



## PENSION RISK QUESTIONNAIRE

***DEFINITION: Risk (downside risk) is the possibility of loss in your investment***

- A. Select the appropriate age range that applies to you.
- (1) Over 50
  - (2) 31-50
  - (3) Less than 31
- B. Which statement best describes your level of investment knowledge about the financial market and products?
- 1) Very limited knowledge
  - 2) Basic knowledge and minimal experience
  - 3) Good knowledge and some investment experience
  - 4) Strong knowledge and experience
  - 5) Advanced knowledge and experience
- C. What degree of risk have you taken with your financial decisions in the past?
- (1) Low risk taker
  - (2) Average risk taker
  - (3) High risk taker
- D. How do you rate your willingness to take financial risks?
- (1) Low risk taker
  - (2) Average risk taker
  - (3) High risk taker
- E. Which of the following best describes your reaction if the value of your portfolio suddenly declined by 20%
- (1) I would be very concerned because I cannot accept fluctuations in the value of my portfolio
  - (2) If the amount of income I received was unaffected, it would not bother me
  - (3) I invest for long term growth and would be affected by even a temporary decline
  - (4) I invest for long term growth and understand that there are market fluctuations
- F. How much of the funds you have available to invest would you be willing to place in investments where both returns and risks are above average?
- (1) None
  - (2) 30%
  - (3) 50%
  - (4) 80%
  - (5) 100%

G. The 3 portfolios in the Pension scheme have a mix of investments – In portfolio 1 - some of the investments may have low expected returns but with low risk , In portfolio 2 , the investments some may have medium expected returns and medium risk and in portfolio 3 , the investments have high risk and hence a high rate of return. (For eg. Cash and Repurchase agreements would be low risk /low return whereas Stocks and Real Estate would be high risk/high return)

Which mix of investment do you find most appealing?

Mix of Investments in portfolio

<u>Portfolio</u>	<u>High Risk/Return</u>	<u>Medium Risk/Return</u>	<u>Low Risk/Return</u>
Portfolio 1	20%	40%	40%
Portfolio 2	30%	50%	20%
Portfolio 3	50%	35%	15%

**Scores**

- Low Risk Profile - maximum score of 8
- Average Risk Profile – maximum score of 14
- High Risk Profile - maximum score of 21

Questionnaire administered by:

Advisor’s Name: \_\_\_\_\_

Advisor’s Signature: \_\_\_\_\_

Dated Administered: \_\_\_\_\_