



# The Canadian Merchant Service Guild

*Portfolio Series™*

INVESTOR PROFILE QUESTIONNAIRE



## You have your own unique blend of financial needs and resources

Making a wise portfolio choice is dependent on a proper and prudent assessment of your profile as an investor. This Investor Profile Questionnaire is a starting point for you to prepare your retirement plan. The questions encompass the major areas: your current personal and financial situation; your investment objectives and risk tolerance; your investment knowledge and experience.

When thoughtfully and accurately completed, this profile can be an effective tool that will assist you in selecting the CI Fund or Portfolio that is appropriate for you.

Our research and experience indicates that investment success over the long term is directly related to your ability to tolerate and understand volatility in the short term. Achieving greater returns often means taking greater risk, which can lead to more volatility in the value of the investment. If you do not have a portfolio that you can live with during down markets, then you'll be less likely to stay the course over the long run. That is why many of the questions we've included focus on your tolerance for risk.

### **Before you begin completing this questionnaire, there are two important points to consider:**

- ▣ Portfolio Series was created to meet long-term investment objectives. You should be prepared to be invested for a full economic cycle (which typically lasts five to ten years). Some investment vehicles require an entire economic cycle to mature and a five-year time horizon allows most short-term market fluctuations to even out and reduce the risk that you may have to make substantial withdrawals at an inopportune time. If you are fairly certain that you will require a substantial portion (20% or more) of your portfolio in less than five years, you should speak to your pension consultant about your needs.
- ▣ Your personal and financial circumstances change over time and it will be important for you to review your portfolio on a regular basis.

This questionnaire is designed to help you select the CI Fund or Portfolio that best meets your investment goals.

**1. Complete the Questionnaire** — Complete the questionnaire by circling the most appropriate response to each question. The more accurately you respond, the better the questionnaire works.

**2. Total Your Score** — Add up the points from your responses. Your answers to the questionnaire will generate a score. Your score determines which portfolio is best suited to you by calculating how much risk you can comfortably assume in order to achieve your return objectives.

**3. Select Your Portfolio** — Select the portfolio that corresponds to your score. For more information, please refer to the Portfolio Series fund pages.

## Personal and Financial Situation

**Q1. What is your age?** *In general, there is less need for older investors to assume significant investment risk than there is for younger investors. While other circumstances such as wealth may counter this assumption, advancing age generally reduces risk tolerance.*

30 and under	8
31 to 40	6
41 to 50	4
51 to 65	2
Over 65	0

**Q2. What is your annual household income (before tax)?** *You must understand your financial situation in order to select a tailored investment strategy that reflects your current situation, and enables you to achieve your financial goals*

Less than \$40,000	0
\$40,001 to \$75,000	4
\$75,001 to \$125,000	9
\$125,001 to \$200,000	14
Over \$200,000	17

**Q3. How much does your household have in investable assets (total assets less your principal residence, business assets, and personal property)?** *Greater wealth and investable assets typically imply higher “financial” risk tolerance. However, some wealthy investors may be risk averse and have low “psychological” risk tolerance.*

Less than \$35,000	0
\$35,001 to \$75,000	4
\$75,001 to \$150,000	9
\$150,001 to \$300,000	14
Over \$300,000	17



## Investment Objectives and Risk Tolerance

**Q4. What is your primary investment objective?** *Determining your investment objective enables you to select a suitable asset allocation to maximize your portfolio's return and minimize its risk.*

Preserve capital . . . . .	0
Generate maximum income with modest asset growth . . . . .	4
Achieve moderate growth and income . . . . .	9
Achieve strong asset growth with modest income. . . . .	17

**Q5. For how long do you plan to invest these funds before you begin withdrawing a substantial portion from your portfolio (e.g., a withdrawal of more than half)?** *If you plan to invest for less than three years, you may experience a declining part of a market cycle without the opportunity to take advantage of longer-term market trends.*

1 to 3 years. . . . .	0
4 to 5 years. . . . .	5
6 to 10 years. . . . .	11
11 to 15 years. . . . .	16
More than 15 years . . . . .	25

**Q6. Given your financial goals, how much volatility (risk) are you willing to assume to achieve your portfolio's expected return?** *Any well-diversified portfolio is subject to some volatility (risk), where the portfolio will likely have negative returns in certain years.*

Low volatility, since you require positive returns each year. . . . .	0
Low to medium volatility, such as negative returns in 1 of every 8 years. . . . .	9
Medium volatility, such as negative returns in 1 of every 6 years. . . . .	16
Medium to high volatility, such as negative returns in 1 of every 5 years. . . . .	25

**Q7. How much of a temporary decline in your investment portfolio could you tolerate over a one-year period?** *Your portfolio will likely have a negative return in certain years. A portfolio with higher volatility (risk) will likely have higher negative returns in any one year. You will need to have both the "psychological" and "financial" risk tolerance to withstand these negative returns.*

0% . . . . .	0
-5% . . . . .	4
-10% . . . . .	9
-15% . . . . .	17

## Investment Knowledge and Experience

**Q8. What do you expect the overall average return on your investment portfolio to be over the long term (10+ years), before tax but after inflation?** *You should align your return expectations with your risk tolerance. Ideally, you should focus on the long-term returns of your investment portfolio after inflation (i.e., the real rate of return).*

0% to 2% . . . . .	0
1% to 3% . . . . .	2
4% to 7% . . . . .	4
5% to 9% . . . . .	6
More than 9% . . . . .	8

**Q9. Which statement best describes your level of investment knowledge about financial markets and products?** *Your knowledge level helps you assess how much background information is required when selecting investment strategies and products.*

Very limited knowledge . . . . .	0
Basic knowledge and minimal experience . . . . .	2
Good knowledge and some investment experience . . . . .	4
Strong knowledge and experience . . . . .	6
Advanced knowledge and extensive experience. . . . .	8

**Q10. Which of the following statements best describes your current investment portfolio (individual securities and/or mutual funds)?** *Information on your previous investment experience helps you assess your investment knowledge and your attitude toward investment risk.*

Mainly Canadian money market securities (e.g., cash, GICs, CSBs). . . . .	0
Mainly Canadian fixed-income securities (e.g., government and/or corporate bonds) . . . . .	2
Equal amounts of fixed-income and equity securities. . . . .	4
Mainly Canadian and international blue-chip equities. . . . .	6
Mainly aggressive Canadian and international securities . . . . .	8

# Next Steps

Please complete the Member Election form and indicate the CI Fund you selected. Then return the form to Coughlin & Associates Ltd.

Member Name: \_\_\_\_\_

Date Completed: \_\_\_\_\_

(1)	
(2)	+
(3)	+
(4)	+
(5)	+
(6)	+
(7)	+
(8)	+
(9)	+
(10)	+
Total	=

Scoring Summary  
at a Glance

CI Money Market Fund  
**< 18 Points**

Portfolio Series Conservative  
Fund **19-65 Points**

Portfolio Series Balanced Fund  
**66-114 Points**

Portfolio Series Growth Fund  
**115-150 Points**

*(See back page for more details  
about the portfolios.)*

# Portfolios to meet any investor's needs

## **CI Money Market** [100% Income] < 18 points

Suited for investors whose primary need is capital preservation.

## **Portfolio Series Conservative Fund** [55% Income, 45% Equity] 19–65 points

Suited for investors whose primary objective is capital preservation and income with moderate growth.

## **Portfolio Series Balanced Fund** [35% Income, 65% Equity] 66–114 points

For investors pursuing long-term capital growth who are conscious of volatility.

## **Portfolio Series Growth Fund** [20% Income, 80% Equity] 115–150 points

For long-term investors seeking strong capital growth while comfortable with some short-term volatility.

## Rights & Responsibilities

### As a Plan Member, what are my rights and responsibilities?

- You have the right to access information about the features of the Plan via this document and other materials available to you at **[www.coughlin.ca/cmsge](http://www.coughlin.ca/cmsge)** and through the Call Centre.
- You are responsible for making investment choices that will affect the growth of the contributions.
- You are responsible for informing yourself about the Plan with the use of the written documents and other tools available.
- In addition to the tools available through the Plan to help you save for retirement, you should obtain investment advice from a qualified financial planner.

Contact **Coughlin & Associates Ltd.** at **1-800-668-9819** from 8:30am to 4:30pm EST | Visit **[www.coughlin.ca](http://www.coughlin.ca)**

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