Cannon Beach Consultants, Inc.
Investment Risk Questionnaire

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1. **In how many years do you estimate that you will begin to need the money you are investing?**
☐ Immediately.
☐ Within the next 3 Years.
☐ From 3 to 7 Years.
☐ From 7 to 12 Years.
☐ Longer than 12 Years.

2. **Once you begin making withdrawals, over how many years do you expect to draw down assets from this portfolio?**
☐ Over five to ten years.
☐ Over less than five years.
☐ Lump sum.
☐ Over more than ten years.

3. **If you will be adding to your portfolio, what percentage of your current portfolio's value will you expect to add annually over the next five years**?
☐ I am not sure.
☐ None.
☐ 1-2%
☐ 3-5%
☐ 6-10%
☐ 10% or greater.

4. **Do you generally find yourself more comfortable investing in things that have done well the last few years?**
☐ Not sure/depends.
☐ No.
☐ Yes.

5. **If a unique circumstance were to require an amount of capital equal to at least one-fourth the value of this portfolio, where would you obtain the money?**
☐ I cannot envision a circumstance occurring that would require that much capital.
☐ All from this portfolio.
☐ The majority from this portfolio.
☐ From other savings/investments.
☐ Less than half from this portfolio, and the remainder from other savings and investments.

6. **If you use withdrawals from your portfolio for living expenses, what lifestyle changes (if any) would you make if your portfolio declined substantially?**
☐ Not applicable, I am not making any withdrawals from this portfolio.
☐ Would cut spending sharply.

☐ Would keep spending the same but would cut withdrawals from this portfolio and use other assets to fund spending in the meantime.
☐ Reduce spending slightly.
☐ No changes—would continue to spend the same amount.
☐ I cannot allow my portfolio to decline substantially.

7. **When you review your portfolio, do you focus more on the individual positions or the overall portfolio?**
☐ I am only concerned with the overall portfolio performance.
☐ While overall portfolio performance is important, I tend to focus on the performance of individual positions in the portfolio.

8. **You are given a choice between two portfolios. The total values of BOTH portfolios fluctuate by roughly the SAME amount, but the fluctuations in value of the individual positions is much wider. Which portfolio would you be most comfortable with?**
☐ A portfolio with an annualized return of 10% where the returns of the individual holdings range from 0% to 15%.
☐ A portfolio with a slightly higher annualized return of 11% but where the returns of the individual holdings range from a 10% loss to a 20% gain.

9. **Which is closest to the largest percentage amount you ever lost on a single investment?**
☐ Never lost money.
☐ 25%
☐ 50%
☐ 75%
☐ 100%

10. **Which of the following statements best describes what you did during the most recent investment losses you suffered?**
☐ Bought more.
☐ Sold quickly to avoid further losses.
☐ Continued to hold the investment.
☐ Held too long then sold close to the bottom.
☐ Not applicable.

11. **Which best describes how you felt about steep losses you experienced?**
☐ Not applicable.
☐ Denial. I was upset but tried not to look at the value, and hoped that eventually it would come back.
☐ Initial frustration followed by acceptance.
☐ High levels of anxiety and/or frustration.
☐ Desire to find another high-risk investment to make up the loss.
☐ Acceptance that losses are part of investing and that the risk I took was reasonable relative to the potential gain.

12. **Is your ability to accept risk different now than it was before the stock-market weakness began in early 2000?**
☐ I am more concerned with risk today and inclined to invest more conservatively.
☐ I can accept more risk today because the investment opportunities are better.
☐ My willingness to take on risk is no different today than it was prior to the bear

market.

13. Consider two investments. An expert, whom you trust, tells you they are equally risky. If one of those investments is more difficult to understand, are you likely to view it as riskier?

☐ Yes.
☐ No.

14. Which of the following best describes your expectations for performance?

☐ My performance should at least equal the stock market.
☐ I am willing to accept a little lower return than the stock market in exchange for a little greater safety.
☐ I don't care what the stock market does as long as I can beat inflation at low risk.
☐ My level of return doesn't matter as long as I don't lose money over any more than a few months.
☐ I want to beat the stock market and am willing to assume above-average risk in pursuit of capital growth.

15. Investments generate returns in different ways. Which of the following more closely describes your view?

☐ Dividend yields and interest is better suited for meeting living expenses.
☐ Overall return is my primary concern; it doesn't matter where it comes from or how it is employed to meet any cash flow needs I may have.

16. How would you most likely react to losses in your portfolio?

☐ As long as the losses are in the range of what I knew was possible, I feel it is important to have the stomach to stay the course and that my long-term success will probably be compromised if I don't.
☐ I am not sure how I would react.
☐ During difficult periods I have a harder time sticking to my guns and feel safer taking a temporary defensive position until things improve.

17. Describe the kind of risk with which you are comfortable:

☐ I could handle being down over a three-year period, but not longer.
☐ I could handle a one-year loss, but do not want to pursue a strategy that could result in longer periods of loss.
☐ I could handle losses over one or two quarters, but would not be comfortable subjecting myself to longer down periods.
☐ I don't want to lose any money ever. I could handle only a very small loss over a few months at most.
☐ I could accept being down over longer than three years if my long-term return potential was above average.

18. In terms of magnitude, indicate the level of the likely worst-case return you could accept in pursuit of above-average returns?

☐ Zero return over one year.
☐ 5% loss over one year.
☐ 10% loss over one year.
☐ 15% loss over one year.
☐ 20% loss over one year.