

Hawaii SMS Risk Tolerance Questionnaire

People have different styles of investing. Some people want to get the highest return on their investment as possible. They are able to tolerate a high risk of losing their money. Some people want their money to be extremely safe. They are willing to accept a lower return in exchange for not taking a lot of risk.

What is your investor profile?

Directions: Place a check mark next to the choice that you feel best answers the question.

What is your savings goal?

- A. Retirement
- B. A new house
- C. College

Your uncle is going to give you \$10,000 at the beginning of your Freshman year in high school with two requirements: 1) all the money must go towards your college education, and 2) it must be invested in a combination of stocks and bonds. How will you invest the money?

- A. In an account that will most likely earn \$1,600 by high school graduation, leaving you with \$11,600 for college.
- B. In an account that has equal probability of gaining \$2,600 or losing \$2,200 by high school graduation, leaving you with either \$12,600 or \$7,800 for college.
- C. In an account that has equal probability of gaining \$4,000 or losing \$3,200 by high school graduation, leaving you with either \$14,000 or \$6,800 for college.

You have \$10,000 to invest. If you could choose only one of the portfolios below, which would you select? (All dollar values are approximate.)

- A. Portfolio A: May earn up to \$1,730 or lose up to \$470 in any given year. Over time, on average this portfolio should earn an annual return of \$650.
- B. Portfolio B: May earn up to \$2,620 or lose up to \$1,890 in any given year. Over time, on average this portfolio should earn an annual return of \$880.
- C. Portfolio C: May earn up to \$3,400 or lose up to \$3,080 in any given year. Over time, on average this portfolio should earn an annual return of \$1,170.

Which phrase best describes your take on life?

- A. Proceed with caution — take no unnecessary risks.
- B. Take small, measurable risks and patiently pursue your dreams.
- C. Prepare well, but follow your goals without fear.

What is your Investor Profile?

Score Sheet

To find out what type of investor you are, fill in the form below.

Answers	Points
How many times did you check answer A? _____	Multiply by 1 to = _____
How many times did you check answer B? _____	Multiply by 2 to = _____
How many times did you check answer C? _____	Multiply by 3 to = _____
Add all points to get a total score → <input style="width: 80px; height: 20px;" type="text"/>	

If your total score is...

Between:	You are a:	This means:	You should:
4-6	Conservative Investor	You do not want to take many risks with your savings. You are willing to make lower returns in order to keep your savings as safe as possible	Participate in Hawaii SMS in the Income/Growth Division . Your portfolio should contain 50% stocks and 50% bonds.
7-9	Moderate Investor	You are okay with taking some risk with your savings but not a lot.	Participate in Hawaii SMS in the Growth Division . Your portfolio should contain 65% stocks and 35% bonds.
10-12	Aggressive Investor	You are willing to take a lot of risk with your savings because you hope to earn high returns over time.	Participate in Hawaii SMS in the Aggressive Growth Division . Your portfolio should contain 80% stocks and 20% bonds.