

charles
SCHWAB

Investor profile questionnaire

Own your tomorrow.

Find a suitable investment strategy

Your investing strategy should reflect the kind of investor you are—your personal investor profile. This quiz will help you determine your profile and then match it to an investment strategy that's designed for investors like you.

The quiz measures two key factors:

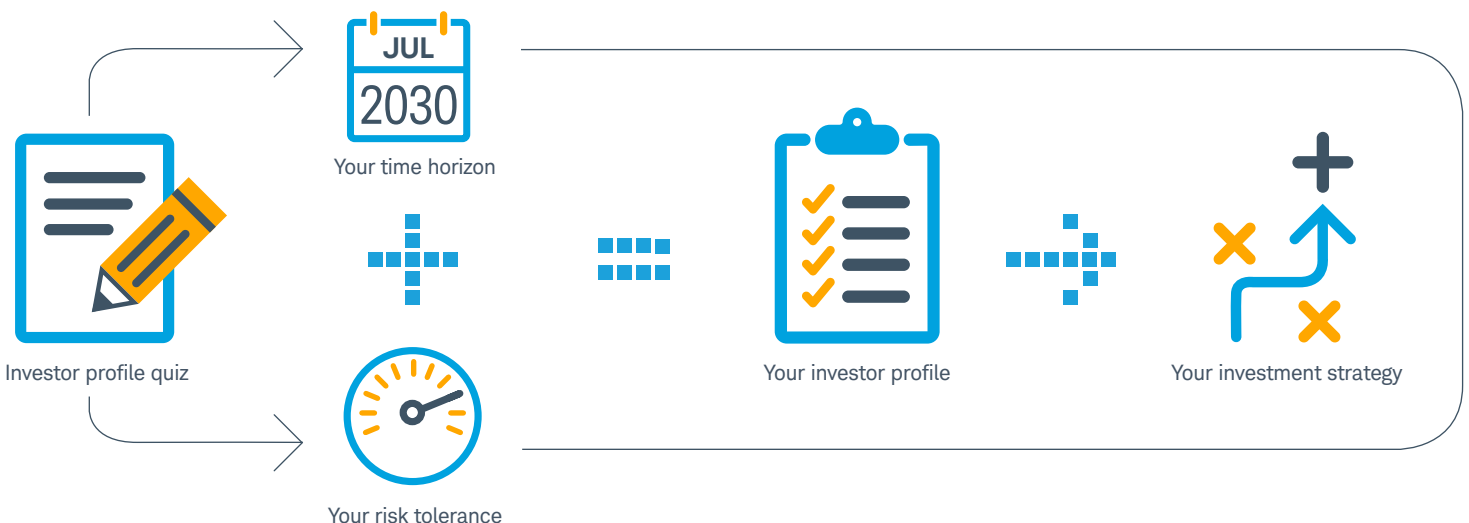
YOUR TIME HORIZON

When will you begin withdrawing money from your account and at what rate? If it's many years away, there may be more time to weather the market's inevitable ups and downs and you may be comfortable with a portfolio that has a greater potential for appreciation and a higher level of risk.

YOUR RISK TOLERANCE

How do you feel about risk? Some investments fluctuate more dramatically in value than others but may have the potential for higher returns. It's important to select investments that fit within your level of tolerance for this risk

How to make your choice



TIME HORIZON

Circle the number of points for each of your answers and note the total for each section.



1. I plan to begin withdrawing money from my investments in:

Less than 3 years	1
3–5 years	3
6–10 years	7
11 years or more	10

2. Once I begin withdrawing funds from my investments, I plan to spend all of the funds in:

Less than 2 years	0
2–5 years	1
6–10 years	4
11 years or more	8

Enter the total points from questions 1 and 2. **Time Horizon Score:**

If your Time Horizon Score is less than 3, stop here. If your score is 3 or more, please continue to Risk Tolerance.

A score of less than 3 indicates a very short investment time horizon. For such a short time horizon, a relatively low-risk portfolio of 40% short-term (average maturity of five years or less) bonds or bond funds and 60% cash investments is suggested, as stock investments may be significantly more volatile in the short term.

RISK TOLERANCE



3. I would describe my knowledge of investments as:

None	1
Limited	3
Good	7
Extensive	10

4. What amount of financial risk are you willing to take when you invest?

Take lower than average risks expecting to earn lower than average returns	0
Take average risks expecting to earn average returns	4
Take above average risks expecting to earn above average returns	8

5. Select the investments you currently own or have owned:

Bonds and/or bond funds	3
Stocks and/or stock funds	6
International securities and/or international funds	8

Example: You now own stock funds. In the past, you've purchased international securities. Your point score would be 8.

6. Consider this scenario:

Imagine that in the past three months, the overall stock market lost 25% of its value. An individual stock investment you own also lost 25% of its value. What would you do?

Sell all of my shares	0
Sell some of my shares	2
Do nothing	5
Buy more shares	8

7. Review the chart below.

We've outlined the most likely best-case and worst-case annual returns of five hypothetical investment plans. Which range of possible outcomes is most acceptable to you?

The figures are hypothetical and do not represent the performance of any particular investment.

Plan	Average annual return	Best-case	Worst-case	Points
A	7.1%	22.8%	-9.5%	0
B	8.3%	27.0%	-13.3%	3
C	9.2%	30.9%	-20.9%	6
D	9.8%	34.4%	-29.5%	8
E	10.1%	39.9%	-36.0%	10

Enter the total points from questions 3 through 7. **Risk Tolerance Score:**

DETERMINE YOUR INVESTOR PROFILE

The chart below uses the subtotals you calculated in the preceding two sections.



To determine your Investor Profile, find your Time Horizon Score along the left side and your Risk Tolerance Score across the top. Locate their intersection point, situated in the area that corresponds to your Investor Profile. On the next page, select the investment strategy that corresponds to your Investor Profile.

