Investment Questionnaire

The purpose of this questionnaire is to solicit input in order to establish a framework for all investment- related decisions. The documentation and communication of return and risk expectations is a critical part of the long-term success of the investment program. The answers to this questionnaire will aid in the development of the investment policy statement, as well as the asset allocation, manager selection, ongoing evaluation, and reporting requirements for the portfolio.

|  |  |  |  |
| --- | --- | --- | --- |
| Organization Name |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| First Name |  | Last Name |  |  |
| Street |  | City/State |  | Zip |
| Email Address |  | Telephone |  | Title |

1. Please indicate the desired emphasis of the investment strategy for your portfolio:

 Generation of current investment income  Total investment return

1. Please check the selection that best describes your investment time horizon:

 Less than 3 years

 3 - 5 years

 5 - 10 years

 Over 10 years

1. Please select the investment strategy that you feel is most appropriate:

 **Capital Preservation**

This strategy is for investors who will not accept any loss of principal and are willing to forego growth. Typically, these investors have a very short time horizon.

 **Balanced**

This strategy is for investors who seek a certain level of income and are willing to accept modest growth.

 **Growth**

This strategy is for investors who seek growth of their assets and are willing to forego income. The return potential for this strategy is greater but to achieve these returns the investor must commit for a longer period of time and be willing to endure interim fluctuations in value.

1. INVESTMENT APPROACH

Which of the following statements best describes your overall approach to investing as a means of achieving your goals?

Having a relative level of stability in my overall investment portfolio.

Slightly increasing my investment value while minimizing potential for loss of principal.

Pursue moderate investment growth, accepting moderate to high levels of risk and principal fluctuation.

Pursue investment growth, accepting moderate to high levels of risk and principal fluctuation. Seek maximum long-term returns, accepting maximum risk with principal fluctuation.

1. RISK OF LOSS

The following are risk characteristics, in terms of possible annual downside risk, of three hypothetical diversified portfolios. Based on the information provided, please select the portfolio that is the most closely aligned with your ability to accept losses in any twelve-month period.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | Chance of Losing  Money In Any 1-yr Period | Chance of Losing  > 10.0% In Any  1-yr Period | Max. Expected  Loss In Any 1-yr Period | Potential  Annual Return |
| A. | Portfolio 1 | 1 in 10 | None | -5% | 6% |
| B. | Portfolio 2 | 2 in 10 | 1 in 20 | -10% | 8% |
| C. | Portfolio 3 | 3 in 10 | 1 in 10 | -20% | 10% |
| D. | The above portfolios exhibit characteristics that are more volatile than my risk tolerance. | | | | |

1. VOLATILITY

The value of most investments fluctuates from year to year as well as over the short term. How would you feel if an investment you had committed to for ten years lost 20% of its value during the first year?

I would be extremely concerned and would sell my investment. I would be concerned and may consider selling my investment.

I would be concerned, but I would not consider selling my investment.

I would not be overly concerned given my long-term investment philosophy.

1. VARIATION

Realizing that any market-based investments may move up or down in value over time, with which of the hypothetical portfolios below would you feel most comfortable?

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 | AVERAGE ANNUAL RETURN |
| A. | 3% | 3% | 3% | 3% | 3% | 3% |
| B. | 2% | 6% | 6% | -1% | 7% | 4% |
| C. | -6% | 7% | 21% | 2% | 8% | 6% |
| D. | 14% | -9% | -4% | 28% | 18% | 8.5% |
| E. | -15% | -9% | 18% | 40% | 31% | 11% |

1. Please identify the objective below that most closely matches your primary objective by marking a number ‘1’ next to it. Secondary objectives, if any, should be ranked starting with the number ‘2’, then ‘3’, etc. There is no need to rank every objective; only the objectives that are important to you.

# Rank Objective

|  |  |
| --- | --- |
|  | Liquidity |
|  | Preservation of Capital |
|  | Preservation of Purchasing Power |
|  | Preservation of Purchasing Power after Spending |
|  | Generation of Income |
|  | Growth in Assets |

1. On the following scale please indicate your tolerance for risk.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Low Risk** |  |  | **Moderate Risk** |  |  | **High Risk** |  |
| **1** | **2** | **3** | **4** | **5 6** | **7** | **8** | **9** | **10** |

Preservation of capital while minimizing losses and fluctuations as much as possible.

A balanced investment mix of moderate growth and income with tolerance for some risk.

Maximize growth of assets with corresponding increased tolerance for additional risk and fluctuations.

1. Which of the following most closely reflects your definition of risk?

 The probability of losing money over any time period.

 The probability of losing money over the investment horizon.

 The probability of not maintaining purchasing power over the investment horizon.

 The probability of not meeting the portfolio's objectives.

 The probability of not meeting the portfolio's cash flow requirements.

 The probability that the investment returns fail to meet or exceed a specified market index.

 The probability that the investment returns fluctuate significantly.

1. What is the greatest loss you could tolerate over any single twelve-month period?

 0% to -5%

 -5% to -10%

 -10% to -20%

 More than -20%

1. Would you define your tolerance for risk in terms other than percentage of assets lost, such as the amount of money you could accept losing over a specific time frame? Is there a base level of wealth below which you cannot accept further losses? If so, please explain.
2. If a particular investment in this portfolio declined by 20% in value and nothing changed fundamentally with regard to this investment, what would you be most likely to do (check one):

 Sell

 Hold

 Buy More

1. What action was taken in 2008 when the S&P 500 declined 37%?

 Bought More

 Sold part of the investment  Sold all of the investment  Held the investment

1. What impact did the events of 2008 have on your risk tolerance?
2. Are there any asset classes or strategies that you are not comfortable with and/or that you would like to learn more about?
3. Are there any other significant holdings (real estate, art, etc.) that we should consider as we develop your investment strategy?
4. What would you consider to be reasonable objective(s) for your investment portfolio? (Objectives can be stated in terms of return and/or other quantifiable or non-quantifiable measures.)
5. Over what time period do you feel it is reasonable to measure the success of achieving these objectives?
6. What do you feel is a fair amount of time to stay with an investment manager who is falling short of the goals given him or her?
7. What do you think are the most pressing issues for the investment portfolio? (Please rank in order of importance with 1 being the highest ranking)

# Rank Category

|  |  |
| --- | --- |
|  | Overall Investment Philosophy/Policy |
|  | Asset Allocation Mix |
|  | Appropriateness of Current Investment Strategies |
|  | Appropriateness of Current Investment Managers |
|  | Risk Management and Measurement |
|  | Ability to Meet Spending Needs |
|  | Other: |

1. What are your greatest concerns about the portfolio’s ability to meet its investment objectives going forward?
2. Please explain any other issues you feel are important that we address as we review the investment program.
3. Please provide an estimate of your spending and liquidity needs over the next 12 to 36 months. Please include expected annual required distributions for operating expenses
4. How often would you like to get together to formally review investment performance?
5. Do you anticipate the need to withdraw a significant portion of your portfolio’s value *within the next one to ten years* to meet a financial goal?

|  |  |
| --- | --- |
| Yes | *If you answered “Yes,” estimated date* |
| No | *and estimated amount $* |

Additional Comments: