



s o w e l l
managementservices

Risk Assessment Questionnaire

Time Horizon

Your current situation and future income needs.

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

Long-Term Goals and Expectations

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 a small profit
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 make a little gain
D ___ To make a modest gain
E ___ To be little affected by what happens in the stock market

Short-Term Risk Attitudes

Your attitude toward short-term volatility.

6. Which of these statements would best describe your attitudes about the next three years' performance of this investment?
- A ___ I do not mind if I lose money
B ___ I can tolerate a loss
C ___ I can tolerate a small loss
D ___ I would have a hard time tolerating any losses
E ___ I need to see at least a little return
7. Which of these statements would best describe your attitudes about the next three months' performance of this investment?
- A ___ Who cares? One calendar quarter means nothing
B ___ I would not worry about losses in that time frame
C ___ If I suffered a loss of greater than 10%, I would get concerned
D ___ I can only tolerate small short-term losses
E ___ I would have a hard time stomaching any losses

Risk Tolerance Assessment

Developing the Questions for the Risk Assessment Questionnaire

The individual questions and answers to the Risk Assessment Questionnaire are combined with principles of prudent financial planning along with mathematical probability testing. For example, for the short-term risk attitude questions, we calculated the probabilities of investors losing money over different time frames, using our own asset-class return assumptions. The survey and scoring system were also fine-tuned based on an analysis of a sample of the thousands of possible scenarios the survey could generate. The seven questions you will answer in this risk survey are designed to elicit your true risk profiles.

Scoring the Risk Assessment Questionnaire and Checking for Inconsistencies:

- Answers are assigned points as follows:
A=5 B=4 C=3 D=2 E=1
- We then calculate four risk tolerance scores: a time horizon score, a long-term goals score, a short-term goals score, and an overall score, and map them to one of five recommended asset mixes: Very Conservative, Conservative, Moderate, Moderately Aggressive, or Aggressive.

Time Horizon, Questions 1-2

Points	Portfolio
2	Very Conservative
3-4	Conservative
5-7	Moderate
8-9	Moderately Aggressive
10	Aggressive

Long-term Goals and Expectations, Questions 3-5

Points	Portfolio
2	Very Conservative
3-4	Conservative
5-7	Moderate
8-9	Moderately Aggressive
10-15	Aggressive

Short-term Risk Attitudes, Questions 6-7

Points	Portfolio
2	Very Conservative
3-4	Conservative
5-7	Moderate
8-9	Moderately Aggressive
10	Aggressive

Overall Risk

Points	Portfolio
7-10	Very Conservative
11-17	Conservative
18-24	Moderate
25-31	Moderately Aggressive
32-35	Aggressive

The overall risk score is mapped to one of the five risk objectives outlined below:

Very Conservative

The very conservative range is designed for the cautious investor, one with a low risk tolerance and/or a short time horizon. It is targeted toward the investor seeking investment stability and liquidity from their investable assets. The main objective of the individual in the conservative risk range is to preserve capital while providing income. Fluctuations in the values of portfolios within this range should be minor.

Conservative

The conservative risk range is appropriate for the investor who seeks both modest capital appreciation and income from their portfolio. This investor will have either a moderate time horizon or a slightly higher risk tolerance than the most conservative investor in the previous risk range. While this range is still designed to preserve the investor's capital, fluctuations in the values of portfolios may occur from year to year.

Moderate

The moderate range will best suit the investor who seeks relatively stable growth from their investable assets offset by a low level of income. An investor in the moderate risk range will have a higher tolerance for risk and/or a longer time horizon than either of the previous investors. The main objective of an individual within this range is to achieve steady portfolio growth while limiting fluctuations to less than those of the overall stock markets.

Moderately Aggressive

The moderately aggressive range is designed for investors with a relatively high tolerance for risk and a longer time horizon. These investors have little need for current income and seek above-average growth from their investable assets. The main objective of this risk range is capital appreciation, and its investors should be able to tolerate fluctuations in their portfolio values.

Aggressive

The aggressive range is appropriate for investors who have both a high tolerance for risk and a long investment time horizon. The main objective of the aggressive risk range is to provide high growth for the investor's assets without providing current income. Portfolios in this range may have substantial fluctuations in value from year to year, making this category unsuitable for those who do not have an extended investment horizon.

At this point, you should check scores in each section for internal consistency to ensure that you and your client have a realistic set of expectations and attitudes given his or her circumstances. You can go back to the Risk Assessment Questionnaire if desired. Alternatively, you can choose to select a different risk profile, if appropriate. The client's risk profile is used to provide a default position/allocation on the Efficient Frontier.

Account Registration: _____ Account Number: _____

Risk Score: _____ Risk Objective: _____

Account Registration: _____ Account Number: _____

Risk Score: _____ Risk Objective: _____

Account Registration: _____ Account Number: _____

Risk Score: _____ Risk Objective: _____

Account Registration: _____ Account Number: _____

Risk Score: _____ Risk Objective: _____

Please use the space below to provide any additional information you wish to convey to Sowell Management Services that may help in the oversight and/or management of any of the above accounts;

By signing below, I certify that the information on this form is accurate and approve Sowell Management to use said information for any and all internal and external use. Sowell Management Services assumes no responsibility for inaccurate information. Advisory services offered through Sowell Management Services.

Client's Printed Name: _____

Client's Social Security or Tax I.D. Number: _____

Client's Date of Birth: _____

Joint Client's Printed Name: _____

Joint Client's Social Security or Tax I.D. Number: _____

Joint Client's Date of Birth: _____

Street Address: _____

City / State / Zip Code: _____

Email Address: _____

Joint Email Address: _____

Client Signature: _____ Date: _____

Joint Client Signature: _____ Date: _____

Advisor Name: _____

Advisor Signature: _____ Date: _____