



Risk Profile

Name: _____
Date: _____

What type of investor are you?

Risk is a necessary component of retirement investing, but at RexroadLoweth, we understand that everyone has a different tolerance level. RexroadLoweth developed this Risk Profile to help you determine your comfort level and choose the best investment strategy to achieve your goals and rest easy. Please circle the point value corresponding to the answer that best fits you. Then, use the calculation provided to give you your total. Finally, match your total to the strategy listed at the end of the Risk Profile.

Time Frame - How long can we invest?

#1. In how many years do you expect to retire?	<u>Points</u>
a. 2–3 Years.....	20
b. 4–6 Years.....	38
c. 7–10 Years.....	50
d. 10+ Years.....	69
#2. Do you expect to withdraw more than 1/3 of the money in this account within 7 years?	<u>Points</u>
a. No.....	20
b. Yes, in 2–3 Years.....	0
c. Yes, in 4–7 Years.....	12

Planning Ahead - Are your immediate needs met?

#3. Do you have an “emergency fund” (savings of at least 6 months’ after-tax income)?	<u>Points</u>
a. No, I don’t have an emergency fund.....	8
b. Yes, but it’s less than 6 months after-tax income.....	3
c. Yes, I have an adequate emergency fund.....	0

#4. If you expect to have other major expenses (college tuition, home repairs, etc.), do you have a separate savings plan to cover these expenses?	<u>Points</u>
a. Yes, I have these expenses covered.....	0
b. I don't plan on having any such expenses.....	1
c. No, I plan to withdraw a portion of this money for these expenses.....	3
(Please confirm your answer to question #2 on the previous page)	
d. No, I don't have a separate savings plan for these expenses.....	4

Current Situation - How does this plan fit in?

#5. How much of your investable assets will be designated to retirement investing?	<u>Points</u>
a. Less than 25%.....	0
b. Between 25% and 50%.....	1
c. Between 50% and 75%.....	2
d. More than 75%.....	4

#6. Which ONE of the following best describes your expected future earnings over the next 5 years (assuming inflation averages 4%)?	<u>Points</u>
a. I expect my earnings increases to far outpace inflation (due to promotions, etc.).....	0
b. I expect my earnings increases to stay somewhat ahead of inflation.....	1
c. I expect my earnings increases to keep pace with inflation.....	2
d. I expect my future earnings to decrease (due to retirement, part-time work, etc.).....	4

#7. How much of your monthly pay is used to pay off debt other than a home mortgage?	<u>Points</u>
a. Less than 10%.....	0
b. Between 10% and 25%.....	1
c. Between 25% and 50%.....	2
d. More than 50%.....	6

#8. How many dependents do you have?	<u>Points</u>
a. None.....	0
b. 1.....	1
c. 2-3.....	2
d. More than 3.....	4

Attitude - What is your investing experience?

#9. Part 1: Have you ever invested in individual bonds or bond investment vehicles, other than U.S. Savings Bonds? [Points](#)

- a. No, and I would not want to..... 10
- b. No, but I'm open to it..... 4
- c. Yes, but I would not want to again..... 6
- d. Yes, and I'm open to it again..... 0

#9. Part 2: Have you ever invested in individual stocks or stock investment vehicles? [Points](#)

- a. No, and I would not want to..... 8
- b. No, but I'm open to it..... 3
- c. Yes, but I would not want to again..... 5
- d. Yes, and I'm open to it again..... 0

#10. Please use the following scale to rate your comfort level regarding risk/potential reward:

1	2	3	4	5	6	7	8
Less risk with less potential return			Moderate risk with greater potential return		Maximum potential return regardless of risk		

- a. Option 1..... [Points](#) 12
- b. Option 2..... 7
- c. Option 3..... 5
- d. Option 4..... 3
- e. Option 5..... 2
- f. Option 6..... 1
- g. Option 7..... 0
- h. Option 8..... 0

#11. Which ONE best describes your feelings toward choosing an investment? [Points](#)

- a. I prefer only low risk investments (i.e., it's unlikely I'll lose my initial investment)..... 12
- b. I prefer a conservative mix of investments with an emphasis on low risk investments..... 9
- c. I prefer a balanced mix of investments (i.e., 50% high risk, 50% low risk investments)..... 5
- d. I prefer an aggressive mix of investments with an emphasis on high risk investments..... 1
- e. I prefer only high risk investments because I want to maximize potential return..... 0

#12. If you could increase the chances of a higher return by taking more risk, would you:	Points
a. Be willing to take a lot more risk with <u>all</u> your money?.....	0
b. Be willing to take a little more risk with <u>all</u> your money?.....	3
c. Be willing to take a little more risk with <u>some</u> of your money?.....	6
d. Be unwilling to take much more risk?.....	10

#13. Assume you own a \$10,000, 10-year investment that declines in value the 1 st year. At what point would you sell the investment and transfer the funds rather than wait for a turnaround?	Points
a. \$9,500.....	10
b. \$9,000.....	8
c. \$8,500.....	6
d. \$8,000.....	4
e. Below \$8,000.....	2
f. Would not sell.....	0

Additional Information

#14. Consider your tax bracket: do you prefer to use tax-exempt fixed income investments (even though they may not provide as much income as equivalent taxable investments)?

Yes

No

What is your marginal federal tax bracket? _____

Please note: Tax-exempt investments are not appropriate for tax-deferred retirement arrangements.

#15. Diversified portfolios often include international investments. Are there reasons you wouldn't want international funds as part of your portfolio?

Yes

No

Score and Strategy

Use the following calculation to determine your score and identify the best strategy listed below:

- a. Add your points for questions 1-2: _____
- b. Add your points for questions 3-13: _____
- c. Subtract B from A (total points): _____

Points Strategy Asset Class Mix

- 0-10 Primary Fixed Income: 75% Fixed Income; 25% Equity
- 10-19 Balanced Fixed Income-Oriented: 55% Fixed Income; 45% Equity
- 20-49 Balanced Equity-Oriented: 40% Fixed Income; 60% Equity
- 50-69 Primarily Equity: *20% Fixed Income; 80% Equity
- 70+ Equity: 98% Equity; 2% Cash

Given your specific circumstances, if you believe any of the above strategies are more suitable than what your score reflected, we will discuss the alternatives and make a recommendation tailored specifically to you and your goals.

**If your score points to the growth strategy, consider investing in the aggressive strategy if the amount you're investing represents only the aggressive portion of your total portfolio and if you already own more conservative investments that can provide a balance to the short-term fluctuations of stocks.*

Stevan “Rex” Rexroad

CFP®, CLU®, ChFC®, CIMA®, MSFS

1127 Floral Parkway
1st Floor, Suite 100
Wilmington, NC 28403

Office: (910) 791-2895
rex@rexroadloweth.com
rexroadretirement.com

