Questionnaire

Risk Tolerance

Name: ______________________ Date Completed: ______________

A deep understanding of what you're investing for, how long you have to meet your goals and your comfort level with risk are all part of determining the right mix of investments for you.

And knowing how you may react to the ups and downs of the market is important because, too often, the reactions to swings in value, not the fluctuations themselves, have the biggest impact on successful long-term investing. Your answers to the following questions help us better understand your comfort level with risk.

In addition, we'll consider:

- How much risk you can take, based on your investment time horizon and other factors
- How much risk may be necessary for you to take to help you reach your goals

After we assess your comfort with risk, we'll partner together to align it with your goals, time horizon and return expectations to help develop your investment strategy, making adjustments over time as needed. A clear understanding of these can help you avoid what may be the biggest risk of all: not achieving your long-term financial goals.

Understanding your comfort with risk

1. How concerned are you about inflation? **Answer** ____

Growth investments, such as stocks, have the potential to outpace inflation but also generally have larger swings in value. Cash and fixed-income investments, such as bonds, may be more stable over time but also may not keep up with inflation. Based on this information, which statement below do you most agree with:

A. My goal is to minimize swings in my portfolio's value, even if growth does not keep pace with inflation.

B. My goal is for growth to at least keep pace with inflation, with the risk of modest swings in my portfolio's value.

C. My goal is for growth to exceed inflation, with the risk of modest to larger swings in my portfolio's value.

D. My goal is for growth to significantly exceed inflation, with the risk of larger swings in my portfolio's value.

2. Which statement best describes your personal investment philosophy? **Answer**

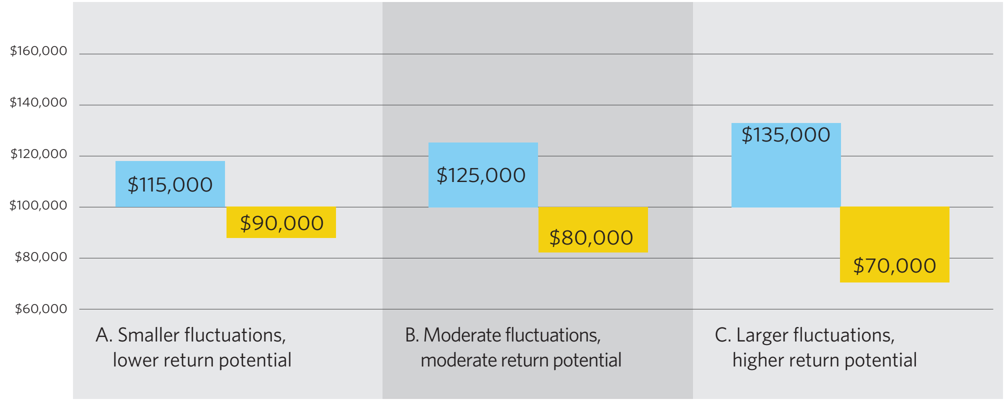
A. Income: I prefer investments that may generate more consistent (but most likely lower) returns year to year, with a primary focus on generating income. I prefer a low level of fluctuations and risk of declines over time.

B. Growth and income: I prefer investments that balance my growth objectives with my income needs. I prefer a modest amount of fluctuations and risk of declines over time.

C. Growth: I am willing to own investments with a higher degree of fluctuations and risk of declines in exchange for the potential to achieve higher average returns over time.

3. How comfortable are you with potential fluctuations in your portfolio? **Answer**

The table on the right shows the potential high and low values in a given year for three different portfolios, each based on an initial portfolio value of $100,000. Which portfolio would you prefer? Choose one.



4. Which statement best describes how you feel about the trade-off between potential returns and declines? **Answer**

A. I'm more focused on potential declines in my portfolio's value. The return I achieve is of secondary importance.

B. The potential for declines is equally important to me as the potential return.

C. I am more focused on the return potential of my portfolio than on potential declines.

5. There have been several periods in history in which the value of the market has dropped 25% or more in a year. If the value of your portfolio fell from $200,000 to $150,000 (25%) in one year, how would you react? **Answer**

A. I would move my money to different investments to reduce the potential for more declines, even if this meant missing a potential recovery.

B. I would be concerned and would consider moving into different investments if the declines continued.

C. I would leave my money where it is and continue according to my long-term strategy.

D. I would view this as an opportunity and would consider investing more if I had the money available.

6. There is a trade-off between larger potential short-term fluctuations and a portfolio's long-term growth potential, as shown in the table below. Which portfolio would you be most comfortable with?

Answer

	Long-term average return	Possible gain in one-year period	Possible decline in one-year period
Portfolio A	4%	15%	-10%
Portfolio B	5.5%	25%	-20%
Portfolio C	7%	35%	-30%

Determining your comfort with risk

Please enter the answers from the previous six questions into the corresponding boxes on the right and total the points.

The highest points are awarded to the most aggressive answer choice. The risk tolerance score ranges from zero (most conservative) to 102 (most aggressive).

Interpreting your results
Take your risk tolerance score totaled in the first table and locate it in the second table. This will help identify your overall comfort level with risk.

Based on your risk tolerance and time horizon, we recommend a Portfolio Objective for your goals (such as retirement) as well as for each account you hold for that goal (such as your IRA).

Below, we highlight our guidance for a retirement goal, which should serve as a starting point as we personalize an investment strategy for your retirement. Since each of your goals may have a different time horizon, each recommended Portfolio Objective may vary. We should also discuss other factors, such as specific purposes for an account, which could also cause your Portfolio Objective to vary.

This questionnaire was developed in partnership with Morningstar, a leading expert in risk tolerance assessment.

	Your answer					Answer value
1		A=0	B=5	C=12	D=17	
2		A=0	B=8	C=16		
3		A=0	B=8	C=16		
4		A=0	B=8	C=17		
5		A=0	B=5	C=12	D=17	
6		A=0	B=8	C=17		
					Total	

Risk tolerance scale	
80-102	High
60-79	Medium to high
40-59	Medium
19-39	Low to medium
0-18	Low

Portfolio Objective guidance table: Retirement time horizon

Investor risk tolerance	Accumulation years (Preparing for retirement)			Distribution years (Living in retirement)	
	26+ years until retirement	16-25 years until retirement	15 years or less until retirement	Expect to spend more than 10 years in retirement	Age 80 or older (and/or expect to spend 10 years or less in retirement)
	Early investing years	Good earnings years	High income and savings years	Early retirement years	Late retirement years
High	Growth focus	Growth focus	Growth focus	Balanced toward growth	Balanced toward growth
Medium to high	Growth focus	Growth focus	Growth focus	Balanced toward growth	Balanced growth & income
Medium	Growth focus	Growth focus	Balanced toward growth	Balanced growth & income	Balanced toward income
Low to medium	Growth focus	Balanced toward growth	Balanced toward growth	Balanced growth & income	Balanced toward income
Low	Balanced toward growth	Balanced growth & income	Balanced growth & income	Balanced toward income	Income focus

Note: Age 72 is the oldest possible retirement age for Portfolio Objective guidance purposes.
Portfolio Objective recommendations within the Accumulation years also assume that you'll spend more than 20 years in retirement.

