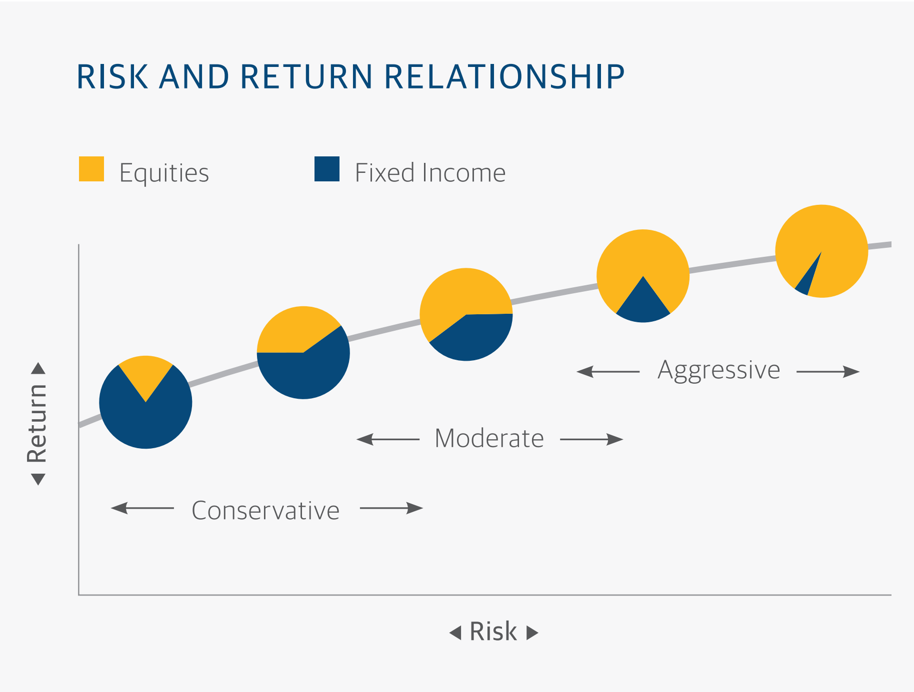
Personal investor profile

Developing your personal investor profile is an important step in better understanding your financial goals. It helps ensure we are making the best recommendations for you based on your investment objectives, time horizon and attitudes toward risk and investing.

The profile works to build the foundation for the second step in the asset management process – determining an appropriate asset allocation. Based on your responses to these questions, the personal investor profile will help you develop an asset allocation strategy within one of five risk profile ranges: **Conservative, Moderately Conservative, Balanced, Aggressive, Very Aggressive.** Your asset allocation model will fall within your risk profile range.

What Is Asset Allocation?

The efficient frontier shown here can be thought of as a risk/return trade-off curve. It may be used to identify efficient portfolios that are expected to provide the highest return for a given level of risk or the lowest risk for a given return. The illustration shows the relationship between return and risk – the higher the expected return, the higher the expected risk level. Your answers to the questions in this profile are used to help identify which portfolio may be most appropriate for you. For example, an aggressive portfolio will typically have a higher expected return and a higher corresponding risk level than a moderately aggressive portfolio. Every data point that plots below the curve is deemed inefficient, given there is a preferable portfolio mix that can generate a greater return for the same amount of risk assumed. There are no portfolios that will plot above the curve.



As you move from left to right on the graph, there is a portfolio structure at each level that can offer potentially higher returns and risk. As with any type of portfolio structuring, however, attempting to reduce risk and increase return could, at certain times, unintentionally reduce returns.

There is no guarantee that any of the portfolios or models in a product will meet their stated goals or investment objectives. Investments are subject to market risk and loss of principal. The investment return and principal value of an investment will fluctuate and when redeemed may be worth more or less than their original cost. The portfolios represented on the Risk and Return Relationship graph are not based on the actual investment experience or portfolio results of any client. No investment strategy can guarantee a profit or protect against loss.

YOUR INVESTMENT OBJECTIVES AND RISK TOLERANCE

Name	Phone	Company

Street Address	City/State/Zip	Date

Form completed by (Name/Phone)	Current Account Balance	Annual Expected Contribution

For each question, check the box that best reflects your answer. After answering all the questions, total the numbers to find your score.

1 What is your primary goal for these invested assets?

Preservation of principal	Generate income	Income with some growth	Growth with some income	Capital appreciation and growth
☐ -14	☐ 3	☐ 6	☐ 9	☐ 11

RISK OF LOSS SPECTRUM

Minimal Risk — Moderate Risk — Significant Risk

2 How many years do you plan to invest these assets before you anticipate making withdrawals?

Less than 3 years	3 to 5 years	5 to 10 years	10 to 20 years	More than 20 years
☐ -14	☐ 3	☐ 6	☐ 9	☐ 11

3 Once you have reached the point when you would like to take withdrawals from these assets, how long will you be making withdrawals from this investment?

One-time lump-sum distribution	1 to 5 years	5 to 10 years	10 to 20 years	More than 20 years
☐ 1	☐ 3	☐ 6	☐ 9	☐ 11

4 At times, extremely conservative investments may earn less than the rate of inflation. This may result in the loss of purchasing power. Which of the following statements best aligns with your goals and objectives?

This is a long-term investment; my goal is to significantly exceed the rate of inflation. I am willing to accept considerable risk and substantial market volatility.	Over time, I can ignore fluctuations in investment value to achieve my goal of meaningful growth and exceeding the rate of inflation.	It is important that these investments match or exceed the rate of inflation. I am comfortable with moderate fluctuations in the value of these investments.	I am willing to tolerate small fluctuations in principal value to allow for the opportunity of my investments to grow at the same rate of inflation.	These assets should be safe, even if it means the returns do not keep pace with the rate of inflation.
☐ 11	☐ 9	☐ 6	☐ 3	☐ -14

5 Carefully consider the following hypothetical portfolios. Which portfolio would you be comfortable owning despite the potential for short-term volatility and decrease in value?

Hypothetical Portfolios	Portfolio A	Portfolio B	Portfolio C	Portfolio D	Portfolio E
Worst 3-month return	-7%	-14%	-19%	-24%	-35%
Worst 12-month return	-7%	-18%	-25%	-33%	-47%
Average annual return	5.0%	5.5%	6.0%	6.5%	7.5%
	☐ 1	☐ 3	☐ 6	☐ 9	☐ 11

These are hypothetical portfolios and are not meant to be representative of any investment or investment strategy.

6 The degree to which the value of an investment increases and decreases is one measure of risk. More volatile investments generally offer greater long-term growth potential than less volatile investments; however, they may produce greater losses. How much volatility are you comfortable with?

I'm not comfortable with any volatility	I prefer to minimize volatility and focus on stability	I don't mind modest volatility to create a potential for growth	I'm comfortable with moderate volatility to increase potential returns	I expect substantial volatility in pursuit of higher returns
☐ -14	☐ 3	☐ 6	☐ 9	☐ 11

RISK OF LOSS SPECTRUM

Minimal Risk Moderate Risk Significant Risk

7 Other secure assets that I own, such as permanent cash value life insurance, personal savings accounts, pension and fixed income assets, form a substantial portion of my net worth and should be taken into consideration when determining my asset allocation.

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
☐ 1	☐ 3	☐ 6	☐ 9	☐ 11

8 I believe the stability of my current and future income sources (not including these investments) is:

Very Stable	Stable	Somewhat Stable	Unstable	Very Unstable
☐ 11	☐ 9	☐ 6	☐ 3	☐ 1

9 If you could increase the opportunity to improve your returns by investing in riskier assets, would you be willing to take:

A small amount of risk with some of your money	A small amount of risk with most of your money	A moderate amount of risk with some of your money	A moderate amount of risk with most of your money	Substantial risk with all of your money
☐ -4	☐ 3	☐ 6	☐ 9	☐ 11

10 Carefully consider the following hypothetical portfolios and the hypothetical returns. Which portfolio are you most comfortable with?

Hypothetical outcome of $100,000 invested for three years

$100,000 Investment	Portfolio A	Portfolio B	Portfolio C	Portfolio D	Portfolio E
Worst Case	$110,000	$105,000	$100,000	$85,000	$70,000
Best Case	$165,000	$170,000	$175,000	$185,000	$200,000
	☐ 1	☐ 3	☐ 6	☐ 9	☐ 11

These are hypothetical portfolios and are not meant to be representative of any investment or investment strategy.

11 What best describes your philosophy and strategy toward investing?

I am unaffected by short-term market movements and stay focused on my long-term strategy of capital appreciation and growth.	Although I may have some concerns, I am typically a very patient investor with a *wait and see attitude* in regard to my long-term growth strategy.	I can get anxious during market swings; and at times, may change my strategies because of this.	I am uncomfortable with market volatility, which is why I typically focus on preservation of capital and current income.	I have never invested.
☐ 11	☐ 9	☐ 6	☐ -4	☐ 3

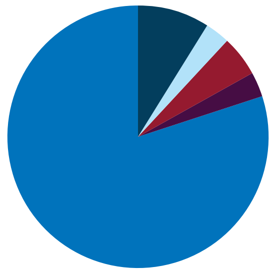
Compare your total to these risk profile ranges. Total: 0 Risk Profile:

Range of Scores	Profile
(-59) - 22	**Conservative** – These investors are willing to accept lower returns for the potential to reduce volatility.
23 - 54	**Moderately Conservative** – These investors are willing to take on a little more risk to achieve growth, with the understanding that it may increase volatility.
55 - 84	**Balanced** – These investors generally want steady and sustained growth without the volatility that high-risk investments can bring.
85 - 109	**Aggressive** – These investors are comfortable with the volatility that accompanies higher risk investments.
110 - 121	**Very Aggressive** – These investors are interested in higher potential growth with greater volatility and are willing to take substantial risks to achieve it.

ASSET ALLOCATION MODELS

CONSERVATIVE
Asset Allocation Model

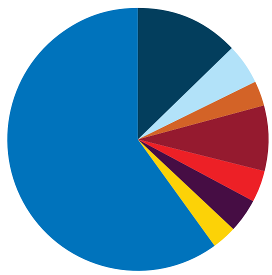
Conservative investors tend to be more interested in preservation of principal, liquidity and income, rather than in long-term growth or capital appreciation. These investors are willing to accept lower returns for the potential to reduce volatility.



Large Cap	9%
Mid Cap	3%
International – Developed Mkts.	5%
Real Estate	3%
Fixed Income	80%

MODERATELY CONSERVATIVE
Asset Allocation Model

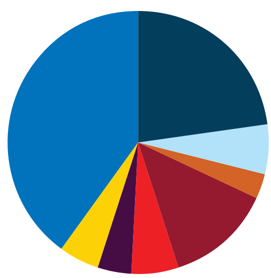
Moderately conservative investors are interested in preservation of principal, liquidity and income, but also seek modest growth in the value of their investments. These investors are willing to take on a little more risk to achieve that growth, with the understanding that it may increase volatility.



Large Cap	13%
Mid Cap	5%
Small Cap	3%
International – Developed Mkts.	8%
International – Emerging Mkts.	4%
Real Estate	4%
Commodities	3%
Fixed Income	60%

BALANCED
Asset Allocation Model

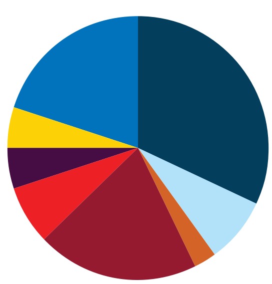
Balanced investors are equally interested in preservation of principal and long-term growth. These investors generally want steady and sustained growth without the volatility that high-risk investments can bring.



Large Cap	23%
Mid Cap	6%
Small Cap	3%
International – Developed Mkts.	13%
International – Emerging Mkts.	6%
Real Estate	4%
Commodities	5%
Fixed Income	40%

AGGRESSIVE
Asset Allocation Model

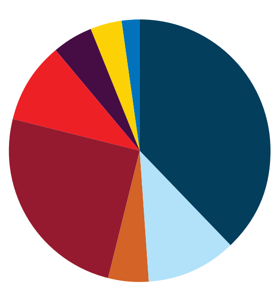
Aggressive investors are primarily interested in long-term growth and are willing to take reasonable risks to achieve it. These investors are comfortable with the volatility that accompanies higher-risk investments.



Large Cap	32%
Mid Cap	8%
Small Cap	3%
International Developed Mkts.	20%
International – Emerging Mkts.	7%
Real Estate	5%
Commodities	5%
Fixed Income	20%

VERY AGGRESSIVE
Asset Allocation Model

Very aggressive investors are interested in higher potential growth with greater volatility and are willing to take substantial risks to achieve it.



Large Cap	38%
Mid Cap	11%
Small Cap	5%
International – Developed Mkts.	25%
International – Emerging Mkts.	10%
Real Estate	5%
Commodities	4%
Fixed Income	2%

Investors should be aware of the risks of investments in foreign securities, particularly investments in securities of companies in developing nations. These include the risks of currency fluctuation, of political and economic instability and of less well-developed government supervision and regulation of business and industry practices, as well as differences in accounting standards.

Stocks of smaller or newer companies are more likely to realize more substantial growth as well as suffer more significant losses than larger or more established issuers. Investments in such companies can be both more volatile and more speculative. Investing in small company stocks involves a greater degree of risk than investing in medium or large company stocks. Investing in medium company stocks involves a greater degree of risk than investing in large company stocks.

Specific sector investing such as real estate can be subject to different and greater risks than more diversified investments. Declines in the value of real estate, economic conditions, property taxes, tax laws and interest rates all present potential risks to real estate investments.

Bonds and other debt obligations are affected by changes in interest rates, inflation risk and the creditworthiness of their issuers. When interest rates rise, bond prices fall.

Commodity prices fluctuate more than other asset prices with the potential for large losses and may be affected by market events, weather, regulatory or political developments, worldwide competition, and economic conditions. Investment can be made directly in physical assets or commodity-linked derivative instruments, such as commodity swap agreements or futures contracts.

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