



# INVESTOR PROFILE QUESTIONNAIRE



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

As a client you may have different objectives and time horizons for different plan types that you hold. For example, you may have shorter term saving goals for accounts to fund education or purchase a new home that have a risk profile to reflect the shorter term nature of your investment. Please indicate which plan type this **Investor Profile Questionnaire** is applicable to by checking on the appropriate selection below. Please complete separate Investor Profile Questionnaires for accounts that have different objectives or time horizons.

|             |                |                   |      |      |       |
|-------------|----------------|-------------------|------|------|-------|
| <b>PLAN</b> | Non-Registered | RSP / SRSP / GRSP | LIRA | RESP | Other |
| <b>TYPE</b> | TFSA           | RIF / SRIF        | LIF  | RDSP |       |

**Time Horizon** - The length of your investment time horizon impacts the types of investments that may be suitable for you. Investors with a time horizon of greater than three years have a greater degree of flexibility when building a portfolio (although risk tolerance and investment objectives must also be considered).

**1. When do you expect to need to withdraw a significant portion (1/3 or more) of the money in your investment portfolio?**

- Less than one year
- 1-3 years
- 4-5 years
- 6-9 years
- 10+ years

**Investment Knowledge** - If you have a high level of investment knowledge, you have a good understanding of the relative risk of various types of investments and understand how the level of risk taken affects potential returns. If you have very little knowledge of investments and financial markets, speculative and high-risk investments and strategies are likely not suitable options for you.

**2. What best describes your knowledge of investing?**

- Limited* I have very little knowledge of investments and financial markets.
- Fair* I have some knowledge of investments and understand the differences between stocks, bonds and GICs.
- Knowledgeable* I have a moderate level of knowledge of investments and financial markets and am aware of different options.
- Sophisticated* I have extensive investment knowledge; understand different investment products and follow financial markets closely.

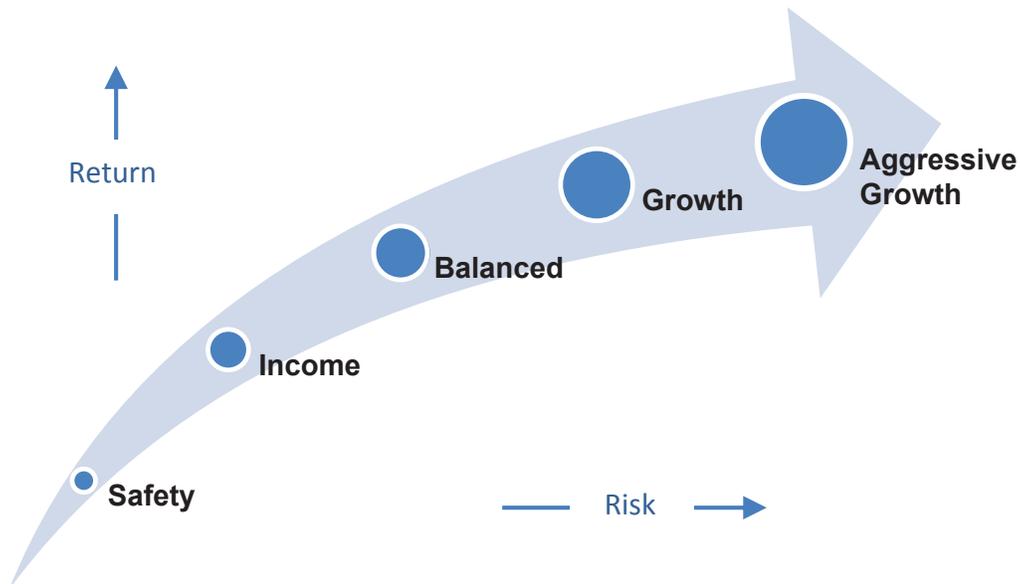




**Investment Objectives** - Investment objectives are the goal or result you want to achieve from investing. Understanding your investment goals helps determine the types of investments best suited to meet your needs. The investment products used to meet different goals have varying levels of risk and potential returns.

### 3. What is your primary goal for this portfolio?

- Safety*      I want to keep the money I have invested safe from short-term losses or readily available for short-term needs.  
*Investments that will satisfy this objective include GICs and high interest savings.*
- Income*      I want to generate income with modest asset growth and am less concerned about growing the value of my investments.  
*Investments that will suit this objective include fixed income investments such as funds that invest in bonds.*
- Balanced*      I want the opportunity for the investments to grow in value and generate some income.  
*A balanced fund or a portfolio that typically includes approximately 40% in fixed income investments and 60% in equity funds, will suit this objective. Income and Growth with moderate fluctuations.*
- Growth*      I want to generate long-term growth from my investments.  
*A portfolio with a relatively high proportion of funds that invest in equities will suit this objective if you also have a long-time horizon and are willing and able to accept more risk.*
- Aggressive Growth*      My tolerance for risk, portfolio volatility and investment losses is very high. I am willing to tolerate potentially significant and sustained price fluctuations and large losses of capital. I have extensive investment knowledge. I have no income requirements from my investments and have a long investment time horizon.





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**Risk Capacity (Questions 4-9)** - Your financial situation including your assets, debt and the amount and stability of your income are all important when determining how much risk you can take with your investments. In addition, the larger the portion of your total assets that you are investing, the more conservative you might wish to be with this portion of your portfolio.

**4. Income - What is your annual income from all sources? Points: \_\_\_\_\_**

- |                                |                                   |
|--------------------------------|-----------------------------------|
| Less than \$25,000 (0 points)  | \$100,000 - \$149,999 (7 points)  |
| \$25,000 - \$49,999 (2 points) | \$150,000 - \$199,999 (7 points)  |
| \$50,000 - \$74,999 (4 points) | \$200,000 - \$999,999 (10 points) |
| \$75,000 - \$99,999 (5 points) | \$1,000,000 or more (10 points)   |

**5. Income Stability - How stable are your current and future income sources? Points: \_\_\_\_\_**

- |                    |                            |                   |
|--------------------|----------------------------|-------------------|
| Unstable (1 point) | Somewhat Stable (4 points) | Stable (8 points) |
|--------------------|----------------------------|-------------------|

**6. Financial Situation - How do you classify your overall financial situation? Points: \_\_\_\_\_**

- |   |   |
|---|---|
| No savings, significant debt (0 points)             | Some savings and little or no debt (7 points)         |
| Little savings and a fair amount of debt (2 points) | Significant savings and little or no debt (10 points) |
| Some savings and some debt (5 points)               |   |

**7. Net Worth - What is your estimated Net Worth (cash, investments, home, other assets less mortgage loans and all other debt)? Points: \_\_\_\_\_**

- |                                 |                                  |
|---------------------------------|----------------------------------|
| Less than \$40,000 (0 points)   | \$200,000 - \$499,999 (6 points) |
| \$40,000 - \$99,999 (2 points)  | \$500,000 - \$999,999 (8 points) |
| \$100,00 - \$199,999 (4 points) | \$1,000,000 or more (10 points)  |

**8. Total Savings- This investment portfolio represents approximately what percentage of your total savings? Points: \_\_\_\_\_**

- |                           |                          |
|---------------------------|--------------------------|
| Less than 25% (10 points) | 51% - 75% (4 points)     |
| 25% - 50% (5 points)      | More than 75% (2 points) |





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Your age is an important consideration when constructing an investment portfolio. Younger investors may have portfolios that are primarily invested in equities to maximize potential growth if they also have a higher risk tolerance and long investment time horizon. Investors who are retired or near retirement are often less able to withstand losses and may have portfolios that are invested to maximize income and capital preservation.

**9. What is your age group?**

Points: \_\_\_\_\_

- 65 or older (1 point)
- 35-54 (8 points)
- 55-64 (3 points)
- Under 35 (20 points)

**Risk Capacity Score Total (Questions 4-9)** \_\_\_\_\_

**Risk Attitude (Questions 10-15)** - Your comfort level with risk is important in determining how conservatively or aggressively you should invest. Generally, you need to consider accepting more risk if you want to pursue higher returns. If you decide to seek those potentially higher returns, you face the possibility of greater losses.

**10. In making financial and investment decisions you are?**

Points: \_\_\_\_\_

- Very conservative and try to minimize risk and avoid the possibility of any loss (0 points)
- Conservative but willing to accept a small amount of risk (4 points)
- Willing to accept a moderate level of risk and tolerate losses to achieve potentially higher returns (6 points)
- Aggressive and typically take on significant risk and are willing to tolerate large losses for the potential of achieving higher returns (10 points)

**11. The value of an investment portfolio will generally go up and down over time. Assuming that you have invested \$10,000, how much of a decline in your investment portfolio could you tolerate in a 12 month period?**

Points: \_\_\_\_\_

- I could not tolerate any loss (0 points)
- \$2,000 (-20%) (8 points)
- \$300 (-3%) (3 points)
- More than -\$2,000 (> -20%) (10 points)
- \$1,000 (-10%) (6 points)

**12. When you are faced with a major financial decision, are you more concerned about the possible losses or the possible gains?**

Points: \_\_\_\_\_

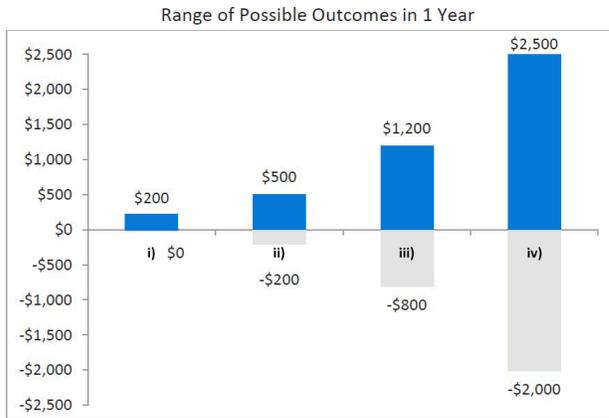
- Always the possible losses (0 points)
- Usually the possible gains (6 points)
- Usually the possible losses (3 points)
- Always the possible gains (10 points)



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13. The chart below shows the greatest one year loss and the highest one year gain on four different investments of \$10,000. Given the potential gain or loss in any one year, which investment would you likely invest your money in:

Points: \_\_\_\_\_



Best Outcome

Worst Outcome

- i) EITHER a loss of \$0 (0%)  
OR a gain of \$200 (2%) (0 points)
- ii) EITHER a loss of \$200 (-2%)  
OR a gain of \$500 (5%) (3 points)
- iii) EITHER a loss of \$800 (-8%)  
OR a gain of \$1,200 (12%) (6 points)
- iv) EITHER a loss of \$2,000 (-20%)  
OR a gain of \$2,500 (25%) (10 points)

14. From September 2008 through November 2008, North American stock markets lost over 30%. If you currently owned an investment that lost over 30% in 3 months you would: Points: \_\_\_\_\_

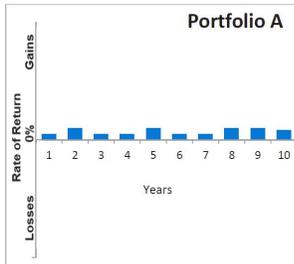
Sell all of the remaining investment to avoid further losses (0 points)

Sell a portion of the remaining investment to protect some of your capital (3 points)

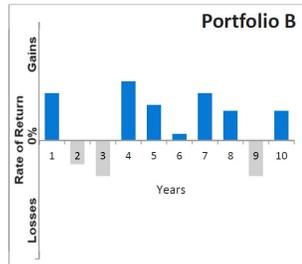
Hold onto the investment and not sell any of the investment in the hopes of higher future returns (5 points)

Buy more of the investment now that prices are lower (10 points)

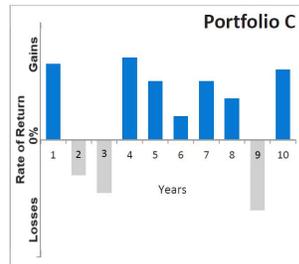
15. Investments with higher returns typically involve greater risk. The charts below show hypothetical annual returns (annual gains and losses) for four different investment portfolios over a 10 year period. Keeping in mind how the returns fluctuate, which investment portfolio would you be most comfortable holding? Points: \_\_\_\_\_



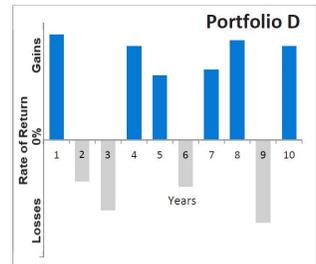
Portfolio A (0 points)



Portfolio B (4 points)



Portfolio C (6 points)



Portfolio D (10 points)

Risk Attitude Score Total (Questions 10-15) \_\_\_\_\_

## Risk Tolerance Profile and What Your Scores Mean



Establishing your risk profile involves understanding your willingness to accept risk, sometimes referred to as **Risk Attitude**, and your ability to endure potential financial loss, sometimes referred to as **Risk Capacity**. Risk Attitude and Risk Capacity are separate considerations that together make up your overall **Risk Tolerance Profile**.

**The investment selection should be the column furthest to the left in the table (the most conservative option) based on your results.**

|   | Safety  | Income    | Balanced  | Growth             | Aggressive Growth |                    |  |
|---|---------|-----------|-----------|--------------------|-------------------|--------------------|--|
| <b>Time Horizon (Question 1)</b>          | <1 year | 1-3 years | 4-5 years | 6-9 years          | 10+ years         |                    |  |
| <b>Investment Knowledge (Question 2)</b>  |         |           | Limited   | Fair Knowledgeable | Sophisticated     |                    |  |
| <b>Investment Objectives (Question 3)</b> | Safety  | Income    | Balanced  | Growth             | Aggressive Growth |                    |  |
| <b>Risk Capacity (Questions 4-9)</b>      |         | <15       | 15-25     | 26-40              | >40               | <b>Your Scores</b> |  |
| <b>Risk Attitude (Questions 10-15)</b>    | <20     | 20-24     | 25-30     | 31-45              | >45               |                    |  |

Advisor Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Client Signature: \_\_\_\_\_ Date: \_\_\_\_\_

### Sample Investor Profiles and Asset Allocations

|  |  |
|--|--|
| <p><b>1. Safety</b><br/>You have a very low tolerance for risk and are unable to tolerate any investment losses or you have a very short investment time horizon. You prefer knowing that your capital is safe and are willing to accept lower returns to protect your capital.</p>  | <p><b>Asset Allocation</b></p>  <ul style="list-style-type: none"> <li>100% GICs and High Interest Savings</li> </ul>   |
| <p><b>2. Income</b><br/>You have a low tolerance for risk and potential loss of capital or a short investment time horizon. You are willing to accept some short term fluctuations and small losses in your investment portfolio in exchange for modest returns. The primary objective of your investment portfolio will be to provide income by investing primarily in funds that invest in fixed-income securities. While capital appreciation is not a priority, a small portion of the portfolio may be invested in equity funds to provide the potential for some growth to offset the impact of inflation.</p> | <p><b>Asset Allocation</b></p>  <ul style="list-style-type: none"> <li>75% Fixed Income</li> <li>25% Equities</li> </ul>  |
| <p><b>3. Balanced</b><br/>You have a moderate tolerance for risk and loss of capital. You are willing to tolerate some fluctuations in your investment returns and moderate losses of capital. You have at least a medium term investment time horizon. The objective of your portfolio will be to provide a combination of income and long term capital growth and therefore the portfolio will include at least 40% in fixed income investments.</p>   | <p><b>Asset Allocation</b></p>  <ul style="list-style-type: none"> <li>60% Equities</li> <li>40% Fixed Income</li> </ul>  |
| <p><b>4. Growth</b><br/>You have a high tolerance for risk and loss of capital. You are willing to tolerate large fluctuations in your investment returns and moderate to large losses of capital in exchange for potential long-term capital appreciation. You do not have any significant income requirements from your investments. You have at least a medium term investment time horizon.</p>  | <p><b>Asset Allocation</b></p>  <ul style="list-style-type: none"> <li>80% Equities</li> <li>20% Fixed Income</li> </ul>  |
| <p><b>5. Aggressive Growth</b><br/>Your tolerance for risk, portfolio volatility and investment losses is very high. You are willing to tolerate potentially significant and sustained price fluctuations and large losses of capital. You have extensive investment knowledge. You have no income requirements from your investments and have a long investment time horizon.</p>   | <p><b>Asset Allocation</b></p>  <ul style="list-style-type: none"> <li>100% Equities (including funds that invest in specific market sectors or employ speculative trading strategies)</li> </ul> |