



Client Name(s): _____

Account Number(s) _____

APPENDIX C
Financial West Group Risk Profile Questionnaire

1. TIME FRAME

Take a look at how many years you can let your money grow before you'll need to tap into your nest egg. (This is important because a "fully invested" investor *must* be able to withstand down cycles)

If the working time frame for your investment portfolio is

- 1-2 years
- 3 - 5 years
- 6 - 10 years
- more than 10 years

Give yourself:

2 points

4 points

5 points

8 points

2. YEARS UNTIL RETIREMENT

Where are you in relation to retirement? The farther you are from retirement, the more risk you may take.

If the number of years between now and retirement is

- 0 years
- 1 - 5 years
- 6 - 9 years
- more than 10 years

Give yourself:

1 point

2 points

3 points

4 points

3. FINANCIAL CUSHION

Take a look at your total financial position and the cushion you have set aside (outside your investment portfolio with Financial West Group) for emergencies. This will help you decide how much risk you may prudently take in your investing.

If you have

- Little outside savings set aside, hence preservation of principal is very important
- Reasonable savings set aside and are willing to take moderate risk for moderate market returns
- Ample savings set aside (house paid off, CD's, Insurance, etc), hence you feel comfortable taking larger risks for maximum return potential

Give yourself:

2 points

4 points

6 points

4. CASH FLOW

What is your planned cash flow into and out of your investment portfolio over the next 3-5 years? Do you plan to contribute regularly to your Financial West Group investment account, or do you intend to take out more than you put in?

If your plans are to:

- Withdraw money on a continuing basis
- Withdraw money occasionally
- Neither add nor withdraw money
- Add money occasionally
- Add money on a continuing basis

Give yourself:

0 points

1 points

2 points

3 points

4 points

5. NEED FOR INCOME

How important is current income to you in the near term? Will you depend on income from Financial West Group's account for living expenses?

If your current income is

- Critical
- Needed to a large degree
- Needed to a minor extent
- Not important

Give yourself:

2 points

4 points

5 points

8 points

6. **INVESTING ATTITUDE**

Your current attitude toward investing over the next decade will help dictate what type of strategy you could adopt and how much risk your investments could entail.

If your attitude is

- I cannot afford any significant loss of capital regardless of potential return
- If I can get ample income from bonds, it is not worth suffering through the ups and downs of the stock market
- I believe in the power of compounding and potential for gain from equities and want to benefit from the potential
- Higher risk investments tend to earn higher returns than lower risk Investments and I want higher returns so I am willing to take higher Risks

Give yourself:

1 point

2 points

3 points

4 points

7. **SPECIAL CIRCUMSTANCES**

Are there any circumstances you can envision (college tuition, home purchase, retirement's etc.) outside the usual contributions and withdrawals that might necessitate the immediate liquidation of major portion of your portfolio?

If you can envision

- Full portfolio could be liquidated
- Major liquidations
- Some small liquidations
- No liquidations planned

Give yourself:

1 point

2 points

3 points

4 points

8. **PRIMARY OBJECTIVE**

Think about your personal investment goals.

If you would generally categorize your primary objective as:

- **Capital Preservation** emphasis on maximizing principal stability; future growth of income and principal are of minor importance, short Investment time horizon and low tolerance for big fluctuations in current income
- **Current Income** emphasis on providing a high level of current income further growth of income and principal are secondary objective
- **Balanced** approximately equal emphasis on current income and potential for further appreciation and income growth
- **Long-term** Growth emphasis on future appreciation, not current income, year to year principal stability is not important

Give yourself:

1 point

2 points

3 points

4 points

9. **INVESTMENT LOSSES**

Give your personal feeling about investment losses, and how willing you are to tolerate losses emotionally, by rating your risk tolerance.

If you characterize yourself as

- Low risk
- Below average risk
- Average risk
- Above average risk
- High risk

Give yourself:

0 points

1 point

2 points

3 points

4 points

10. **LONG-RANGE PERSPECTIVE**

What is your attitude toward the following statement? "My investment is for the long-term and volatility is not a problem".

If your attitude toward the above statement is

- Totally disagree with this statement
- Willing to tolerate some variability of return but rarely any loss of capital
- Willing to accept an occasional year of negative return in the interest of building capital
- Agree with this statement

Give yourself:

1 point

2 points

3 points

4 points

11. RISK/RETURN OBJECTIVES

What is your overall reason for investing in the financial markets?

If your reason for investing is

- Preserve purchasing power (i.e., keep up with inflation)
- Meet or exceed the “risk free” return on 91 day treasury bills
- Accept some market risk but cushion losses in the market declines even at the cost of less than proportionate gains in market advances
- Maximize long-term returns while accepting the likelihood of short-term volatility in my account

Give yourself:

1 point

2 points

3 points

4 points

12. RISK TOLERANCE

Five hypothetical seven-year investment performance returns are presented below.

Check the one that is most appealing to you

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Average Annual Rate	Begin Value (\$1,000.00) 7 th Yr End Value	Score
• Very little risk in order to obtain returns									
2.5%	10.2%	11.8%	3.5%	-2.00%	4.40%	7.0%	6.0%	(\$1,489.00)	0 points
• Some risk in order to receive better returns									
-4.8	17.0%	14.8%	0.7%	4.3%	6.8%	13.4%	7.5%	(\$1,627.00)	1 point
• Average risk in order to exceed inflation after tax									
-12.0%	23.8%	17.7%	-2.0%	5.0%	10.7%	19.8%	9.0%	(\$1,750.00)	2 points
• Expectation of receiving better than average returns while experiencing moderate volatility									
-19.3%	30.6%	20.7%	-4-7%	5.7%	14.6%	26.1%	10.6%	(\$1,852.00)	3 points
• Opportunity to receive maximum returns while experiencing high short-term volatility									
-26.5%	-7.4%	23.6%	37.3%	6.5%	18.5%	32.5%	12.1%	(\$1,931.00)	4 points

The returns listed above are not associated with any actual investment and do not indicate or guarantee any future return FWG may or may not achieve. Such returns are only presented to measure your specific tolerance for risk

INVESTMENT RISK PROFILE SCOREBOARD

1. Time Frame	
2. Years Until Retirement	
3. Financial Cushion	
4. Cash Flow	
5. Need for Income	
6. Investing Attitude	
7. Special Circumstances	
8. Primary Objective	
9. Feeling Toward Risk	
10. Long-range Perspective	
11. Risk/Return Objective	
12. Risk Tolerance	
TOTAL -	

THANK YOU FOR COMPLETING THIS FINANCIAL WEST GROUP RISK PROFILE QUESTIONNAIRE

The following table outlines the recommended portfolio allocation given your total score. However, please pay close attention to the exceptions listed below.

<u>ALLOCATION</u>	<u>SCORE</u>
CONSERVATIVE	13 - 21
MODERATE/CONSERVATIVE	22 - 30
MODERATE	31 - 39
MODERATE/AGGRESSIVE	40 - 48
AGGRESSIVE	49 - 58

EXCEPTIONS:

- If you scored a "2" on questions 1, 3 or 5, your income and liquidity needs may outweigh other considerations. We do not recommend you select the moderate/aggressive, or aggressive allocation.
- If your need for annual income from the portfolio exceeds 6% of the invested principal, your situation requires a much more customized solution. We will assist you in structuring a portfolio appropriate for your income needs.

- Please make sure that you understand that an FWG Advisor Managed account will be opened through which the Client will authorize your Advisory Representative to purchase investments on a discretionary basis chosen pursuant to investment objectives chosen by the Client.

Clients Initials _____ Joint Client Initials _____

- Please make sure that you understand that these Individually Managed accounts may be actively traded and are not designed to be Tax efficient.

Clients Initials _____ Joint Client Initials _____

- The reason for this Risk Profile Questionnaire to be completed is to provide Financial West Group with financial data so that they can assist you in determining the suitability for your account, and to assist you in setting the appropriate investment objectives.

Clients Initials _____ Joint Client Initials _____

- What percentage of your investable assets do you plan on investing in this account? _____ %
- What is your estimated net worth? \$ _____

- Please make sure you initial above and sign below to state that you have *read and understood* the reasons for completing this Questionnaire.

Client's Signature: _____

Joint Signature: _____