

Investment Questionnaire

No matter where you are starting from, we can help get you where you want to go.

Everyone deserves financial peace of mind. Creating a sound financial framework is something we can all aim for; the journey begins with clearly identifying your current and future goals. From this starting point, we can recommend the investment solutions to help you get where you want to go.

This investment questionnaire is a tool that helps us understand you better. Your answers will help us assess your investment knowledge, the risk you can accept and how you want to make your money work for you. All of these important factors help provide the framework to develop the portfolio that best suits your needs.



Client
Name:

Account
Number:

Your investment objectives

Investment objectives are the goal or result you want to achieve from investing. Understanding your investment goals helps determine the types of investments best suited to meet your needs. The investment products used to meet different goals have varying levels of risk and potential returns.

1. What are your goals for this account?

- ☐ I want to save for retirement
- ☐ I'm saving for the future education needs of my children or other beneficiaries
- ☐ I want to maintain my current lifestyle
- ☐ I am saving for a major expense such as a wedding or buying/renovating a house
- ☐ I want to save for a rainy day

2. If you have a high level of investment knowledge, you have a good understanding of the relative risk of various types of investments and understand how the level of risk taken affects potential returns. If you have very little knowledge of investments and financial markets, speculative and high risk investments and strategies are likely not suitable options for you.

Which statement best describes your knowledge of investments?

- ☐ I have very little knowledge of investments and financial markets.
- ☐ I have a moderate level of knowledge of investments and financial markets.
- ☐ I have extensive investment knowledge; understand different investment products and follow financial markets closely.

3. Your time horizon affects the goal(s) you have for an account(s), and the types of financial products that may be suitable for you. You can define your investment time horizon as the period from now until when you will need to access a significant portion (more than 33%) of the money that you have invested.

What is your investment horizon or, when will you need this money?

- ☐ 0-2 Years
- ☐ 3-4 Years
- ☐ 5-9 Years
- ☐ 10-20 Years
- ☐ Over 21 years

How much risk can you tolerate?

Investing can help you achieve your financial goals; however, it does come with risk. We all want our investments to 'go up' or grow, but we may not feel comfortable when the value of our account(s) fluctuates or drop in value. Therefore, it is important to select the investment product(s) that fit within your level of risk tolerance. The following questions help determine your risk level.

4. If you had \$100,000 to invest, which of the following investment account(s) would you be most comfortable with given the best, worst and average one-year returns that you may experience?

Best, average and worst one-year returns



- ☐ Portfolio A (1 Point)
- ☐ Portfolio B (2 Points)
- ☐ Portfolio C (3 Points)
- ☐ Portfolio D (4 Points)
- ☐ Portfolio E (6 Points)
- ☐ Portfolio F (8 Points)

5. Your investment account(s) can experience fluctuations within your defined investment time horizon. It is important to assess your comfort level with these typical market movements.

At what point will you feel uncomfortable, should your investments decrease in value?

- ☐ I cannot tolerate any decline (0 points)
- ☐ I can tolerate a decline of up to 5% (2 point)
- ☐ I can tolerate a decline of 5-10% (4 points)
- ☐ I can tolerate a decline of 10-20% (6 points)
- ☐ I can tolerate a decline greater than 20% (8 points)

6. When it comes time to make a financial or investment decision, you can best be described as:

- ☐ **Very conservative** – I'm unwilling to accept any risk (0 points)
- ☐ **Conservative** – I will accept some risk (2 points)
- ☐ **Moderate** – I'm willing to accept a higher risk to potentially earn a higher return (6 points)
- ☐ **Growth focused** – I'm willing to accept significant risk and potentially large losses, for the opportunity to achieve a higher return (8 points)

7. Information about your investment experience and awareness helps us assess your investment knowledge and attitude toward investment risk.

Which of the following statements best reflects your knowledge about investing?

- ☐ I am new to the world of financial markets and investing; consider me a novice (1 point)
- ☐ I have a fair understanding of investments and financial markets (2 points)
- ☐ I have a good level of knowledge of investments and financial markets (3 points)
- ☐ I have extensive investment knowledge; I understand a wide range of investment products and follow financial markets closely (4 points)

(Risk Tolerance – total the points from your responses to questions 4-7)

What is your risk capacity?

Put simply, risk capacity is how much risk you can accept. Your risk capacity reflects your financial situation as a whole and considers your age, net worth, time horizon, income, expenses and current assets.

8. If the investment in your account(s) declined in value by 10% or more, how would it affect your lifestyle from a cash flow/expenses standpoint? For example, would it affect your ability to pay your monthly expenses?

- ☐ My lifestyle would be severely impacted (0 points)
- ☐ My lifestyle would be somewhat impacted but not severely (2 points)
- ☐ My lifestyle would be slightly impacted (4 points)
- ☐ My lifestyle would not be impacted (6 points)

9. There is a connection between your ability to accept risk and your investment time horizon. Should you terminate your account(s) prematurely, it can have an effect on your risk capacity.

How likely is it that you will withdraw money from your account(s) within your investment horizon?

- ☐ **Likely** – there are a number of reasons why I might not maintain the account(s) for the full period contemplated (1 point)
- ☐ **Somewhat likely** – I will probably not need to withdraw funds from the account(s) early (2 points)
- ☐ **Unlikely** – only an unforeseen event would cause me to withdraw these funds early (6 points)

10. Your net worth is another indicator that can help us determine your ability to withstand potential financial losses. This is the total that you have in net liquid assets (such as bank and investment accounts) and your net fixed assets (such as real estate).

What is your estimated net worth?

- ☐ Less than \$100,000 (1 point)
- ☐ \$100,000 – \$250,000 (2 points)
- ☐ \$250,000 – 500,000 (3 points)
- ☐ \$500,000 – \$1,000,000 (4 points)
- ☐ \$1,000,000 or more (5 points)

11. Your age is an important factor we consider before making an investment recommendation. Younger investors typically have more time, a higher risk tolerance and may be more open to less conservative investment products than older investors.

What is your age bracket?

- ☐ Under 35 (4 points)
- ☐ 35-54 (3 points)
- ☐ 55-64 (2 points)
- ☐ 65-75 (1 point)
- ☐ 75+ (1 point)

12. The final component of assessing your risk capacity is assigning the percentage that your account(s) may represent as part of your overall savings (e.g. bank accounts, other investment accounts).

Please indicate the approximate amount that your account(s) represent of your total savings:

- ☐ More than 50% (3 points)
- ☐ 0%-50% (4 points)
- ☐ Less than 10% (5 points)

(Risk Capacity – total the points from your responses to questions 8-12)

Know Your Client Profile and Results

This questionnaire is just one tool that we use to help achieve a greater understanding of what matters to you. It forms part of our primary goal – to put your interests first in all our recommendations.

Your risk profile

Your risk tolerance (total points from questions 4-7) and your risk capacity (total points from questions 8-12) are separate considerations that, combined, make up your overall risk profile. Your risk profile reflects the lower of how much risk you willingly can take on (your risk tolerance) and your ability to endure potential financial loss (your risk capacity).

Looking back at both scores, we will mark the results in the appropriate field – if, for example, your risk tolerance results in a ‘moderate risk’ rating but your risk capacity results in a ‘low risk’ rating, your risk profile will be ‘low risk’.

SCORE	RISK RATING
6-7	Low Risk
8-12	Low/Moderate Risk
13-18	Moderate Risk
19-23	Moderate/High Risk
24-26	High Risk

Risk Profile

0

is the
lower of

Risk Tolerance

and

Risk Capacity

Does this risk profile sound like you?

- ☐ Yes
☐ No

If no are there additional considerations that we should take into account?

Additional Considerations

Higher Risk Securities

If your risk profile is low to moderate or moderate would you consider dedicating up to a maximum of 10% (excluding market appreciation) to high risk securities? One reason that you may consider an allocation to high risk investments is that effective portfolios can often be created by combining risky investments with less risky investments.

High risk investments demonstrate a high volatility and/or structural risks, and are for investors who are growth oriented and are willing to accept significant short term fluctuations in portfolio value in exchange for potentially higher long term returns. Investments may include labour-sponsored venture capital funds or funds that invest in specific market sectors or geographic areas such as emerging markets, science and technology, or funds that engage in speculative trading strategies including hedge funds that invest in derivatives, short sell or use leverage. Investments in high risk could result in the loss of part, or all, of your investment.

How much of your plan(s), if any, are you prepared to allocate to high risk investments?

- ☐ 0% ☐ 5% ☐ 10% (Max)

Other:

If either of the below statements is true suitable financial products may include, but are not limited to, Guaranteed Investment Certificates (GICs), high interest savings accounts (HISA) and money market funds

- » You selected option 'A' as your response to question 3, 5, 6, or 8
- » Your Risk Profile is less than six

Advisor Notes and Discussion:

This section allows the Advisor to discuss potential conflicts between investor risk profile, objectives, time horizon and goals.

This tool is for DISCUSSION PURPOSES ONLY. It is designed to facilitate a discussion between the advisor and the investor and is not intended to create an automatic investor profile when setting up an account. The results generated are based on your answers. Please ensure your answers are as accurate and realistic as possible. If there are any conflicts between the answers to the questions your advisor may ask you to revisit some of the questions. After going through this exercise you will be asked to complete the required documentation to open new or update existing accounts at Worldsource Financial Management Inc (WFM). Your final investor profile as determined by you and your advisor will be recorded on the official WFM forms. In addition, the information contained herein is not intended to constitute legal, tax, accounting or investment advice, nor an opinion regarding the appropriateness of any investment. You should seek professional advice from your advisor prior to acting on the basis of this information. All charts, illustrations and examples contained herein are for illustrative purposes only. While every effort has been made to ensure accuracy and completeness no warranty can be made as to its accuracy or completeness. Commissions, trailing commissions, management fees and expenses all may be associated with investing in mutual funds and exchange traded funds (ETFs). Please read the relevant fund facts and ETF facts before investing. Mutual funds and ETFs are not guaranteed; their values change frequently and past performance may not be repeated.