



Investor Profile Questionnaire

Complete this questionnaire based on all of your investment accounts. This includes accounts not managed by Denver Money Manager such as 401k's, certificates of deposits (CD's) and stock portfolios.

Name: _____

Date: _____

Email: _____

1. Given your investment objectives, when do you expect to begin making withdrawals from this investment?

- a. 2 years or less30 points
- b. 3 to 5 years20 points
- c. 6 to 8 years 10 points
- d. 9 to 11 years5 points
- e. 12 or more years 0 points

2. When you begin making withdrawals from this investment, how long do you expect your withdrawals to continue?

- a. One lump sum 10 points
- b. 1 to 5 years7 points
- c. 6 to 10 years3 points
- d. 11 to 19 years 1 point
- e. 20 or more years 0 points

3. The following describes possible outcomes for three hypothetical investments over the next year. Which investment would you feel most comfortable holding?

Investment option	Most likely return—(1 yr)	Chance of loss—(1 yr)	
a. Investment A	4%	5%	11 points
b. Investment B	8%	15%	6 points
c. Investment C	12%	25%	0 points

4. Assume that you have \$10,000 to invest and just two investment options. Which investment are you more likely to select?

- a. Investment A, with a 100% chance of gaining \$500 in one year 7 points
- b. Investment B, with a 75% chance of gaining \$1000 in one year 0 points

5. The table below illustrates potential possible gains and losses associated with four hypothetical \$10,000 investment portfolios in any given year. Each portfolio's return will most likely fall somewhere between the best-case and worst-case values. Which portfolio are you most comfortable holding?

Value of \$10,000 after one year	Best case	Worst case	
a. Portfolio A	\$10,500	\$9,700	12 points
b. Portfolio B	\$10,800	\$9,200	8 points
c. Portfolio C	\$11,000	\$8,700	4 points
d. Portfolio D	\$11,200	\$8,200	0 points

TOTAL point
score page 1

Investor Profile Questionnaire (cont.)

6. Investments with higher returns are generally associated with greater volatility and risk of loss. Which of the following statements best describes your attitude toward long-term investing?

- a. I am most concerned with protecting principal value of my investments. I am willing to accept lower returns associated with these conservative investments10 points
- b. I am willing to bear some risk in an effort to achieve higher returns, but I prefer the majority of my investments to be placed in relatively low-risk assets.7 points
- c. I am willing to accept moderate volatility in the value of my investments in order to achieve moderate returns. Minimizing risk and maximizing return are of equal importance to me 5 points
- d. I wish to achieve moderately high returns on my investments. I am willing to accept significant volatility and risk of loss. 3 points
- e. I am primarily concerned with maximizing the returns on my investments. I am willing to accept large fluctuations in the value of my investments and substantial risk of loss.0 points

7. Suppose you have invested in a stock fund and experienced better-than-average performance for five years. However, last year the fund lost 15% of its value. Similar funds experienced comparable losses. What would you do at this point?

- a. Immediately sell all of my fund shares in search of a more stable investment. 8 points
- b. Sell some, but not all, of my fund shares and put the proceeds sold into a more stable investment 6 points
- c. Hold on to my fund shares with the expectation that the fund will recoup its losses and experience future gains. 2 points
- d. Buy more shares of the fund (since the shares now cost less) with the expectation of future gains 0 points

8. Inflation reduces your purchasing power (a dollar buys less today than it did 20 years ago). Investing can help preserve your purchasing power by providing returns on your assets that outpace the rate of inflation. However, investments that have provided higher returns historically have also been associated with greater volatility (risk). Which statement best describes your feelings about investment volatility with respect to inflation?

- a. I am satisfied with maintaining the purchasing power of my investments (achieving returns that keep pace or slightly exceed the inflation rate) in an effort to minimize risk. 8 points
- b. I am willing to accept moderate risk in an effort to achieve returns that moderately exceed the inflation rate. 4 points
- c. I am willing to accept significant risk in an effort to achieve returns that significantly exceed the inflation rate. 2 points
- d. Achieving high returns that substantially exceed inflation is most important to me, regardless of the risk involved with such investments.0 points

9. The table below illustrates best, worst and average probable returns for three hypothetical investment portfolios over three years. Which portfolio are you most comfortable holding?

	Best return	Average return	Worst return	
a. Portfolio A	7%	5%	0% 4 points
b. Portfolio B	9%	8%	-3% 2 points
c. Portfolio C	12%	10%	-7% 0 points

10. Although sector funds and investments that are not correlated to the general market—such as alternative investments, real estate or hard assets—can be riskier than many equity and bond asset classes, adding them to a diversified portfolio can reduce the overall risk (volatility) of the portfolio. Would you consider such investment options in your portfolio?

- a. Yes
- b. No

TOTAL point score page 2 _____

Your Profile

Your responses to the investor questionnaire can help you place yourself in the spectrum of aggressive to conservative investor profiles. Simply add up the points associated with each of your answers and find the corresponding profile in the table below.

This questionnaire is intended as a planning tool to help you identify an asset allocation model that is potentially suitable for your investment objectives and risk tolerance.

Investor Type		GRAND TOTAL point score (Page 1 + Page 2) _____
Total Points	Investor Type	Description
79 - 100	Conservative (86% - 70% Bond)	The <i>conservative</i> client attempts to achieve maximum current income with a preservation of capital and liquidity as his or her primary objective. Typical investors in this class are risk averse, looking for stability of principal and seek a market rate of income in very short term securities.
58 - 78	Moderately conservative (65% - 50% Bond)	The <i>moderately conservative</i> client attempts to achieve long-term growth from current income with long-term growth of principal by allocating assets to government-backed securities, corporate bonds and conservative stocks. Typical investors in this class are willing to assume a low-to-medium level of principal risk and seek relatively steady current income with conservative growth potential over time.
39 - 57	Moderate (45% - 30% Bond)	The <i>moderate</i> client attempts to achieve long-term growth of principal and income by allocating assets primarily to stocks believed to offer growth potential plus market or above market dividend income. Typical investors in this class are seeking capital growth and income over time and usually have a minimum time horizon of 5 years. Moderate clients are willing to accept some share price volatility.
20 - 38	Moderately aggressive (25% - 10% Bond)	The <i>moderately aggressive</i> client attempts to obtain long-term growth of capital with little concern for current income. Typical investors in this class have a relatively aggressive financial philosophy, seek long-term growth and are not looking for current dividend income. The moderately aggressive client is subject to more share price volatility, due to proportionately greater allocations of higher risk securities.
0 - 19	Aggressive (0% Bond)	The <i>aggressive</i> client attempts to achieve maximum long-term capital growth; by allocating assets primarily to stocks of small companies or narrow market segments. Typical investors in this class have a financial horizon of 5-10 years or longer, and are comfortable with potentially sharp volatility in share prices and have little or no concern for current income. The aggressive investor should expect to have greater risk exposure and reward potential than one who directs assets to primarily larger capitalization companies.