

WILLINGNESS TO TAKE RISK

Most risk tolerance questionnaires only assess willingness to take risk and hone in on just one area. Aside from measuring your predisposition to risk, we also assess past actions to see how our findings here align with real-world actions.

1. In general, how would your best friend describe you as a risk-taker?

- a. A real gambler
- b. Willing to take risks after completing adequate research
- c. Cautious
- d. A real risk avoider

2. You are on a TV game show and can choose from the following. Which one would you take?

- a. \$10,000 in cash
- b. A 50% chance at winning \$50,000
- c. A 25% chance at winning \$100,000
- d. A 5% chance at winning \$1,000,000

3. You have just finished saving for a once-in-a-lifetime vacation. Three weeks before you plan to leave, you lose your job. You would:

- a. Cancel the vacation and recover 75% of the cost
- b. Take a much more modest vacation at 50% of the original's cost
- c. Go as scheduled, reasoning that you need the time to prepare for a job search
- d. Extend your vacation because this might be your last chance to travel first-class

4. If you unexpectedly received \$20,000 to invest, what would you do?

- a. Deposit it in a bank account, money market account, or an insured CD
- b. Invest it in safe, high-quality bonds or bond mutual funds
- c. Invest it in stocks or stock mutual funds

5. In terms of experience, how comfortable are you investing in stocks or stock mutual funds?

- a. Not at all comfortable
- b. Somewhat comfortable
- c. Very comfortable

6. When you think of the word "risk", which of the following words comes to mind first?

- a. Loss
- b. Uncertainty
- c. Opportunity
- d. Thrill

WILLINGNESS TO TAKE RISK (cont'd)

7. Some experts are predicting prices of assets such as gold, jewels, collectibles, and real estate (hard assets) to increase in value. Simultaneously, bond prices may fall, but experts tend to agree that government bonds are relatively safe. Most of your investment assets are now in high-interest government bonds. What would you do?
- Hold the bonds
 - Sell the bonds, put half the proceeds into money market accounts and the other half into hard assets
 - Sell the bonds and put the total proceeds into hard assets
 - Sell the bonds, put all the money into hard assets and borrow additional money to buy more
8. Given the best and worst case returns of the four investment choices below, which would you prefer?
- \$2,000 gain best case; \$0 gain/loss worst case
 - \$8,000 gain best case; \$2,000 loss worst case
 - \$26,000 gain best case; \$8,000 loss worst case
 - \$48,000 gain best case; \$24,000 loss worst case
9. In addition to whatever you own, you have been given \$100,000. You are now asked to choose between two options. Which would you choose?
- A sure **gain** of \$50,000
 - A 50% chance to **gain** \$100,000 and a 50% chance to **gain** nothing
10. In addition to whatever you own, you have been given \$200,000. You are now asked to choose between two options. Which would you choose?
- A sure **loss** of \$50,000
 - A 50% chance to **lose** \$100,000 and a 50% chance to **lose** nothing
11. Suppose a relative left you an inheritance of \$100,000, stipulating in the will that you invest ALL the money in ONE of the following choices. Which one would you select?
- A savings account or money market mutual fund
 - A mutual fund that owns both stocks and bonds
 - A portfolio of 15 common stocks
 - Commodities like gold, silver, and oil
12. If you had to invest \$200,000, which of the following investment choices would you find most appealing?
- 60% in low-risk investments, 30% in medium-risk investments, 10% in high-risk investments
 - 30% in low-risk investments, 40% in medium-risk investments, 30% in high-risk investments
 - 10% in low-risk investments, 40% in medium-risk investments, 50% in high-risk investments

WILLINGNESS TO TAKE RISK (cont'd)

13. Your trusted friend and neighbor, an experienced geologist, is putting together a group of investors to fund an exploratory gold mining venture. The venture could pay back 50 to 100 times the investment if successful. If the mine is a bust, the entire investment is worthless. Your friend estimates the chance of success is only 20%. If you had the money, how much would you invest?
- Nothing
 - One month's salary
 - Three months' salary
 - Six months' salary

Investment Experience

This section demonstrates how your past actions align with our risk tolerance findings

14. In your investing experience, how do you prioritize risk versus reward in a trade-off between the two?
- Maximize return
 - Mostly return-focused
 - Mix of the two
 - Mostly focused on principal protection
 - Guaranteed principal protection
15. Overall, how risky do you perceive a diversified investment in the stock market to be?
- Very Safe
 - Somewhat safe
 - Neutral
 - Somewhat risky
 - Very risky
16. In your opinion, what level of experience do you have with investing?
- None
 - Beginner
 - Moderate
 - Advanced
17. During past periods of market volatility and losses, what actions have you taken in your investment accounts?
- Bought more, increased contributions, and/or increased the level of risk in my investments
 - Did nothing, maintained contributions, and/or maintained the level of risk in my investments
 - Sold my investments, reduced contributions, and/or decreased the level of risk in my investments

ABILITY TO TAKE RISK

Having an idea of your time horizon to withdrawals and your reliance on retirement assets, both currently and in the future, allows us to determine how much risk you are able to take on with your investments

18. Are you currently Employed?

- a. Yes
- b. No

19. How many years until you start taking distributions from your retirement investments?

- a. I am currently taking distributions
- b. 1-5 years
- c. 5-10 years
- d. 10+ years

20. If current or future distributions are not sufficient to cover your desired retirement income, how willing would you be to continue working?

- a. Very Willing
- b. Somewhat Willing
- c. Not Willing

21. If current or projected distributions are not sufficient to cover your desired retirement income, how willing would you be to reduce your desired retirement income/lifestyle?

- a. Very Willing
- b. Somewhat Willing
- c. Not Willing

22. What percent of your monthly retirement spending do you expect to come from fixed or guaranteed sources (Social Security, Pensions, Annuities, etc.)

- a. 0% - 30%
- b. 30% - 70%
- c. 70+%

23. What percent of your current investments do you anticipate withdrawing each year during retirement?

- a. Don't Know
- b. 0% - 2%
- c. 3% - 5%
- d. 5+%

Financial Literacy

This section gauges your understanding of essential financial topics


24. Suppose you have \$100 in a savings account that is earning 2% interest per year. After five years, with no withdrawals or deposits, how much money would be in the account?
- More than \$102
 - Exactly \$102
 - Less than \$102
 - Don't know
25. Imagine that the interest rate on your savings account is 1% per year and inflation is 2% per year. After one year, would the money in the account buy more, exactly the same, or fewer goods than it would today?
- More
 - Same
 - Less
 - Don't know
26. If interest rates rise, what will typically happen to bond prices? Rise, fall, stay the same, or is there no relationship?
- Rise
 - Fall
 - Stay the same
 - No relationship
 - Don't know
27. True or false: A 15-year mortgage requires higher monthly payments than a 30-year mortgage, but the total interest paid over the life of the 15-year loan will be less.
- True
 - False
 - Don't know
28. True or false: Buying a single company's stock usually provides a safer return than buying a stock mutual fund does.
- True
 - False
 - Don't know
29. Suppose you owe \$1,000 on a loan and the interest rate you are charged is 20% per year compounded annually. If you didn't make any payments on the loan, approximately how many years would it take for the amount that you owed to double?
- Less than 2 years
 - 2 to 4 years
 - 5 to 9 years
 - 10 or more years
 - Don't know

Needed Rate of Return

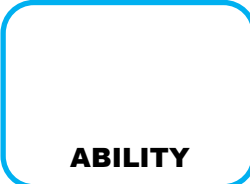
This section will be revisited by your advisor after we have time to review all data

30. What is the estimated Annualized Rate of Return required on your investments to meet your retirement goals?
- a. 2% - 4%
 - b. 3% - 5%
 - c. 4% - 6%
 - d. 5% - 7%
 - e. 7+%

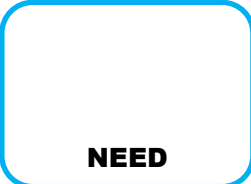
Risk Tolerance Summary



WILLINGNESS




ABILITY



NEED

This section shows the summary of your risk Tolerance by category from each of the questionnaire sections taken above.



NUMBER

My Risk IQ results are scaled from 0 to 100, with 0 being the least comfortable taking financial risk and 100 the most comfortable. The table below references the score to the risk tolerance.

RISK TOLERANCE	Very Low	Low	Moderate	High	Very High
SCORE	0 - 35	36 - 50	51 - 65	66 - 80	81 - 100

The results help determine your willingness to lose some or all of an investment in exchange for greater potential returns. Investors generally differ in the amount of risk they feel comfortable taking. While some people embrace risk, others may tend to avoid it at all cost.

Checking this box and initialing, I/We confirm or wish to change the final MyRiskIQ™ score to _____ Client(s) Initials

I agree that the above information is an accurate representation of a level of risk I am willing to take within my investment portfolio and that it is accurate to use as a basis for creating an asset allocation recommendation

Client Name	Client Signature	Date
Joint Client Name	Joint Client Signature	Date

Additional Notes:

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