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*financial*

## **Investment Risk Questionnaire**

An important first step in designing your portfolio is to develop a better understanding of your tolerance for investment risk. Please carefully consider each question and select the answer that most closely fits your current situation. Your answers to the attached questionnaire will indicate your comfort level with investment risk and your ability to withstand it. Check the box next to each appropriate answer. The assigned points for each answer are noted to the left of each box. Once you have answered all questions, add up the corresponding points for each question (1-15) and compare the total with the investment objective chart. This total will give you the investment objective that is consistent with your responses. Upon completion, please review this questionnaire to confirm that it accurately represents your investment objective related to the management of this account based on your current financial situation and attitude about financial risk.

# Investment Risk Questionnaire

Date: \_\_\_\_\_ Investment Advisor Representative: \_\_\_\_\_ Account # \_\_\_\_\_

Client Name: \_\_\_\_\_ Birth date: \_\_\_\_\_  
Joint Client Name (if applicable): \_\_\_\_\_ Birth date: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

**Please specify the type of account desired:**

- |                                     |                                    |                                       |   |   |
|-------------------------------------|------------------------------------|---------------------------------------|---|---|
| <input type="checkbox"/> Individual | <input type="checkbox"/> UGMA/UTMA | <input type="checkbox"/> Pension Plan | <input type="checkbox"/> Trust          | <input type="checkbox"/> C-Corp               |
| <input type="checkbox"/> Joint      | <input type="checkbox"/> IRA       | <input type="checkbox"/> Roth IRA     | <input type="checkbox"/> SEP/SIMPLE IRA | <input type="checkbox"/> S-Corp               |
| <input type="checkbox"/> 401(k)     | <input type="checkbox"/> 403(b)    | <input type="checkbox"/> 529 Plan     | <input type="checkbox"/> LLC            | <input type="checkbox"/> Defined Benefit Plan |

**1. Risk Factor:** Before you make a decision on any investment, you need to consider how you feel about the prospect of potential loss of principal. A basic theory of investing is *“the higher return you seek, the more risk you face.”* Based on your feelings about risk and potential returns, what is your goal?

- 15  A. To increase my portfolio’s value as quickly as possible while accepting higher levels of risk
- 9  B. To increase my portfolio’s value at a moderate pace while accepting moderate risk
- 6  C. Income is of primary concern while capital appreciation is secondary
- 3  D. The preservation of my investment principal

**2. Investment Approach:** Which of the following statements best describes your overall approach to investing as a means of achieving your goals?

- 3  A. Having a relative level of stability in my overall investment portfolio
- 6  B. Moderately increasing my investment value while minimizing potential for loss of principal
- 9  C. Pursue investment growth, accepting moderate to high levels of risk and principal fluctuation
- 15  D. Seek maximum long-term returns, accepting maximum risk with principal fluctuation

**3. Volatility:** The value of most investments fluctuates from year to year as well as over the short term. How would you feel if an investment you had committed to for ten years lost 20% of its value during the first year?

- 1  A. I would be extremely concerned and would sell my investment
- 3  B. I would be concerned and may consider selling my investment
- 5  C. I would be concerned, but I would not consider selling my investment
- 7  D. I would not be overly concerned given my long-term investment philosophy

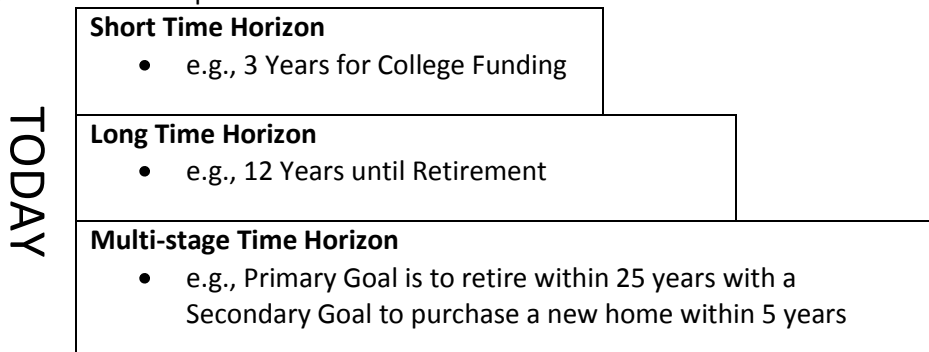
**4. Inflation:** Which of the following statements best reflects your views toward investment risk and the effects of inflation?

- 3  A. My main aim is to avoid loss even if I may earn less than or keep up with inflation
- 5  B. While I accept a low level of volatility, my main goal is to earn slightly more than inflation
- 7  C. I am willing to accept some volatility for a chance to increase the value of my portfolio and outperform inflation over time
- 10  D. I am willing to accept higher volatility for a chance to maximize the return of my portfolio and to outperform inflation

**5. Investment Experience:** Please select the type of security with which you have had the *most* investment experience?

- 2  A. Government Bonds (Buy and Hold)
- 4  B. Mid to high quality corporate fixed income securities
- 6  C. Blue Chip Stocks (Buy and Hold)
- 8  D. Growth Stocks in a trading account

**6. Time Horizon:** An important consideration when making investment decisions is where you are in your financial life cycle and how long you have before you will need to start withdrawing assets. Please indicate your portfolio's anticipated time horizon. A multi-stage time horizon would indicate that you have several goals in the future that your investment portfolio needs to address.



- 1  A. Short (1 – 4 Years)
- 3  B. Long (5 – 10 + Years)
- 5  C. Multi-stage

**7. Primary Goal (e.g., Retirement):** Approximately how many years from today until you reach your primary goal.

- 1  A. Within 1 to 4 years
- 3  B. Within 5 to 10 years
- 7  C. Within 11 to 20 years
- 10  D. More than 20 years

**8. Secondary Goals (e.g., College Education, Home Purchase, Car Purchase, etc.):** Some investors have a multi-stage time horizon with several goals for their portfolio. Please indicate approximately how many years from today until you reach your secondary goal?

- 1  A. Not applicable; I only have a single stage time horizon
- 4  B. Within 1 to 4 years
- 7  C. Within 5 to 10 years
- 10  D. More than 10 years

**9. Age:** What is your current age?

- 10  A. Under 35
- 8  B. Between 36 to 45
- 6  C. Between 46 to 55
- 4  D. Between 56 to 70
- 1  E. Over 70

**10. Investment Earnings:** Based on your current and estimated future income needs, what percentage of your investment earnings do you think you will be able to reinvest?

- 8  A. Reinvest 100% of my investment earnings
- 5  B. Reinvest 20% to 80% of my investment earnings
- 3  C. Reinvest 0% (receive all investment earnings as cash flow)
- 1  D. My investment earnings will not be sufficient and I will also need to withdrawal principal

**11. Investment Value:** Your portfolio design is specifically related to your investment experience, which also helps to determine your current investment philosophy. What is the current value of your total investment portfolio?

- 10  A. More than \$1,000,000
- 8  B. \$500,001 to \$1,000,000
- 6  C. \$300,001 to \$500,000
- 4  D. \$100,000 to \$300,000
- 2  E. Less than \$100,000

**12. Living Expense:** Given interruptions of periodic income and/or other unforeseen circumstances, some individuals are forced to tap into their investment resources to meet living expenses. In such an instance, how many months of living expenses could be covered by your current liquid investments?

- 5  A. More than 12 months, or not a concern
- 3  B. Between 4 and 12 months
- 1  C. Less than 4 months, or already withdrawing

**13. Household Income:** Your total earnings, which includes both earned and investment related income, is necessary when assessing your risk tolerance and determining an appropriate allocation of assets. What is your total annual household income (including interest and tax deferred income)?

- 10  A. More than \$200,000
- 8  B. \$150,000 to \$199,999
- 6  C. \$100,000 to \$149,999
- 4  D. \$50,000 to \$99,999
- 2  E. Less than \$49,999

**14. Income Saving:** What is the approximate percentage of your total income that you currently save?

- 1  A. I do not currently save any income
- 3  B. Between 2%-7%
- 6  C. Between 7%-12%
- 9  D. Greater than 12%

**15. Future Earnings:** What do you expect for your earned income in the next five years?

- 1  A. Decrease
- 3  B. Stay about the same
- 5  C. Increase modestly
- 7  D. Increase significantly

**Total Point Score (Add up all points assigned to your responses to all questions)**

**Investment objectives, ranges and descriptions:**

<b>Points</b>	<b>General Investment Objective</b>	<b>Risk Tolerance</b>
<input type="checkbox"/> <b>22-35</b>	<b>Income</b>	<b>Low</b>
<p>You have selected an Income objective for this account. This objective primarily emphasizes current income generation with little or no concern for capital appreciation or inflation protection. Due to its fixed income nature, general stability of principal value should be obtained but is not guaranteed. Portfolio consists mostly of fixed income securities with 5% cash.</p>		
<input type="checkbox"/> <b>36-56</b>	<b>Income with Moderate Growth</b>	<b>Low to moderate</b>
<p>You have selected an Income with a Moderate Growth objective for this account. The objective emphasizes current income through a roughly 80%-85% allocation to fixed income securities, complemented by a secondary consideration for capital appreciation through approximately 10%-15% allocation to equity securities, with 5% cash.</p>		
<input type="checkbox"/> <b>57-80</b>	<b>Balanced</b>	<b>Moderate</b>
<p>You have selected a Balanced objective. The objective is designed to offer the potential for both capital appreciation and current income through a roughly 40%-70% allocation to equities and a 30%-60% allocation to fixed income investments, with 5% cash.</p>		
<input type="checkbox"/> <b>81-100</b>	<b>Balanced with Growth</b>	<b>Moderate to High</b>
<p>You have selected a Balanced with Growth objective. This objective is designed to invest a substantial portion of assets in equities for potential growth, while using fixed income to moderate risk. The expected asset allocation for this objective would be roughly 60%-70% equities and 30%-40% fixed income with 5% cash.</p>		
<input type="checkbox"/> <b>101-120</b>	<b>Growth</b>	<b>High</b>
<p>You have selected a Growth objective for this portfolio. This objective emphasizes maximizing total return and protecting against inflation. The portfolio consists of primarily 90% equities with about 5% fixed income and 5% cash.</p>		
<input type="checkbox"/> <b>121+</b>	<b>Aggressive Growth</b>	<b>Aggressive</b>
<p>You have selected an Aggressive Growth objective for this account. The primary goal of this portfolio is long-term growth and maximum capital appreciation. The portfolio consists of 95% equity with 5% cash investments. This objective represents an aggressive strategy and while it strives for high returns, performance can be volatile from year to year.</p>		

Please be advised that the strategies described above are provided for information purposes only. Since Client portfolios are designed to be managed in accordance with the financial circumstances, investment objectives and preferences of individual Clients, the actual asset allocation of a particular account may differ from the strategies outlined above or from other client accounts with similar objectives or levels of risk tolerance. Asset allocation may be driven by various mathematical computations and therefore are more complex than the basic concept of asset diversification. It should be remembered that no strategy or allocation formula can guarantee a gain, or assure that an account will not suffer any losses.

By signing below, I attest, to the best of my knowledge, that the information contained in this Investment Risk Questionnaire is accurate and complete. I also acknowledge that nothing in this document constitutes a contract or obligates any party to perform in any capacity. This document is for informational purposes only and summarizes certain investment information.

\_\_\_\_\_  
Client Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Client Signature

\_\_\_\_\_  
Date