



**FOUR POINTS ADVISORY**  
Investments – Insurance – Wealth Management

# Four Points Advisory Client Interview

## Goal Planning & Risk Tolerance

2/21/2014  
Four Points Advisory  
Chuck Taylor, CMFC®

CLIENTS NAME: \_\_\_\_\_ DATE PREPARED: \_\_\_\_\_

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This questionnaire will help us to understand what type of investor you can afford to be and will enable us to recommend a personal asset allocation tailored to your needs. Please complete the questions below by choosing the answer which most clearly describes you. Please select the most appropriate answer.

**1. Which of the following best describes your current stage of life?**

- (A) Single with limited financial burdens
- (B) Single parent family
- (C) A couple without children
- (D) Young family
- (E) Mature Family
- (F) Preparing for Retirement
- (G) Retired

**2. As well as achieving your goals we want to help you satisfy your needs. Our research indicates the following as some of the most common needs of clients when seeking financial advice. Please rate the following list of needs on a scale of 1 to 8. [ 1 = Highest Priority | 8 = Lowest Priority ]**

Needs	Priority	Needs	Priority
Organizing Finances	-----	College Savings	-----
Life Insurance/Risk Review	-----	Investment Portfolio Design	-----
Saving for Retirement	-----	Estate Planning	-----
Will Preparation	-----	Creating a Retirement Plan	-----

**3. How would you rate your knowledge of understanding the markets effect on your investments?**

- (A) Very limited knowledge; I really don't understand how all this stuff works.
- (B) Basic knowledge; I understand the difference between stocks and bonds.
- (C) Fair amount of knowledge; I'm aware of the different investment options and their associated risks.
- (D) Considerable knowledge; I understand different investment philosophies and strategies.
- (E) Extensive knowledge; I have a complete understanding of investments, strategies, and the markets.

**4. How would you describe your family's overall savings habits?**

- (A) No savings and significant debt
- (B) A little savings and a fair amount of debt
- (C) Some savings and some debt
- (D) Save regularly and have manageable debt
- (E) Financially secure and very few debts

**5. How secure and stable do you feel about your current financial situation, including your ability to pay living expenses for yourself and dependants, and the amount of savings available for emergencies?**

- (A) Very secure and stable
- (B) Substantially secure and stable
- (C) Moderately secure and stable
- (D) A little secure and stable
- (E) Not very secure and stable

**6. Compared to others, how do you rate your willingness to take on financial risks?**

- (A) Extremely Low Risk Taker
- (B) Low Risk Taker
- (C) Average Risk Taker
- (D) Above Average Risk Taker
- (E) High Risk Taker
- (F) Extremely High Risk Taker

**7. How easily do you adapt when things go financially wrong in your life?**

- (A) Very Hard To Adapt
- (B) Somewhat Uneasily Adapt
- (C) Somewhat Easily Adapt
- (D) Very Easily Adapt

**8. What would your reaction be if in six months after placing your investments you discover that your portfolio has decreased in value by 20%?**

- (A) Horror, security of your capital is critical and you did not intend to take any risks
- (B) Worried, cut your losses and sell & transfer your funds in to a more secure investment
- (C) Concerned, but would wait to see if the market improves
- (D) This was an expected risk and you would leave your investments in place, expecting the market will improve at some point
- (E) You would invest more to take advantage of a market downturn and improve your cost basis expecting market fluctuations

**9. Insurance can cover a wide variety of life's major risks – death, estate taxes, accidental disability, etc. Do you have proper insurance coverage to protect you and your family from these types of risks?**

- (A) None or Very Little
- (B) Some, but probably under-insured
- (C) Considerable
- (D) Complete

**10. Imagine you were in a job where you could choose to be paid a salary, commission, or a mix of both. Which would you choose?**

- (A) All Salary
- (B) Mainly Salary
- (C) Equal mix of salary and commission
- (D) Mainly Commission
- (E) All Commission

**11. When faced with a major financial decision are you more focused on the possible losses or are you more focused on the possible gains?**

- (A) Always the possible losses
- (B) Usually the possible losses
- (C) Usually the possible gains
- (D) Always the possible gains

**12. How would the people that know you define you as a financial risk taker?**

- (A) Extremely Low Risk Taker
- (B) Low Risk Taker
- (C) Average Risk Taker
- (D) Above Average Risk Taker
- (E) High Risk Taker
- (F) Extremely High Risk Taker

**13. How often have you used investment advice from your friends, friends of a friend, info-ads on radio, television, or the internet when it comes to making your investment decisions?**

- (A) Never
- (B) Rarely
- (C) Sometimes
- (D) Often

**14. How often do you find yourself regretting an investment decision that you've made on your own?**

- (A) I often look back and regret a decision I've made regarding my investments
- (B) I occasionally get a sense of regret, and then hurry to change my investments
- (C) I rarely have regret and will closely monitor the investment choices I have made
- (D) I never regret my decision's, I understand my investment risk and market volatility.

**15. What do you consider to be a good target rate of return on your investments?**

- (A) A 3% to 5% Rate of Return
- (B) A 6% to 10% Rate of Return
- (C) An 11% to 15% Rate of Return
- (D) A 15% to 20% Rate of Return
- (E) Greater than a 20% Rate of Return
- (F) I'm not sure

# MORNINGSTAR RISK TOLERANCE QUESTIONNAIRE

Tolerance for risk is a key consideration in determining your probable level of comfort with varying investments.

## Morningstar Risk Questionnaire

### TIME HORIZON

Your current situation and future income needs.

1. What is your current age?
  - (A) Less than 45
  - (B) 45 - 55
  - (C) 56 - 65
  - (D) 66 - 75
  - (E) Older than 75
2. When do you expect to start drawing income?
  - (A) Not for at least 20 years
  - (B) In 10 to 20 years
  - (C) In 5 to 10 years
  - (D) Not now, but within 5 years
  - (E) Immediately

### LONG-TERM GOALS

Your views of how an investment should perform over the long term.

3. What is your goal for this investment?
  - (A) To grow aggressively
  - (B) To grow significantly
  - (C) To grow moderately
  - (D) To grow with caution
  - (E) To avoid losing money
4. Assuming normal market conditions, what would you expect from this investment over time?
  - (A) To generally keep pace with the stock market
  - (B) To slightly trail the stock market, but make a good profit
  - (C) To trail the stock market, but make a moderate profit
  - (D) To have some stability, but make modest profits
  - (E) To have a high degree of stability, but make small profits
5. Suppose the stock market performs unusually poorly over the next decade. What would you expect from this investment?
  - (A) To lose money
  - (B) To make very little or nothing
  - (C) To eke out a little gain
  - (D) To make a modest profit
  - (E) To be a little affected by what happens in the stock market

### SHORT-TERM RISK ATTITUDES

Your attitude toward short-term market volatility

6. Which of these statements best describe your attitude about the next three year's performance of this investment?
  - (A) I don't mind if I lose money
  - (B) I can tolerate a loss
  - (C) I can tolerate a small loss
  - (D) I'd have a hard time tolerating any losses
  - (E) I need to see at least a little return
7. Which of these statements best describe our attitude about the next three months performance of this investment?
  - (A) Who cares! One calendar quarter means nothing
  - (B) I wouldn't worry about losses in that time frame
  - (C) I'd get concerned if I suffered a loss of greater than 10%
  - (D) I can only tolerate small short-term losses
  - (E) I'd have a hard time stomaching any losses

## Select which of these investor types' best describes you?

**Conservative**

You are a conservative investor. Risk must be very low and you are prepared to accept lower returns to protect capital. The negative effects of tax and inflation will not concern you, provided your initial investment is protected.

**Moderate**

You are a moderate investor seeking better than basic returns, but risk must still be low. Typically you are an older investor seeking to protect the wealth which you have accumulated. You may be prepared to consider less aggressive growth investments.

**Balanced**

You are a balanced investor who wants a balanced portfolio to work towards medium to long term financial goals. You require an investment strategy which will cope with the effects of tax and inflation. Calculated risk will be acceptable to you to achieve good returns.

**Growth**

You are a growth investor, probably earning sufficient income to invest most of your funds for capital growth. You are prepared to accept higher volatility and moderate risks; your primary concern is to accumulate assets over the medium to long term. You are able to tolerate some more aggressive growth assets in your portfolio.

**High Growth**

You are a high growth investor prepared to be aggressive with your portfolio to pursue greater long term returns. Your investment choices are diverse, but carry with them a higher level of risk. Security is secondary to the potential for wealth accumulation.

## CLIENT ACKNOWLEDGEMENT

I/We confirm that the responses recorded in this worksheet are correct and reflect my/our true views.

Client Printed Name: \_\_\_\_\_

Client Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Client Printed Name: \_\_\_\_\_

Client Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## ADVISOR ACKNOWLEDGEMENT

I have discussed the responses given by the client(s) in the client interview and based on the information provided I WILL / WILL NOT be able to recommend a suitable investment portfolio for these clients.

Client Printed Name: \_\_\_\_\_

Client Signature: \_\_\_\_\_

Date: \_\_\_\_\_