

Risk Tolerance Investor Questionnaire: Determining Your Asset Allocation

Introduction

The Risk Tolerance Investor Questionnaire is designed to assess an investor's financial profile, including both their investment time horizon and risk tolerance. The responses to the questions listed below will assess and qualify an investor's financial profile that together with an analysis of historical and forward-looking securities market data, including risk, asset class correlations and expected-returns, are used to determine an investor's portfolio allocation across asset classes. Your answers to the questionnaire will produce one of five investor profiles and corresponding asset allocations. These are: Conservative Profile, Moderately Conservative Profile, Moderate Profile, Moderately Aggressive Profile and Aggressive Profile.

Instructions

Please review and provide your responses to the following questions by checking off the answer (Q1-2) or circling the response score (Q3-7) that best describes you and your situation.

For investors who wish to invest some part or all their portfolio assets in investments that align with their sustainability preferences, this questionnaire is intended to develop a sustainable investing risk profile that will be used to provide a suggested sustainable investment portfolio or a portfolio that combines sustainable investments along with traditional investment options.

Background Information

1. The main reason for saving is:

- (a) ___ Retirement
- (b) ___ College education
- (c) ___ Large purchase
- (d) ___ General savings

2. How old are you?

- (a) ___ 20 - 29
- (b) ___ 30 - 39
- (c) ___ 40 - 49
- (d) ___ 50 - 59
- (e) ___ 60 - 69
- (f) ___ 70 and older

Note of Explanation: large purchase could include house, car, etc.

Time Horizon

1. I plan to begin withdrawing money from my investments in:

- (a) Less than 3-years
- (b) 3 - 5 years
- (c) 6 -10 years
- (d) 11 years or more

1
3
7
10

2. Once I begin withdrawing money from my investments, I plan to spend all the proceeds in:	
(a) Less than 2 years	0
(b) 2 - 5 years	1
(c) 6 - 10 years	4
(d) 11 or more years	8
Time Horizon Score: Enter the total points from questions 1 and 2.	

RISK TOLERANCE

3. My knowledge of investments is best described, as follows:																															
(a) None	0																														
(b) Limited	2																														
(c) Good	4																														
(d) Excellent	6																														
4. What is the amount of financial risk you are willing to take when you invest?																															
(a) Take lower risk than average risks, expecting to earn lower than average returns	0																														
(b) Take average risks expecting to earn average returns	4																														
(c) Take above average risks, expecting to earn above average returns	8																														
5. Which of the following investments do you currently own or have owned in the past?																															
(a) Money market mutual funds or cash investments	0																														
(b) Bonds and/or bond mutual funds/ETFs	3																														
(c) Stocks and/or stock mutual funds/ETFs	6																														
(d) International securities and/or international funds/ETFs	8																														
6. Consider the scenario and describe how you would react: Over a period of one-to-three months, the stock market's value dropped by 25%. An individual stock investment that you own, or a stock mutual fund/ETF also lost about 25% of its value. What are you most likely to do?																															
(a) Sell all shares	0																														
(b) Sell some shares	2																														
(c) Do nothing and hope the market recovers	5																														
(d) Buy more shares	8																														
7. Review the chart below. The chart displays the best and worst-case scenarios for annual returns of five hypothetical investment programs. Which range of possible outcomes is most acceptable to you? Note: Figures are hypothetical.																															
<table border="1"> <thead> <tr> <th>Program</th> <th>Average Annual Return</th> <th>Best-Case</th> <th>Worst-Case</th> <th></th> </tr> </thead> <tbody> <tr> <td>A</td> <td>7.1%</td> <td>22.8%</td> <td>-9.6%</td> <td>0</td> </tr> <tr> <td>B</td> <td>8.3%</td> <td>27.0%</td> <td>-13.3%</td> <td>3</td> </tr> <tr> <td>C</td> <td>9.2%</td> <td>30.9%</td> <td>-20.9%</td> <td>6</td> </tr> <tr> <td>D</td> <td>9.8%</td> <td>34.4%</td> <td>-29.5%</td> <td>8</td> </tr> <tr> <td>E</td> <td>10.1%</td> <td>39.9%</td> <td>-36.0%</td> <td>10</td> </tr> </tbody> </table>	Program	Average Annual Return	Best-Case	Worst-Case		A	7.1%	22.8%	-9.6%	0	B	8.3%	27.0%	-13.3%	3	C	9.2%	30.9%	-20.9%	6	D	9.8%	34.4%	-29.5%	8	E	10.1%	39.9%	-36.0%	10	
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Add and enter the total points from questions 3 – 7	Risk Tolerance Score
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Responses to the Risk Tolerance Investor Questionnaire will produce one of five investor profiles and portfolio asset allocations with exposures *to individual securities or funds invested in such securities*. These are described below:

Conservative Profile. Investors are seeking current income and stability and are less concerned about growth. The conservative portfolio is constructed around a three-to-four-year time horizon and will be dominated by bonds and money market securities with some exposure to large cap equity securities and to a limited extent, international equities. Based on an analysis of historical returns, a conservative investing profile is expected to generate an average annual rate of return of 7.1%, with best-case and worst-case scenarios producing results ranging from -9.5% to 22.8%.

Moderately Conservative Profile. Investors are seeking current income and stability, with modest potential for an increase in the value of their investments. The moderately conservative portfolio, constructed around a five-year or so time horizon, will still be dominated by bonds and money market securities. However, exposure to stocks will be expanded beyond large cap and small-cap stocks to include limited exposure to small-cap securities. Based on an analysis of historical returns, a moderately conservative investing profile is expected to generate an average annual rate of return of 8.3%, with best-case and worst-case scenarios producing results ranging from -13.3% to 27.0%.

Moderate Profile. Investors are focused on the intermediate to long-term and are not as concerned with income generation, but rather are seeking some growth potential. The moderate portfolio, constructed around a six to ten year or so time horizon, will now be dominated by stocks, including large cap stocks, international stocks, and small cap stocks. Based on an analysis of historical returns, a moderate investing profile is expected to generate an average annual rate of return of 9.2%, with best-case and worst-case scenarios producing results ranging from -20.9% to 30.9%.

Moderately Aggressive Profile. Investors are focused on the intermediate to long-term and are seeking good growth potential. Current income is not a factor. The moderate aggressive portfolio is constructed around a ten year so time horizon, is dominated by funds investing in stocks, including large cap stocks, international stocks, and small cap stocks, up to a combined total of 85% of portfolio assets with a moderate 15% exposure to bonds and 5% in cash through money market mutual funds. The large allocation to equities introduces a fair amount of volatility, but not as much as a portfolio invested exclusively in equities through funds. Based on an analysis of historical returns, a moderately aggressive investing profile is expected to generate an average annual rate of return of 9.8%, with best-case and worst-case scenarios producing results ranging from -29.5% to 34.4%.

Aggressive Profile. Investors don't need current income but rather are focused on the long-term and are seeking high growth potential. Current income is not a factor. The moderate aggressive portfolio is constructed around an eleven year or so time horizon and beyond, is invested entirely in stocks, including large cap stocks, international stocks, and small cap stocks, up to a combined total of 95% of portfolio assets with a smallish 5% in cash through money market mutual funds. Based on an analysis of historical returns, a conservative investing profile is expected to generate an average annual rate of return of 10.1%, with best-case and worst-case scenarios producing results ranging from -36.0% to 39.9%.

Dated: January 20, 2025