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ASSET MANAGEMENT
Dynamic Asset Allocation Strategies

Investor Questionnaire

This questionnaire will help determine the best allocation for your investment. Please circle the most appropriate response to each of the seven questions below.

A. Time Horizon	The first two questions concern your time horizon for this investment.	<u>Score</u>
	1. My current age is: a. Less than 45 b. 45 – 55 c. 56 – 65 d. 66 – 75 e. More than 75	_____
	2. I expect to start drawing income from this investment: a. Not for at least 20 years b. In 10 to 20 years c. In 5 to 10 years d. Not now, but within 5 years e. Immediately	_____
B. Long Term Goals and Expectations	The next three questions ask about your long-term goals and expectations for this investment. Please be realistic.	
	3. For this investment, my goal is: a. To grow aggressively b. To grow with caution c. 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 trail the stock market, but make a decent profit c. To avoid losing money	_____
	5. Suppose the stock market performs unusually poorly over the next decade. Then what would you expect from this investment? a. To make nothing or even lose a little b. To eke out a small gain c. To be little affected by what happens in the stock market	_____
C. Short Term Risk Attitudes	The last two questions concern your thoughts about shorter term results. Again, answer as honestly as possible.	
	6. Which of these statements would best describe your attitude about the next three years' performance of this investment? a. I can live if I lose money b. I better at least break even c. I better end up with at least a little	_____
	7. Which of these statements would best describe your attitude about the next three months' performance of this investment? a. Who cares? One calendar quarter means absolutely nothing b. If I suffered a loss of greater than 10%, I would get concerned c. I can tolerate only small short-term losses	_____

Advisor Score Sheet

This score sheet will help you determine the best allocation for your client's investment.

Step 1.

Scoring

Score the questionnaire as follows, giving 5 points for each a) answer and so on:

For questions 1-2: A = 5 B = 4 C = 3 D = 2 E = 1

For all other questions: A = 5 B = 3 C = 1

Step 2.

Consistency Check

Before tallying the scores and choosing the appropriate asset allocation, check the questionnaire for internal consistency to ensure that each investor has a realistic set of expectations and attitudes given his/her circumstances.

Using the space below, mark the number of questions where the investor scored 1 point, 2 points, etc.

Number of questions with 1 point _____

Number of questions with 2 points _____

Number of questions with 3 points _____

Number of questions with 4 points _____

Number of questions with 5 points _____

Stop

Under no circumstances should the Advisor map the investor to any of the portfolios without first checking for consistency in the questionnaire's answers.

If an investor has at least one 1-point answer and at least one 5-point answer, stop and evaluate. This investor's goals and expectations may be unrealistic. Before assigning an asset allocation, investigate these inconsistencies and help the investor adjust the expectations, attitudes or time horizon to be more realistic.

Go

If an investor passes the consistency test, proceed to Step 3.

Step 3.

Portfolio Mapping

Tally up the point total for each of the three sections and then combine the three sub totals for a grand total. Check the appropriate portfolio mapping based on each section and also based on the grand total.

	Total	Points	Portfolio Objective
A. Time Horizon Section Questions 1 and 2	_____	2	<input type="checkbox"/> Preservation
		3-4	<input type="checkbox"/> Conservative
		5-7	<input type="checkbox"/> Balanced
		8-9	<input type="checkbox"/> Capital Growth
		10	<input type="checkbox"/> Aggressive
B. Long Term Goals Section Questions 3, 4, and 5	_____	3	<input type="checkbox"/> Preservation
		5	<input type="checkbox"/> Conservative
		7-9	<input type="checkbox"/> Balanced
		11-13	<input type="checkbox"/> Capital Growth
		15	<input type="checkbox"/> Aggressive
C. Short Term Risk Attitudes Section Questions 6 and 7	_____	2	<input type="checkbox"/> Preservation
		4	<input type="checkbox"/> Conservative
		6	<input type="checkbox"/> Balanced
		8	<input type="checkbox"/> Capital Growth
		10	<input type="checkbox"/> Aggressive
Grand Total Sections A, B, and C	_____	7-10	<input type="checkbox"/> Preservation
		11-17	<input type="checkbox"/> Conservative
		18-24	<input type="checkbox"/> Balanced
		25-31	<input type="checkbox"/> Capital Growth
		32-35	<input type="checkbox"/> Aggressive

Step 4

Evaluation

After tallying, evaluate the results.

Double-check for internal inconsistencies by looking at the portfolios suggested by the various sections above. If different sections suggest different portfolios, discuss the reasons with the investor and determine whether any goals or expectations need to be adjusted.