

The Farris Group

Investor/Risk Tolerance Questionnaire

Thank you for the opportunity to assist with your investment and financial planning needs. To ensure we present thoughtful solutions, it is imperative that we fully understand your current needs and situation.

Please complete this questionnaire with as much detail as possible. If you have questions about particular sections or are unsure how to respond, leave those areas blank and we'll discuss them in further detail. The information you provide will remain strictly confidential.

We will review your questionnaire and discuss the specifics of your financial situation including goals, time horizon and past investing experience. Then, we'll move forward in choosing investments designed to help you achieve your financial goals.



7557 Rambler Rd Ste 445 Dallas Texas 75231 Main Line (214)-525-2140

Personal Information

Full Name: (First) _____ (Last) _____

Date of Birth: _____

Are you married? Yes No

Spouse's Full Name: (First) _____ (Last) _____

Date of Birth: _____

Principal Residence

Address: _____

City: _____ State: _____ Zip: _____

Home Phone: _____ Business Phone: _____

E-mail: _____

How would you like to be contacted? Home Phone Business Phone E-mail

Personal Assets:

<u>Liquid Investments</u>	(Bank/Brokerage/Firm)	Current Value
Cash:	_____	\$ _____
Stocks/Bonds:	_____	\$ _____
Other:	_____	\$ _____

Retirement Assets

IRAs:	_____	\$ _____
401(k)s:	_____	\$ _____
Annuities:	_____	\$ _____
Additional Accounts:	_____	\$ _____

<u>Life Insurance Policies:</u>	Insured/Type of Policy	Death Benefit	Annual Premium
Insurance Policy:	_____	\$ _____	_____
Insurance Policy:	_____	\$ _____	_____

Professional Advisors

Attorney: _____ Phone: _____

CPA or Accountant: _____ Phone: _____

Other Professional: _____ Phone: _____

Retirement Planning

Retirement Information

	Client	Spouse
At what age do you and your spouse plan to retire? <small>(If currently retired, use your current age)</small>	_____	_____
Are you eligible for Social Security benefits?		<input type="checkbox"/> Yes <input type="checkbox"/> No
Social Security (Monthly income projection)	_____	_____
Are you eligible for Pension benefits from an employer?		<input type="checkbox"/> Yes <input type="checkbox"/> No
Pension Income (Monthly income projection)	_____	_____
How much will you need to spend each month in retirement? <small>(in terms of today's dollars)</small>	_____	
Do you or your spouse plan to work part time during retirement?		<input type="checkbox"/> Yes <input type="checkbox"/> No
How much other income will be available to you during retirement?	_____	
Have you invested in tax-deferred annuities?		<input type="checkbox"/> Yes <input type="checkbox"/> No
Are you taking full advantage of elective deferrals (401k and 403b plans)?		<input type="checkbox"/> Yes <input type="checkbox"/> No
How much do you contribute to your retirement plans each year?	_____	_____

Liabilities:

(Mortgages, Vacation homes, credit cards, other substantial balances)

	Balance Remaining	Term Remaining	Interest Rate %
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Is there anything else we should know about when we plan for your retirement?

Estate Planning

	Yes	No
Do you have a will?		
Are there any amendments to the will?		
Are you planning to make any changes to the will?		
Is the will up to date?		
Do you have a Durable Power of Attorney?		
Do you have a Living Will?		
Do you have a Directive to Physicians?		
Do you have a Medical Power of Attorney?		
Do you have a Authorization for Disclosure of Protected Health Information (HIPPA Authorization)?		
Have you designated the distribution of personal property to heirs?		
Do you receive income from any trust?		
Are any of your heirs financially irresponsible?		
Do any of your beneficiaries have estimated taxable estates over \$1,000,000?		
Do you have a letter of instruction that provides information about your insurance policies, investments, funeral preferences, etc?		
Have you discussed the contents and whereabouts of your will and letter of instructions with your immediate family?		
If necessary have you appointed a financial guardian for your children?		
Have you established an adult guardianship arrangement for yourself in the event you become disabled or mentally incompetent?		

What is your main concern in regards to estate planning? Is your overall goal to transition your estate to heirs while potentially avoiding probate and legal hassle? Potentially reduce estate taxation? Protect minor beneficiaries from potential bad decisions? Provide asset protection? To make sure your wishes are carried out? Please provide any additional information as well as special concerns, requests or questions.

RISK TOLERANCE

1. Risk Factor



Before you make a decision on any investment, you need to consider how you feel about the prospect of potential loss of principal. This is a basic aspect of investing: The higher return you seek, the more risk you face. Based on your feelings about risk and potential returns, your goal is to:

- Potentially increase my portfolio's value as quickly as possible, while accepting higher risk. (15 pts.)
- Potentially increase my portfolio's value at a moderate pace, while accepting moderate to high risk. (9 pts.)
- Primarily generate income, with capital appreciation as a secondary goal. (6 pts.)
- Take as little risk as possible with my investment principal. (3 pts.)

2. Investment Approach



Which of the following statements best describes your overall approach to investing as a means of achieving your goals?

- I am seeking a relative level of stability in my overall investment portfolio. (3 pts.)
- I am attempting to moderately increase my investment value, while reducing potential loss of principal. (6 pts.)
- I am pursuing investment growth, accepting moderate to high risk levels and principal fluctuation. (9 pts.)
- I am seeking maximum long-term returns, while accepting maximum risk with maximum principal fluctuation. (15 pts.)

3. Volatility



The value of most investments fluctuates from year to year, as well as over the short term. How would you feel if an investment you had committed to for 10 years lost 20% of its value during the first year?

- I would be extremely concerned, and would sell my investment. (1 pt.)
- I would be concerned, and may consider selling my investment. (3 pts.)
- I would be concerned, but I would not consider selling my investment. (5 pts.)
- I would not be overly concerned, given my long-term investment philosophy. (7 pts.)

4. Variation



Realizing that market-based investments may move up or down in value over time, with which of the hypothetical portfolios and volatility of hypothetical returns shown below would you feel most comfortable?

	Year 1	Year 2	Year 3	Year 4	Year 5	Average	
<input type="checkbox"/>	3%	3%	3%	3%	3%	3%	(1 pt.)
<input type="checkbox"/>	2%	5%	6%	0%	7%	4%	(2 pts.)
<input type="checkbox"/>	-6%	7%	21%	2%	8%	6%	(3 pts.)
<input type="checkbox"/>	9%	-11%	26%	3%	18%	9%	(4 pts.)
<input type="checkbox"/>	14%	-21%	40%	-4%	31%	12%	(5 pts.)

5. Investment Experience



What is your overall knowledge of investments?

- Low: I have very little investment experience outside of bank savings accounts, money market funds and certificates of deposit (CDs). (3 pts.)
- Medium: I have some experience investing in mutual funds or individual stocks and bonds. (6 pts.)
- High: I have been an active participant in the stock market, and understand that all investments, including international markets, can be volatile and unpredictable. (9 pts.)

6. Time Horizon



An important consideration when making investment decisions is where you are in your financial life cycle and how long you have before you will need to start withdrawing retirement assets. Please indicate the portfolio time horizon you believe is appropriate. A multistage time horizon would indicate that you have several goals in the future that may require withdrawals at different times, which your investment portfolio needs to address.

Examples:

Short time horizon: I need to begin withdrawing funds in three years for college.

Long time horizon: I need to begin withdrawing funds in 12 years at retirement.

Multistage time horizon: I need to withdraw some funds in five years for a home purchase (secondary goal), and then withdraw remaining funds in 25 years for retirement (primary goal).

- Short time horizon** (one to four years) (1 pt.)
- Long time horizon** (more than five years) (3 pts.)
- Multistage time horizon** (5 pts.)

7. Primary Goal



Please indicate approximately how many years from today you expect to reach your primary goal.

- Within one to four years (1 pt.)
- Within five to 10 years (3 pts.)
- Within 11 to 20 years (5 pts.)
- More than 20 years (7 pts.)

8. Secondary Goal



Some investors have a multistage time horizon, with several goals for their portfolios. Please indicate approximately how many years from today until you reach your secondary goal.

- Not applicable – I only have a single-stage time horizon. (1 pt.)
- Within one to four years (4 pts.)
- Within five to 10 years (7 pts.)
- More than 10 years (10 pts.)

9. Age

What is your current age range?

- Younger than 35 (10 pts.)
- Between 36 to 45 (8 pts.)
- Between 46 to 55 (6 pts.)
- Between 56 to 70 (4 pts.)
- Older than 70 (1pt.)

10. Investment Portfolio Earnings

Based on your current and estimated future income needs, what percentage of your investment earnings do you think you will be able to reinvest?

- I can reinvest 100% of my investment earnings. (8 pts.)
- I can reinvest 20% to 80% of my investment earnings. (5 pts.)
- I can reinvest 0% (receive all investment earnings for cash flow). (3 pts.)
- My investment earnings will not be sufficient and I will need to withdraw principal. (1pt.)

11. Investment Portfolio Value

What is the current value of your total investment portfolio?

- More than \$1,000,000 (10 pts.)
- Between \$500,000 to \$1,000,000 (8 pts.)
- Between \$300,000 to \$500,000 (6 pts.)
- Between \$100,000 to \$300,000 (4 pts.)
- Less than \$100,000 (2 pts.)

12. Living Expense

In the event you were to face an emergency, how many months of living expenses could be covered by your current liquid investments (such as savings and checking accounts, CDs with maturities of less than six months, etc.)?

- More than 12 months, or not a concern (5 pts.)
- Between four and 12 months (3 pts.)
- Less than four months, or already withdrawing (1pt.)

13. True Household Income

Total earnings, which includes earned and investment income, is a requirement when assessing your risk tolerance and determining allocation of assets. What is your total annual household income (including interest and tax-deferred income)?

- More than \$200,000 (10 pts.)
- Between \$150,000 to \$200,000 (8 pts.)
- Between \$100,000 to \$150,000 (6 pts.)
- Between \$50,000 to \$100,000 (4 pts.)
- Less than \$50,000 (2 pts.)

14. Income Savings



The percentage of your income that you currently save is approximately:

- I do not currently save any income. (1pt.)
- Between 2% to 7% (3 pts.)
- Between 7% to 12% (6 pts.)
- More than 12% (9 pts.)

15. Future Earnings



In the next five years, you expect that your earned income will probably:

- Decrease (1 pt.)
- Stay about the same (3 pts.)
- Increase modestly (5 pts.)
- Increase significantly (7 pts.)

Financial Goals

What is your primary financial goal?

- Retirement
- Current income
- Education
- Long-term wealth accumulation



What is your secondary financial goal?

- Retirement
- Current income
- Education
- Long-term wealth accumulation

What is your experience level and length of time description for each investment type below? Circle the appropriate responses.

	Experience Level	Years of Experience
Stocks	None – Moderate – Extensive	0 to 2 – 3 to 5 – more than 5
Bonds	None – Moderate – Extensive	0 to 2 – 3 to 5 – more than 5
Options/Futures	None – Moderate – Extensive	0 to 2 – 3 to 5 – more than 5
Mutual Funds	None – Moderate – Extensive	0 to 2 – 3 to 5 – more than 5
Annuities	None – Moderate – Extensive	0 to 2 – 3 to 5 – more than 5

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