



## RISK TOLERANCE ANALYSIS

CLIENT NAME(S)	_____		
CLIENT(S) ADDRESS	_____		
CLIENT(S)	_____		
AGE	_____	INCOME	_____
OCCUPATION	_____		
INVESTMENT EXPERIENCE	_____		
	_____		

### INTRODUCTION

A critical phase of the investment planning and management process involves the development/review of investment policy and a long-range plan for adhering to it. This becomes the link between client investment needs and the realities of the investment markets.

We believe that the creation and implementation of a reasonable and coherent investment policy/plan is critical to the long-term success of any investment program. Therefore, such documentation must be crafted which influence the design and management of the portfolio.

This survey is designed to assist Ascension Capital Advisors, Inc. in assessing your goals, reviewing your present investment situation, and working with you in the design, implementation and ongoing management of an appropriate investment plan. Portfolio design alternatives will result from this study and will provide the basis for further discussions which will precede final asset mix decisions. The completion of this questionnaire will be an enlightening step in the continuing development of a long-term investment program.



- (7) What is the portfolio's investment time horizon? Investment time horizon refers to the period of time during which the investment objectives for this portfolio may reasonably be expected to continue without substantial modification.
- A. \_\_\_\_\_ 5 years
  - B. \_\_\_\_\_ 10 years
  - C. \_\_\_\_\_ 15 years
  - D. Other \_\_\_\_\_ years

### **RISK AND RETURN OBJECTIVES**

- (8) Considering the direct relationship between risk and return, which best describes the overall risk/return levels for this portfolio?

- \_\_\_\_\_ Very high – aggressive
- \_\_\_\_\_ High
- \_\_\_\_\_ High moderate
- \_\_\_\_\_ Moderate
- \_\_\_\_\_ Low moderate
- \_\_\_\_\_ Conservative

- (9) What is the goal of this portfolio? What are fair objectives by which to measure if we are, in fact, meeting your objectives?
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- (10) Which one of the following best describes the investment objective for this portfolio?

- A. \_\_\_\_\_ Preserving principal and earning a moderate amount of current income
  - B. \_\_\_\_\_ Generating a high amount of current income
  - C. \_\_\_\_\_ Generating some current income and growing the assets
  - D. \_\_\_\_\_ Growing the assets substantially
  - E. \_\_\_\_\_ Other \_\_\_\_\_ Describe \_\_\_\_\_
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- (11) Which of the following statements best describes your reaction if the value of the portfolio suddenly declined 15%?

- \_\_\_\_\_ I would be very concerned because I cannot accept fluctuations in the value of this portfolio
- \_\_\_\_\_ If the amount of current income received was sustainable, it would not bother me
- \_\_\_\_\_ I invest for long-term growth but would be concerned about even a temporary decline
- \_\_\_\_\_ I invest for long-term growth and accept portfolio value changes due to market fluctuation

- (12) Investment "risk" can be viewed in different ways. Please rank each of the following concepts from 1 to 3 (1 + most important) indicates how they describe your view of "risk".

- A. \_\_\_\_\_ The possibility of not achieving a long-term targeted rate of return
- B. \_\_\_\_\_ The loss of "buying power" over a long period of time due to inflation
- C. \_\_\_\_\_ Wide swings in the market value of the portfolio

- (13) I/We believe that inflation will average 3%-4%-5%-6% (circle one) over the investment time horizon of this portfolio.
- (14) Regarding the long-term prospects for the U.S. economy, I am/we are:
- \_\_\_\_\_Pessimistic  
 \_\_\_\_\_Unsure  
 \_\_\_\_\_Somewhat optimistic  
 \_\_\_\_\_Very optimistic
- (15) The portfolio should be structured with a goal of out producing inflation by \_\_\_\_\_%.

**ASSET CLASS CONSTRAINTS**

- (16) Asset Classes - please circle any asset classes you wish to avoid:
- A. Large cap domestic equities – growth
  - B. Large cap domestic equities – value
  - C. Large cap domestic equities – market oriented
  - D. Emerging markets equities
  - E. CD’s, MMF’s, T-Bills, etc.
  - F. Domestic bonds
  - G. Domestic bonds - municipal
  - H. International bonds
  - I. Real estate securities
  - J. Guaranteed investment contracts
  - K. Other \_\_\_\_\_
  - L. Open to suggestion

**SCORING YOUR TIME, RISK, AND INVESTMENT ATTITUDE**

**Questions of Time**

(17a) What is your time frame for wanting to reach your financial goals?

1 year or less	1
2-5 years	2
5-10 years	3
10-15 years	4
15 years or longer	5

(17b) What is your age?

60+ years	1
50-59	2
40-49	3
30-39	4
20-29	5

(18) What is your primary financial goal? # 1 - 5

- Capital Protection: Protection against decline in market value of your investments 1
- Current Income: Income generated from investments. 2
- Consistency: A high degree of stability and predictability of your investment return over time. 3
- Long-Term Inflation Hedge: High degree of protection of long-term purchasing power of your investment. 4
- Capital Appreciation: The increase in market value of your investments are primarily through price appreciation. 5

**Investment Risk Attitude**

(19a)

	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
I would like to get as much long-term growth from my investment funds as possible, even if it means dramatic ups and downs on a year-to-year basis in my investment results.	5	4	3	2	1
I believe I will have enough money to reach my goal; therefore, I must protect what I have.	1	2	3	4	5
I believe I will not have enough money to reach my goal; therefore, I must take risk to get ahead.	5	4	3	2	1
I would like to protect my money that I invest even if it means getting very little long-term growth.	1	2	3	4	5
I believe I will have enough money to reach my goal; therefore, I can afford to take some risk.	5	4	3	2	1
I believe I will not have enough money to reach my goal; therefore, I cannot afford to risk what I have.	1	2	3	4	5
Investment Risk Total: _____					

**Investment Objective Attitude**

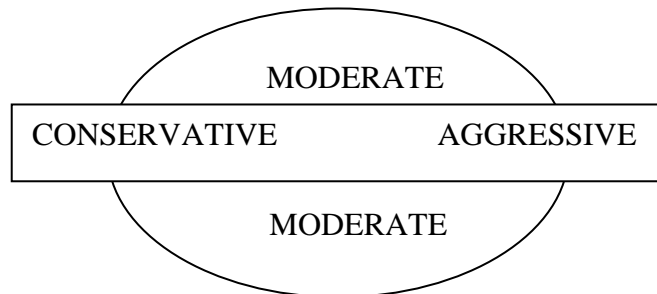
(19b)

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Earning the highest possible return is the first priority, even if it lowers the long-term results.	5	4	3	2	1
I prefer an investment strategy designed to grow steadily and avoid sharp ups and downs, even if it lowers the long-term returns.	1	2	3	4	5
Short-term losses are acceptable if I have confidence that the long-term returns will be good.	5	4	3	2	1
Protecting the money I have is a higher priority for me than making it grow.	1	2	3	4	5
If I inherited a large sum of money, I would put it in the bank rather than invest it in stocks.	1	2	3	4	5
For the right opportunity, I would quit my job and start my own business.	5	4	3	2	1
I do not think I need to spend any of my principal before the end of my planning horizon.	5	4	3	2	1
Other assets I own, such as a pension, inheritance, or personal savings account form a substantial portion of my net worth.	5	4	3	2	1
Apart from this investment, I expect my earnings to increase over then next 5 years.	5	4	3	2	1
I have a very adequate emergency fund that would cover most emergencies.	5	4	3	2	1
Investment Objective Total: _____					

A	B	C	D	E
19	38	57	76	95

Totals:

Time Horizon \_\_\_\_\_  
 Investment Risk \_\_\_\_\_  
 Investment Objective \_\_\_\_\_  
**Grand Total:** \_\_\_\_\_



20) What is the greatest advantage to your current investment program?

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(21) What is the greatest disadvantage to your current investment program?

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**COMMENTS:**

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I/We understand that there can be no guarantee that any resulting portfolio design will achieve the objectives or constraints set out in this Risk Tolerance Analysis. Asset allocation studies resulting from this input will be predicted on gross asset class return and risk assumptions believed, but not guaranteed, to be reasonable.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

X \_\_\_\_\_  
SIGNATURE

X \_\_\_\_\_  
SIGNATURE