



Risk Tolerance & Investment Objective

Client: _____

Registration: _____

1) Overall, I feel that my risk tolerance may best be described as: (Place X in row of answer)

1. Conservative
2. Moderately Conservative
3. Moderate
4. Moderately Aggressive
5. Aggressive
6. Speculative

2) In the next 5 years, I am hoping for an average annual return of: _____ %

3) If the stock market declined by 20%, I would expect my investments to fall by: _____ %

4) If the stock market went up by 20%, I would expect my investments to gain: _____ %

5) What is your approximate yearly household income? Please include salary, bonuses, commissions, pension plan distributions, social security interest, and other income? (Place X in row of answer)

1. \$250,000 + ⁽⁹⁰⁾
2. \$175,000- \$250,000 ⁽⁶⁰⁾
3. \$100,000- \$175,000 ⁽³⁰⁾
4. Under \$100,000 ⁽¹⁰⁾

6) When do you plan to start withdrawing money from your investments for major needs? (Place X in row of answer)

1. In more than 10 years ⁽⁹⁰⁾
2. In 5-10 years ⁽⁶⁰⁾
3. In 1-5 years ⁽³⁰⁾
4. In less than 1 year ⁽¹⁰⁾

7) Once you have achieved your primary investment objective and begin to take periodic or systematic withdrawals from this account, over how long of a period do you anticipate the withdrawals to continue? (Place X in row of answer)

1. For more than 10 years ⁽⁹⁰⁾
2. Between 5 and 10 years ⁽⁶⁰⁾
3. Up to 5 years ⁽³⁰⁾
4. Short term -- lump sum disbursement ⁽¹⁰⁾

8) When do you expect to retire? (Place X in row of answer)

1. In more than 15 Years ⁽⁹⁰⁾
2. In the next 5-15 years ⁽⁶⁰⁾
3. Within the next 5 years ⁽³⁰⁾
4. I already am retired ⁽¹⁰⁾

9) Which of the following best describes the amount of money you are investing relative to your total investable assets - i.e., what percentage of your cumulative assets will you be investing in this program? (Place X in row of answer)

1. Less than 20% ⁽⁹⁰⁾
2. Between 21% and 50% ⁽⁶⁰⁾
3. Between 51% and 70% ⁽³⁰⁾
4. Greater than 71% ⁽¹⁰⁾

10) Will you utilize your principal and/or income from this account to supplement your living expenses currently -- what percentage of your total investment will you require annually, if necessary?

(Place X in row of answer)

1. This is not required ⁽⁹⁰⁾
2. Approximately 1%-2% ⁽⁶⁰⁾
3. Approximately 2%-5% ⁽³⁰⁾
4. More than 5% ⁽¹⁰⁾

11) How experienced are you in managing your investments?

(Place X in row of answer)

1. Very experienced ⁽⁹⁰⁾
2. Somewhat experienced ⁽⁶⁰⁾
3. Less experienced ⁽³⁰⁾
4. Not experienced ⁽¹⁰⁾

12) When deciding how to invest your money, which are you most concerned with?

(Place X in row of answer)

1. Positioning my portfolio for maximum growth, even at the risk of watching its value widely fluctuate over time ⁽⁹⁰⁾
2. Accumulating wealth for my financial independence ⁽⁶⁰⁾
3. Providing consistent income for my current lifestyle ⁽³⁰⁾
4. Preserving my net worth to help meet everyday expenses ⁽¹⁰⁾

13) Which of the following statements best describes your attitudes toward price fluctuations?

(Place X in row of answer)

1. I am willing to accept a high level of volatility for the potential to realize maximum returns ⁽⁹⁰⁾
2. I am willing to accept a modest amount of price fluctuation to attempt to achieve a return modestly higher than that available without risk of price fluctuations ⁽⁶⁰⁾
3. I don't want my portfolio to fluctuate as much as the general financial markets, but I can withstand some up and down variances in my portfolio over time ⁽³⁰⁾
4. I am willing to forgo the potential of large returns for the stability of knowing my portfolio is protected against large decreases in value ⁽¹⁰⁾

14) Consider the following hypothetical one-year returns for a certain investment. Based on the range of possible outcomes shown, which best suits your investment philosophy?

(Place X in row of answer)

1. Plan A: Average Case = 10%, Best Case = 50%, Worst Case = -40% ⁽⁹⁰⁾
2. Plan B: Average Case = 8%, Best Case = 40%, Worst Case = -30% ⁽⁶⁰⁾
3. Plan C: Average Case = 6%, Best Case = 30%, Worst Case = -20% ⁽³⁰⁾
4. Plan D: Average Case = 4%, Best Case = 20%, Worst Case = -10% ⁽¹⁰⁾

15) Hypothetically, if you invested \$100,000 and this account was declining, at what point would you sell?

(Place X in row of answer)

1. I would not sell ⁽⁹⁰⁾
2. I would sell when the value reached \$70,000 ⁽⁶⁰⁾
3. I would sell when the value reached \$80,000 ⁽³⁰⁾
4. I would sell when the value reached \$90,000 ⁽¹⁰⁾

16) Do you have funds saved for emergencies (e.g., a sudden loss of income or inability to earn income)? If so, how long would the emergency funds last?

(Place X in row of answer)

1. The funds would last more than one year ⁽⁹⁰⁾
2. The funds would last between 6 and 12 months ⁽⁶⁰⁾
3. The funds would last between 1 and 6 months ⁽³⁰⁾
4. I don't have an emergency fund ⁽¹⁰⁾

17) Which of the following statements best describes your feelings toward risk with respect to expected returns?

(Place X in row of answer)

1. I would select only investments that offer the highest possible returns, accepting that there will be a high degree of risk associated with this approach (i.e., a high risk of partial or total principal loss exists) ⁽⁹⁰⁾
2. I would select a mix of investments with an emphasis on a high degree of risk, but with a small portion that might have a lower risk and associated return potential ⁽⁶⁰⁾
3. I would select a mix of investments with an emphasis on a low degree of risk, but with a small portion that might have a higher risk and associated return potential ⁽³⁰⁾
4. I would only select investments that have a low degree of risk associated with them (i.e., it's unlikely you will lose some or any of your principal) ⁽¹⁰⁾

18) If you needed \$10,000 due to an unexpected financial obligation, would you need to liquidate a portion of this account? (Place X in row of answer)

- 1. No. I have several other sources of liquid assets that I would use first (90)
- 2. Probably not. I have several other sources of liquid assets that I would likely utilize (60)
- 3. Maybe. I do have other sources of liquid assets but this is my primary source (30)
- 4. Yes. This is my only source of liquid assets (10)

19) How do you expect your household income to change over the next three years? (Place X in row of answer)

- 1. Increase More than 20% (90)
- 2. Increase 5%-20% (70)
- 3. No Change (+/- 5%) (50)
- 4. Decrease 5%-20% (30)
- 5. Decrease More than 20% (10)

20) How do you expect household expenses to change over the next three years? (Place X in row of answer)

- 1. Decrease More than 20% (90)
- 2. Decrease 5%-20% (70)
- 3. No Change (+/- 5%) (50)
- 4. Increase 5%-20% (30)
- 5. Increase More than 20% (10)

Your risk tolerance is:

Based on the answers to the questions above, your investment objective is :

Client Signature: _____

Today's Date: _____

Total points scored on Risk Tolerance Questions
Total Questions Answered
Average Risk Points

The following is the conversion from the average risk score to the Investment Objective.

Current Income = Average Score between 0 - 19

Balanced = Average Score between 20 - 39

Growth & Income = Average Score between 40 - 59

Growth = Average Score between 60 - 79

Maximum Growth = Average Score between 80 - 99

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