Institutional Total Bond Market Index	15%
Intermediate Term Treasury Adm	10%
Long Term Bond Index	10%

**Equities 35%**

500 Index Signal	10%
Mid Cap Index Signal	8%
Total Stock Market Index Signal	10%
REIT Index Signal	7%

**Income/Growth-Moderate:**

**Cash 5% Equities 55% International 5% Bonds 35%**

**Cash 5%**

Schwab Retirement Advantage Money fund 5%

**Fixed Income 35%**

Institutional Total Bond Market Index 8%

Inflation Protected Securities 10%

Intermediate Term Treasury Adm 9%

Long Term Bond Index 8%

**Equities 55%**

500 Index Signal 15%

Mid Capitalization *Index Signal* 10%

Small Capitalization Index Signal 5%

Total Stock Market IDX Signal 15%

REIT Index Signal 10%

**International 5%**

Total International Stock Index 5%

**Long Term Growth Moderate to Aggressive:**

**Cash 0% Bonds 20% Equities 70%  
International 10%**

**Cash 0%**

**Fixed Income (Bonds) 20%**

Institutional Total Bond Market Index 10%

Intermediate Term Treasury Adm 10%

**Equities 70%**

500 Index Signal 20%

Total Stock Market IDX Signal 15%

Mid Capitalization Index Signal 15%

Small Capitalization Index Signal 8%

REIT Index Signal 12%

**International 10%**

Total International Stock Index 5%

European Stock Index Signal 5%

**Aggressive Growth-Capital Appreciation**

**Cash 0% Equities 70% International 20% Bonds 10%**

**Cash 0%**

**Fixed (Bonds) 10%**

Institutional Total Bond Market Index 10%

**Equities 70%**

500 Index Signal 20%

Total Stock Market IDX Signal 10%

Mid Capitalization Index Signal 18%

Small Capitalization Index Signal 10%

REIT Index Signal 12%

**International 20%**

Total International Stock Index 5%

European Stock Index Signal 5%

Pacific Stock Index Signal 5%

Emerging Markets Stock Index Signal 5%

**If you want to use Target Date Funds in combination with risk tolerance, use the scoring numbers to the right of the Target Retirement Year to match risk tolerance.**

<b>Target Retirement Funds</b>	<b>Score</b>
Target Retirement Year 2010	18-35
Target Retirement Year 2015	36-50
Target Retirement Year 2020	57-75
Target Retirement Year 2025	76-109
Target Retirement Year 2035	110-150