



What is your INVESTOR RISK PROFILE?

Your investment portfolio should reflect what's most important to you, including your retirement goals and your comfort level with risk, which is a personal matter that can evolve over time. If you're new to investing, you may be asking: "How do I determine my tolerance for risk?" We've developed a simple tool to help you arrive at the answer.

There are two important factors to consider:

Time Horizon

How many years stand between you and retirement? In other words, when will you need to withdraw the funds that you're investing in your retirement plan?

Time plays a crucial role in determining the amount of risk you should take in your investment portfolio. If you just set foot into the working world and retirement is further down the road, then you may be more comfortable with a riskier portfolio, since you have more years to weather potential ups and downs in the markets.

The questions below will help you determine your Time Horizon Score. Circle the number to the right of the answer that best describes your situation.

- 1) When do you plan on withdrawing savings from your retirement plan?

Less than 3 years	1
3 – 5 years	3
6 – 10 years	7
11+ years	10

- 2) How long do you expect your savings to last in retirement?

Less than 5 years	1
6 – 10 years	4
11+ years	8

Add up the points from Questions 1 and 2. Total Time Horizon Score: _____

Risk Tolerance

Risk versus reward — it's the inevitable trade-off that every investor must face. Some investments fluctuate more dramatically than others. For instance, stocks have historically provided greater returns to investors, but they also have the highest potential for loss. To achieve the best long-term investment experience leading up to retirement, it's important for you to choose an investment portfolio that matches your capacity for withstanding risk.

The questions below will help you determine your Risk Tolerance Score. Circle the number to the right of the answer that best describes your situation.

- 1) Picture this scenario: The global financial markets are in turmoil, and your account balance drops by 15% in just three months — declining from \$10,000 to \$8,500 in value. Which of the following would you be most likely to do?

Move my entire balance into cash, bonds or a money market account	0
Move some of my balance into cash, bonds or a money market account	2
Do nothing	5
Move to a more aggressive portfolio	8

- 2) How do you feel about this statement? "Protecting the value of my retirement plan contributions is more important than achieving significant growth."

Strongly agree	0
Agree	4
Disagree	8
Strongly disagree	12

- 3) The rate of inflation has been approximately 3% over the past 30 years. With respect to inflation, how do you want your investment portfolio to perform?

Keep pace with inflation	1
Slightly exceed inflation	3
Exceed inflation	7
Significantly exceed inflation	10

- 4) This chart shows the best, average and worst-case gains and losses of hypothetical \$10,000-investment portfolios over a one-year period.

Starting Account Balances: \$10,000			
	Expected Best-Case Increase in Value	Average Expected Increase in Value	Expected Worst-Case Decrease in Value
A	26.2% (\$2,620)	5.3% (\$530)	-11.8% (\$-1,180)
B	35.4% (\$3,540)	6.1% (\$610)	-17.4% (\$-1,740)
C	46.0% (\$4,600)	6.6% (\$660)	-23.0% (\$-2,300)
D	57.1% (\$5,710)	7.2% (\$720)	-28.3% (\$-2,830)

Callan Associates' 2017 Capital Market Expectations (CMEs). Data was compiled using Callan's AssetMax software.

Based on this information, which portfolio would you choose?

Portfolio A	3
Portfolio B	6
Portfolio C	8
Portfolio D	10

Add up the points from Questions 1 through 4. Total Risk Tolerance Score: _____

Find the Right Fit

You're almost there! Next, add the two subtotals you calculated in the sections above.

Time Horizon Score:	[]
Risk Tolerance Score:	+ []
Total:	

Now, place your score within the appropriate scale below to identify the Investor Risk Profile that best suits you.

< 30	Conservative
31-40	Moderate
41-48	Moderate-Aggressive
48+	Aggressive

Congratulations! You've identified your Investor Risk Profile.

- ☐ I have answered these questions to the best of my knowledge and ability, and agree with the outcome.

My Investor Risk Profile is:



- ☐ Conservative
- ☐ Moderate
- ☐ Moderate-Aggressive
- ☐ Aggressive

