

Thank you for choosing Robert W. Colby Asset Management.

Please complete the following risk profile questionnaire to assist you in identifying your investment philosophy and attitude towards risk. The results of this questionnaire will define your risk tolerance, helping us to narrow the investment portfolios and allocations that may be appropriate for meeting your specific financial objectives.

*You may find it helpful to print this document and circle your answers.*

1. How many years can you let your money grow before you will need to tap into your nest egg? (This is important because a “fully-invested” investor must be able to withstand down cycles or high volatility).

- a) 1-2 years (1 point)
- b) 3-5 years (2 points)
- c) 6-10 years (3 points)
- d) More than 10 years (4 points)

2. My current Age

- a) Under 45 (5 points)
- b) 45-55 (4 points)
- c) 56-65 (3 points)
- d) 66-75 (2 points)
- e) Over 75 (1 point)

3. My goal for this investment is:

- a) To grow it aggressively (5 points)
- b) To grow it moderately (3 points)
- c) To avoid losing money (1 point)

4. What level of performance would you expect from this investment over time?

- a) To at least keep pace with the stock market ( 5 points)
- b) To potentially trail the stock market but with less overall risk (3 points)
- c) To provide stable returns that are likely to lag the stock market ( 1 point)

5. Suppose the stock market has negative returns over the next decade. What would you expect from this investment?

- a) I would expect to lose money. (5 points)
- b) I expect I could lose money, but hopefully not as much as the stock market. (3 points)
- c) I expect that my performance would be relatively unaffected by what happens in the stock market. ( 1 point)

6. Which of these statements would best describe your attitude about the next three years' performance of this investment?

- a) I'm comfortable with short-term losses because I expect to keep my money invested for the longer term. (5 points)
- b) I would feel uncomfortable with short-term losses even though I expect to keep my money invested for the longer term. (3 points)
- c) I can tolerate only small short-term losses, although my losses would make me feel uncomfortable. (1 point)

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

- a) Full portfolio could be liquidated (1 point)
- b) Major Liquidations (2 points)
- c) Some small liquidations (3 points)
- d) No liquidations planned (4 points)

8. Over the past 70+ years, the investment vehicles below returned approximately the following average yearly gains:

Stocks	11.0%
Bonds	5.2%
Cash (T-bills)	3.7%
Inflation	3.7%

Knowing this, what would you consider to be a reasonable average annual return for your portfolio?

- a) Less than 4% (1 point)
- b) 4%-8% (2 points)
- c) 9%-12% (3 points)
- d) 13% or more (4 points)

9. Let's say you just heard the following news: The stock market has plunged; the most widely watched stock indexes have fallen 20% over the past week. You check your investments and see that they have also declined 20%. How do you think you will react?

- a) You sell all or nearly all your investments. (1 point)
- b) You sell some of your investments. (2 points)
- c) You do nothing and wait for the market to turn around. (3 points)
- d) You add to your investments by buying more shares. (4 points)

**Next:** Add up the points from the 9 questions above and view your risk tolerance on the next page.

## Investor Profiles / Portfolio Allocation Mapping

### **Risk Total 9 - 13 = CONSERVATIVE**

This objective is most suitable for the needs of more conservative investors who place a greater emphasis on current income with growth of principal as a secondary objective.

### **Risk Total 14 - 22 = MODERATELY CONSERVATIVE**

This objective is most suitable for the needs of clients desiring moderate growth of capital.

### **Risk Total 23-31 = MODERATELY AGGRESSIVE**

This objective is most suitable for the needs of assertive growth investors who are willing to accept greater risk in search of bigger returns.

### **Risk Total 32 - 41 = AGGRESSIVE**

This objective is for aggressive growth investors with a 3-5 year time horizon and little sensitivity to tax considerations. Aggressive growth accepts larger interim losses in the pursuit of growth returns.