

# Family First Financial Planning Risk Tolerance Questionnaire

Name of Client: \_\_\_\_\_ Date: \_\_\_\_\_

## 1. Investment Attitude Risk Questionnaire

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Circle a number in answer to each of the six risk tolerance questions below. These answers will help select your Asset Allocation Target Portfolio.

1. How important is capital preservation?

*Not at all*  1  2  3  4 *Moderately important*  5  6  7  8 *Very important*  9

2. How important is growth?

*Not at all*  1  2  3  4 *Moderately important*  5  6  7  8 *Very important*  9

3. How important is low volatility?

*Not at all*  1  2  3  4 *Moderately important*  5  6  7  8 *Very important*  9

4. How important is inflation protection?

*Not at all*  1  2  3  4 *Moderately important*  5  6  7  8 *Very important*  9

5. How important is current cash flow?

*Not at all*  1  2  3  4 *Moderately important*  5  6  7  8 *Very important*  9

6. How much risk are you willing to take to achieve a higher return?

*Not at all*  1  2  3  4 *A Moderate amount*  5  6  7  8 *A lot*  9

What Average Annual Rate of Return\* do you want to earn on your portfolio to reach your financial goals?  
(Enter a number between 5% and 14%.)

Average Annual Rate of Return\* You Want: \_\_\_\_\_ %

\* This rate of return is hypothetical and used for comparison purposes only. It is not related to any specific investment and there is no guarantee you will actually receive this rate.

**2. In the handling of your finances, would you be willing to take above average risks to seek greater growth with some or all of your investable funds?**

Yes \_\_\_\_\_ No \_\_\_\_\_

**3. If yes, above, what percent of your funds would you be willing to place in investments of above average risk?**

\_\_\_\_\_ Percent

**4. How soon in the future will you be making withdrawals from your account to accommodate your goal for this portfolio?**

- a. 0-3 years
- b. 4-7 years
- c. 8-12 years
- d. 13-20 years
- e. 20+ years

**5. Do you have at least three to six months of living expenses set aside in a safe, liquid investment account?**

- a. Yes
- b. No

**6. Which of the following three statements best describes your feelings about investing?**

a. I prefer conservative investments which will minimize the chance of losing any principal in a given year. (I realize this may limit my portfolio's long-term growth).

b. I am comfortable with a moderate amount of risk and am willing to tolerate periodic market downturns in order to increase chances of future growth.

c. I seek maximum future growth and am not concerned about short term fluctuations in value. I am willing to incur significant short-term losses to maximize long term gains.

- 7. You have just heard that the stock market fell by 10% today. Your reaction is to:**
- a. Consider reducing the proportion of your portfolio that is invested in stocks.**
  - b. Be concerned and continue to monitor the market.**
  - c. Not to worry because the market is likely to go up again at some time in the future.**
- 8. Which of the following best describes how you evaluate the performance of your investments?**
- a. I check to see how my portfolio did over the last month.**
  - b. I track my portfolio's gains and losses on a regular basis.**
  - c. I don't at all.**
- 9. What is the worst one year performance you would want to tolerate for your portfolio?**
- a. -40%**
  - b. -20%**
  - c. -10%**
  - d. Any loss is unacceptable to me.**
- 10. I would rank my investment knowledge as follows:**
- a. None**
  - b. Limited.**
  - c. Some knowledge and experience.**
  - d. Very knowledgeable about all types of investments.**
- 11. Which statement is true?**
- a. I prefer to handle my own investment decisions.**
  - b. I like to handle it on my own with some assistance.**
  - c. I feel like investments are best handled by professionals.**