

Quantitative Strategies, Inc. Investor Profile Questionnaire

Name: _____

Date: _____

- 1) Over the next several years, do you expect your annual income to -

a Decrease substantially	b Decrease moderately	c Stay about the same
d Grow moderately	e Grow substantially	

- 2) When do you plan to start withdrawing money from your investment.

a Within 5 years	b In 5 -1 0 years	c In 10-15 years
d In more than 15 years		

- 3) Once you start taking funds out of your investment, over how many years will you continue to withdraw funds?

a Less than 2 years	b 2-5 years	c 6-10 years
d 11-15 years	e More than 15 years	

- 4) What is your main investment objective?

a Capital preservation with some income	b Substantial income
c Moderate capital growth with some income	d Substantial capital growth

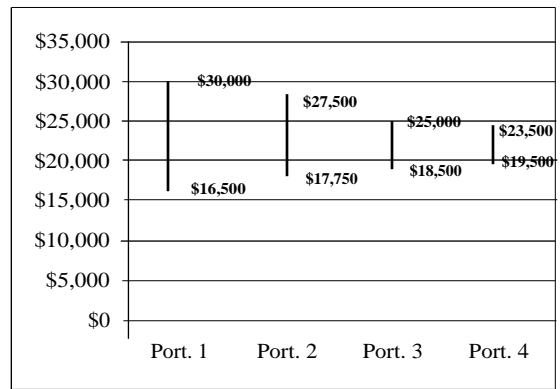
- 5) If the value of your portfolio decreased by 20% in one year, how would you react?
 - a I would be very concerned, and I would find another way to invest my money.
 - b I would be somewhat concerned, and I would reconsider the aggressiveness of my portfolio.
 - c I would not be concerned about the temporary fluctuation in my investment.

- 6) By keeping pace with inflation, investors can maintain the purchasing power of their money over time and be able to buy the same basket of goods, even though prices have increased. Generally, higher returns can only be achieved by accepting greater risk. Which of the following choices best reflects your attitude toward inflation and risk?
 - a I am willing to accept a small level of risk in an effort to keep pace with inflation.
 - b I am willing to assume a moderate level of risk in an effort to stay ahead of inflation.
 - c I am willing to accept a substantial level of risk in an effort to significantly outpace inflation.

- 7) Markets have experienced large price swings and extended price drops throughout history. Suppose you owned a portfolio that fell by 20% over a 3-month period. Assuming you still have 10 years until you begin making, withdrawals from this account, how would you react?
 - a I would immediately change my portfolio.
 - b I would wait at least 6 months before adjusting my portfolio.
 - c I would wait at least I year before adjusting my portfolio.
 - d I would not change my investment strategy.

8) The following chart shows the possible range of year-end account values of four hypothetical investment portfolios. The initial investment into each portfolio was \$20,000. Which portfolio would you be most comfortable owning?

- a Portfolio 4
- b Portfolio 3
- c Portfolio 2
- d Portfolio 1



9) What is your expectation for annual total returns (on average):

- a Under 8%
- b 8%-10%
- c 10%-12%
- d Over 12%

10) Which of the following best describes the domestic stock market?

- a Completely out of control
- b Somewhat unnerving
- c A necessary risk
- d An exciting opportunity

11) Investors must be comfortable with the amount of risk associated with short periods (i.e. one year), even if they have a long investment horizon. The following graphs show the potential annual volatility (rise and fall of investment value each year), Which portfolio and its associated volatility would you be willing to experience?

- a Portfolio A
- b Portfolio B
- c Portfolio C

Portfolio A	
<u>Year</u>	<u>Return</u>
1	2.00%
2	-1.50%
3	3.00%
4	2.00%
5	4.00%
6	-1.10%
7	2.00%
8	3.20%

Portfolio B	
<u>Year</u>	<u>Return</u>
1	7.70%
2	-4.00%
3	7.00%
4	-5.70%
5	10.30%
6	-8.10%
7	6.70%
8	7.10%

Portfolio C	
<u>Year</u>	<u>Return</u>
1	10.00%
2	-12.00%
3	22.00%
4	-10.50%
5	24.00%
6	-8.90%
7	16.00%
8	-4.00%

12) How would you respond to the following statement, "Protecting my portfolio from loss is more important to me than achieving high returns"?

- a Strongly Agree
- b Agree
- c Disagree
- d Strongly Disagree

- 13) The table below shows the characteristics of four hypothetical portfolios over the next 30 years. Given your investment objectives, in which of these hypothetical portfolios would you feel most comfortable investing?

	Probable Average Annual Return	Probable Number of Years With Negative Returns	Potential Worst One year Return
a Portfolio 1	Portfolio 1 8%	4	-9%
b Portfolio 2	Portfolio 2 10%	5	-14%
c Portfolio 3	Portfolio 3 13%	7	-22%
d Portfolio 4	Portfolio 4 15%	9	-30%

- 14) The degree to which the value of a portfolio rises and falls is called volatility. Generally, assets that exhibit higher volatility also have higher returns, investments are risky, however, because there is no guarantee that tile upturns in your portfolio will be greater than the downturns. Which of the following best describes how you feel about the amount of volatility you are willing to accept?
- a Little - I would rather have small returns than risk losing any money.
 - b Some - I would like to achieve higher returns over time and can withstand an occasional, large downturn in the value of my portfolio.
 - c Considerable - My main goal is to achieve high returns over time and I can endure substantial losses in order to do so.
- 15) You have just reached the \$ 10,000 plateau on a game show. Now you must choose between quitting with \$10,000 In hand or bet the entire \$10,000 on 1 of 3 alternatives. Which one do you choose?
- a Take the 10k and run
 - b 50% chance of winning 50k
 - c 20% chance of winning 75k
 - d 5% chance of winning 100k

Scoring: Add points based on the responses to the questions, giving one points for each "A", two points for each "B", three points for each "C", four points for each "D", and five points for each "E."

You may use the chart below to assist you in calculating the total points:

	<u>Total No. of Responses</u>		<u>Point Value</u>	=	
A	_____	x	1	=	_____
B	_____	x	2	=	_____
C	_____	x	3	=	_____
D	_____	x	4	=	_____
E	_____	x	5	=	_____
TOTAL	_____	(Should be 14)			TOTAL POINTS

Based on your score, you should fall into one of the relative risk categories below:

<u>Points</u>	<u>Relative Risk</u>
15 -25	<i>Most conservative - should consider conservative portfolio</i>
26-36	<i>Somewhat conservative - probably best suited for balanced portfolio</i>
37-47	<i>Moderate - probably best suited for growth portfolio</i>
48-57	<i>Most aggressive - should consider aggressive growth portfolio</i>