FinaMetrica Risk Profile Questionnaire

For PlanPlus Plan*it*

Name: _____ **Date**: _____

PlanPlus

Instructions
When making investment recommendations, it's important to recognize an investor's comfort with investment risk. The following questions will help us to assess what type of investor you are. For couples, you can both respond to the questions below, or if only one of you is the decision maker relative to investing, that person can complete these questions.

1. Compared to others, how do you rate your willingness to take financial risks?	❍ Extremely low risk taker ❍ Very low risk taker ❍ Low risk taker ❍ Average risk taker ❍ High risk taker ❍ Very high risk taker ❍ Extremely high risk taker
2. How easily do you adapt when things go wrong financially?	❍ Very uneasily ❍ Somewhat uneasily ❍ Somewhat easily ❍ Very easily
3. When you think of the word "risk" in a financial context, which of the following words comes to mind first?	❍ Danger ❍ Uncertainty ❍ Opportunity ❍ Thrill
4. Have you ever invested a large sum in a risky investment mainly for the "thrill" of seeing whether it went up or down in value?	❍ No ❍ Yes, very rarely. ❍ Yes, somewhat rarely ❍ Yes, somewhat frequently ❍ Yes, very frequently
5. When faced with a major financial decision, are you more concerned about the possible losses or the possible gains?	❍ Always the possible losses ❍ Usually the possible losses ❍ Usually the possible gains ❍ Always the possible gains
6. What degree of risk are you currently prepared to take with your financial decisions?	❍ Very small ❍ Small ❍ Medium ❍ Large ❍ Very large

7. Have you ever borrowed money to make an investment (other than for your home)?	❍ No ❍ Yes
8. Suppose that 5 years ago you bought stock in a highly regarded company. That same year the company experienced a severe decline in sales due to poor management. The price of the stock dropped drastically and you sold at a substantial loss. **The company has been restructured under new management, and most experts now expect it to produce better than average returns. Given your bad past experience with this company, would you buy stock now?**	❍ Definitely not ❍ Probably not ❍ Not sure ❍ Probably ❍ Definitely
9. Investments can go up and down in value and experts often say you should be prepared to weather a downturn. By how much could the total value of all your investments go down before you would begin to feel uncomfortable?	❍ Any fall in value would make me feel uncomfortable ❍ 10% ❍ 20% ❍ 33% ❍ 50% ❍ More than 50%
10. Most investment portfolios have a mix of investments - some of the investments may have high expected returns but with high risk, some may have medium expected returns and medium risk, and some may be low-risk/low-return. (For example, stocks and real estate would be high-risk/high-return whereas cash and term deposits would be low-risk/low-return.) **Which mix of investments do you find most appealing? Would you prefer all low-risk/low-return, all high-risk/high-return, or somewhere in between? Please select one of the seven portfolios listed below:**	**Mix of Investments in Portfolio** ❍ Portfolio 1 — High Risk/Return: 0 %; Medium Risk/Return: 0 %; Low Risk/Return: 100 % ❍ Portfolio 2 — High Risk/Return: 0 %; Medium Risk/Return: 30 %; Low Risk/Return: 70 % ❍ Portfolio 3 — High Risk/Return: 10 %; Medium Risk/Return: 40 %; Low Risk/Return: 50 % ❍ Portfolio 4 — High Risk/Return: 30 %; Medium Risk/Return: 40 %; Low Risk/Return: 30 % ❍ Portfolio 5 — High Risk/Return: 50 %; Medium Risk/Return: 40 %; Low Risk/Return: 10 % ❍ Portfolio 6 — High Risk/Return: 70 %; Medium Risk/Return: 30 %; Low Risk/Return: 0 % ❍ Portfolio 7 — High Risk/Return: 100 %; Medium Risk/Return: 0 %; Low Risk/Return: 0 %
11. With some types of investment, such as cash and CDs (certificates of deposit), the value of the investment is fixed. However inflation will cause the purchasing power of this value to decrease. **With other types of investment, such as stocks and real estate, the value is not fixed. It will vary. In the short term it may even fall below the purchase price. However over the long term, the value of the stocks and real estate should certainly increase by more than the rate of inflation.** **With this in mind, which is more important to you - that the value of your investments does not fall or that it retains its purchasing power?**	❍ Much more important that the value does not fall ❍ Somewhat more important that the value does not fall ❍ Somewhat more important that the value retains its purchasing power ❍ Much more important that the value retains its purchasing power

12. Think of the average rate of return you would expect to earn on an investment portfolio over the next ten years. How does this compare with what you think you would earn if you invested the money in one-year CDs (certificates of deposit)?	❍ About the same rate as from CDs ❍ About one and a half times the rate from CDs ❍ About twice the rate from CDs ❍ About two and a half times the rate from CDs ❍ About three times the rate from CDs ❍ More than three times the rate from CDs