

# INVESTOR QUALIFICATION WORKSHEET



## CHOOSING AN INVESTMENT MIX THAT'S RIGHT FOR YOU

Deciding where to invest your retirement dollars can be a challenge. Understanding some basics about investing will help. The key is to choose an investment that best fits your retirement investment goals. This worksheet helps you identify your "Investment Profile" and shows you some model portfolios for different types of investors.

### DETERMINING YOUR INVESTMENT PROFILE

Do you know what type of retirement investor you are? Factors such as when you need your money, your ability to accept investment fluctuations and your investment objectives will all influence the investment options you select. This questionnaire will help you determine your own investment profile.

## WHAT TYPE OF INVESTOR ARE YOU?

Circle the answer that best fits your current situation. Use the table at the end of the questionnaire to determine your overall score. Remember, there is no right or wrong answer; each response depends on your own personal situation.

### 1. What is your current age?

- A. Under 30                      B. 30 to 45                      C. 46 to 60                      D. Over 60

### 2. Which statement best describes your retirement investment objectives?

- A. Produce a combination of growth and income.                      B. Produce current income with relative stability of principal.                      C. Obtain maximum stability of principal.                      D. Produce maximum growth of assets for retirement.

### 3. How much risk are you willing to accept for the opportunity to earn a higher rate of return on your investments?

- A. Little or none.                      B. Moderate.                      C. Higher but reasonable.                      D. Any amount to receive the maximum potential return.

### 4. What long-term potential do you need on your retirement investments?

- A. Significantly above the rate of inflation.                      B. Keeping pace with the rate of inflation.                      C. Moderately above the rate of inflation.

### 5. When do you plan or expect to retire?

- A. Within the next 5 years.                      B. Between 5 and 15 years.                      C. Between 16 and 25 years.                      D. Over 25 years.

### 6. Which of the following mutual fund(s) would you feel most comfortable with for your retirement money ?

- A. Stock Mutual fund (for growth).                      B. A combination of Stock and Bond Mutual funds (growth and income).                      C. Bond Mutual fund (for income).                      D. Money Market fund (for stability of principal).

### 7. Which statement best applies to you?

- A. I am willing to accept day to day fluctuation in the value of my investment in exchange for a higher potential return in the long run.                      B. I would rather accept a lower rate of return than put my investment at substantial risk, even if my retirement is many years away.                      C. I am a growth-oriented, long-term investor seeking a maximum return on my investments. I am willing to accept more risk in order to obtain the highest return.

## COMPUTING YOUR RESULTS

Enter the value assigned to each question in the space provided below. For example, if you answered B to question number 1, enter the value "10" in the space provided to the right. Do this for questions 1 through 7. Add your points to each question for a total score. A range of 7 to 105 points is possible.

Question	A	B	C	D	Enter points here
1	15	10	5	1	_____
2	10	5	1	15	_____
3	1	5	10	15	_____
4	15	1	10	—	_____
5	1	5	10	15	_____
6	15	10	5	1	_____
7	10	1	15	—	_____

**TOTAL:** \_\_\_\_\_

**Note:** The questionnaire and the analysis reflect broad generalizations and are not intended to result in an exact determination of any of these characteristics for any specific person. Each of the hypothetical examples represents one possible asset allocation strategy based on specific assumed factors such as age, investment objective and personal goals. Since there isn't one portfolio mix that is right for every investor, you and your financial representative will want to carefully consider your own situation.

# INVESTOR QUALIFICATION WORKSHEET (CONTINUED)

## MODEL PORTFOLIOS

### AGGRESSIVE ALLOCATION:

- 30% Large Cap Funds
- 10% Bond Funds
- 30% International Funds
- 30% Small Cap Funds

Target Return 15%

Risk of Loss -30%

### MODERATE ALLOCATION:

- 30% Large Cap Funds
- 30% Bond Funds
- 20% International Funds
- 20% Small Cap Funds

Target Return 11%

Risk of Loss -20%

### CONSERVATIVE ALLOCATION:

- 30% Large Cap Funds
- 40% Bond Funds
- 20% International Funds
- 10% Small Cap Funds

Target Return 8%

Risk of Loss -15%

## INVESTMENT PROFILE

If you scored between 70 and 105, you tend to be a “maximum growth” retirement investor. You seek the maximum return on your retirement money and are willing to accept the risk that goes along with it. Your investment will place a significant emphasis on growth oriented investments.

Profile: Frank Johnson

Age 26

Single

*“I have a long time before I retire, so I can live with ups and downs in my retirement investments to achieve a higher potential return. I want my money to grow at a high rate — I understand that there are no guarantees but it may really pay off in 35 years.”*



If you scored between 35 and 69, you tend to be a “moderate growth” retirement investor. You recognize the need to protect your retirement money from inflation and are willing to accept some risk to obtain a potentially higher rate of return. A diversified approach which includes both growth and income investments may make sense and help you achieve your goals.

Profile: Lynn Farmer

Age 42

Married with two young children

*“I have achieved balance in my life — and would like to achieve that same balance for my retirement account. I would like to maintain a mix a of investments that includes both growth and income producing objectives to obtain this balance.”*



If you scored between 7 and 34, you tend to be a “conservative growth” retirement investor. You’re more comfortable with lower-risk investments knowing that you may be giving up a potentially higher return. Investments that focus primarily on providing income and capital preservation may be appropriate for addressing your goals. You should consider a growth oriented investment for a portion of your assets to help protect your retirement nest egg from inflation.

Profile: Bill Jameson

Age 59

Married with three grown children

*“I’ve worked many years putting a little bit away each year for retirement. That little bit has added up now — so I’m naturally concerned about keeping the majority of these funds intact. At the same time, I’m seeking protection against inflation eroding the purchasing power of my money.”*

