ipcwealth™

Individual Investor Questionnaire

An important step
in determining your risk profile.

We use questions to inquire about your investment experience, financial circumstances, and your potential response to different investment scenarios. Your answers give your Advisor insight into your capacity to take on risk and your attitude towards risk.

Your risk profile will assist your Advisor in recommending an investment portfolio that aligns with your specific time horizon for each investment goal that you have.

Date:	
Client Name:	
Client Number:	

Plans that share a similar time horizon (timeframe in which you anticipate redeeming all or a significant portion of your plan) and investing goal should have the same risk profile. If you have a plan(s) with a time horizon or investing goal that differs from other plans, a separate Investor Questionnaire should be completed for each of those plan(s) with unique time horizon(s) and investing goal(s).

As an example, if you have RRSP, TFSA, RESP, and Open plans where your RRSP, TFSA, and Open plans are to be used for retirement/estate planning with long time horizons while the beneficiary(ies) for your RESP are in post-secondary education and are drawing of the proceeds of the RESP, you would likely have a shorter time horizon and more conservative goal for the plan as the monies are being used today. In this case, you would indicate below the RRSP, TFSA, and Open plan under 'Multiple Plans as selected below', and the RESP under 'Plan A'. Responses within the Risk Tolerance section would be completed for both of these selections and a recommended Risk Profile will be presented for both goals in the questionnaire results.

Based on this direction, please indicate the plans impacted by this questionnaire:

☐ **Multiple plans as selected below:**

- ☐ Open
- ☐ Retirement savings plan (RSP)
- ☐ Spousal RSP
- ☐ Locked-in RSP (LRSP)
- ☐ Locked-in retirement account (LIRA)
- ☐ Restricted locked-in savings plan (RLSP)
- ☐ Tax Free Savings Account (TFSA)
- ☐ Registered education savings plan (RESP)
  - ☐ Family ☐ Individual
- ☐ First Home Savings Account (FHSA)
- ☐ First Home Savings Account (FHSA)
- ☐ Group RSP
- ☐ Other: _____
- ☐ Retirement income fund (RIF)
- ☐ Spousal RIF
- ☐ Locked-in retirement income fund (LRIF)
- ☐ Life income fund (LIF)
- ☐ Restricted life income fund (RLIF)
- ☐ Prescribed retirement income fund (PRIF)
- ☐ Other: _____

Specific for:

☐ **Plan A** (please indicate plan type): _____

☐ **Plan B** (please indicate plan type): _____

☐ **Plan C** (please indicate plan type): _____

Advisor Name: _____

Advisor Code: _____

Risk Capacity

Risk capacity is your objective ability to absorb financial loss and withstand investment risk without jeopardizing your financial goals or standard of living. Your financial situation including your assets, debt, and the amount of stability of your income, are all important when determining how much risk you can take with your investments. If this section has been completed by your Advisor, please review it carefully to ensure it is accurate. Otherwise, please answer the questions to the best of your knowledge.

1. What is your age group? (Your age is an important consideration when constructing an investment portfolio. Younger investors may have portfolios that are primarily invested in equities to maximize potential growth if they also have a higher risk tolerance and a longer investment time horizon. Investors who are retired or near retirement are often less able to withstand losses and may have portfolios that are invested to maximize income and capital preservation).

- [ ] a. Under 35 **(20 points)**
- [ ] b. 35-54 **(12 points)**
- [ ] c. 55-64 **(8 points)**
- [ ] d. 65-74 **(4 points)**
- [ ] e. 75 or over **(0 points)**

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2. What is your annual gross income?

- [ ] a. Less than $30,000 **(0 points)**
- [ ] b. $30,000 - $60,000 **(2 points)**
- [ ] c. $60,001 - $100,000 **(4 points)**
- [ ] d. $100,001 - $150,000 **(6 points)**
- [ ] e. $150,001 - $200,000 **(8 points)**
- [ ] f. Over $200,000 **(10 points)**

3. How would you classify the security of your current/future income source(s)?

- ☐ a. Stable **(8 points)**
- ☐ b. Somewhat stable **(4 points)**
- ☐ c. Unstable **(0 points)**

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4. What are your liquid assets (cash, investments)?

- ☐ a. Less than $25,000 **(0 points)**
- ☐ b. $25,000 - $49,999 **(3 points)**
- ☐ c. $50,000 - $99,999 **(6 points)**
- ☐ d. More than $100,000 **(10 points)**

☐ **Includes spouse**

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5. What is your estimated net worth (investments, cash, home, and other real estate, less mortgage, loans, and all other debts)?

- ☐ a. Less than $50,000 **(0 points)**
- ☐ b. $50,000 - $99,999 **(2 points)**
- ☐ c. $100,000 - $249,999 **(4 points)**
- ☐ d. $250,000 - $499,999 **(6 points)**
- ☐ e. $500,000 - $999,999 **(8 points)**
- ☐ f. $1,000,000 or more **(10 points)**

☐ **Includes spouse**

Risk Capacity Score

The Risk Capacity Score is based on the total of Questions 1 to 5: 0

Risk Tolerance

Risk tolerance is your subjective willingness and psychological comfort with investment risk, including the potential for volatility and short-term losses. It reflects your attitudes, emotions and behavioural responses to market fluctuations, and may be influenced by factors such as prior investment experience, personal preferences, and reactions to uncertainty.

6. What statement best describes your knowledge about investing?

- ☐ a. **Sophisticated:** In-depth knowledge, knowing many of the factors that may influence performance. You have experienced the effects of a full investment market cycle on your portfolio **(10 points)**
- ☐ b. **Good:** A working knowledge, knowing that financial markets regularly go up and down, and understanding the importance of portfolio diversification as a way to reduce risk **(6 points)**
- ☐ c. **Limited:** An inexperienced investor with a basic understanding that markets fluctuate, may have some knowledge of various investment products **(3 points)**
- ☐ d. **Poor/None:** Poor to no understanding of stocks, bonds, and mutual funds and how they work **(0 points)**

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7. In making financial and investment decisions:

a. I am very cautious and not willing to accept any declines in the value of the account **(0 points)**

b. I am somewhat cautious, but willing to accept a small decline in the account if it means there is a chance for it to grow **(3 points)**

c. I would like to have a balance between risk and return potential **(6 points)**

d. I am comfortable with moderate declines in the value of my account if that gives me the opportunity for larger returns **(8 points)**

e. I am comfortable with larger ups and downs in the market if it gives me the greatest opportunity for significant returns **(10 points)**

All plans as specified:	

8. The value of an investment portfolio will generally go up and down over time. If you invested $100,000, how much of a decline in the value of your portfolio over a one-year period would make you feel uncomfortable and cause you to consider reducing some or all of your investments?

a. I cannot tolerate any decline in value*

b. $5,000 or 5% **(3 points)**

c. $10,000 or 10% **(6 points)**

d. $20,000 or 20% **(8 points)**

e. $30,000 or more; or 30% or more **(10 points)**

All plans as specified:	

*** Selecting this option will result in a default score of 0 for Risk Tolerance and an overall risk profile of 'Very Low Risk'.**

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9. Choose the answer that best describes your response to the following statement: *"I am comfortable with investments that will periodically decline in value, as long as there is potential to adequately meet my financial goals."*

a. Agree **(10 points)**

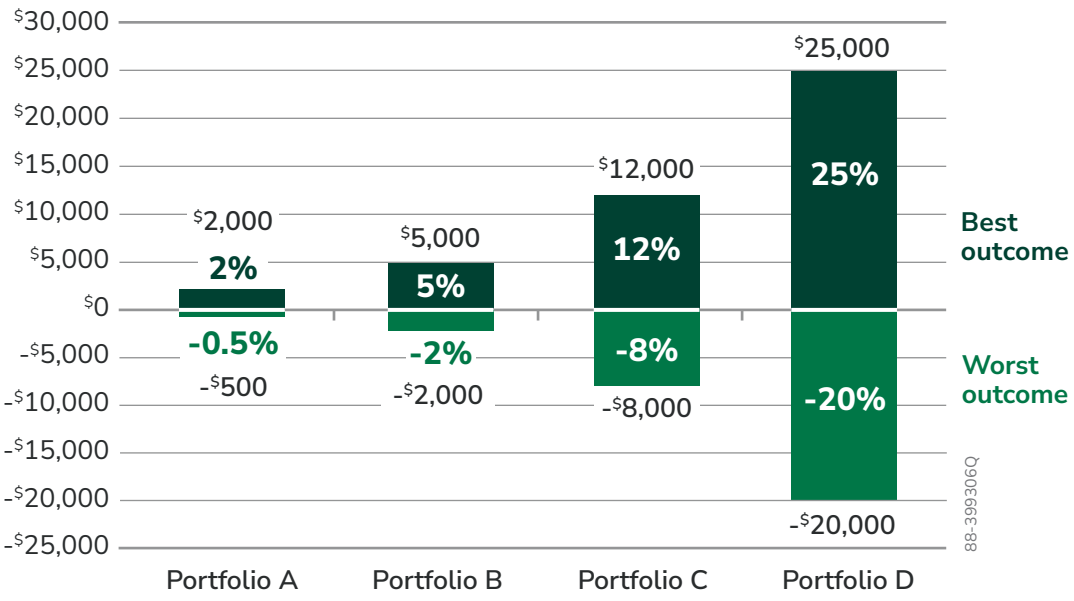
b. Somewhat agree **(6 points)**

c. Somewhat disagree **(3 points)**

d. Disagree **(0 points)**

All plans as specified:	

10. The illustration below shows the most likely range of gains or declines of four different portfolios within any given one-year period (i.e., there is the possibility to have either the best outcome or the worst outcome. The broader the range, the greater the possibility to have either increased gains or more significant declines.



* The maximum gain or loss on an investment is impossible to predict. The ranges shown in the chart are for demonstration purposes only.

Given this relationship between the best and worst outcomes, which portfolio would you be most likely to choose?

a. Portfolio A **(0 points)**

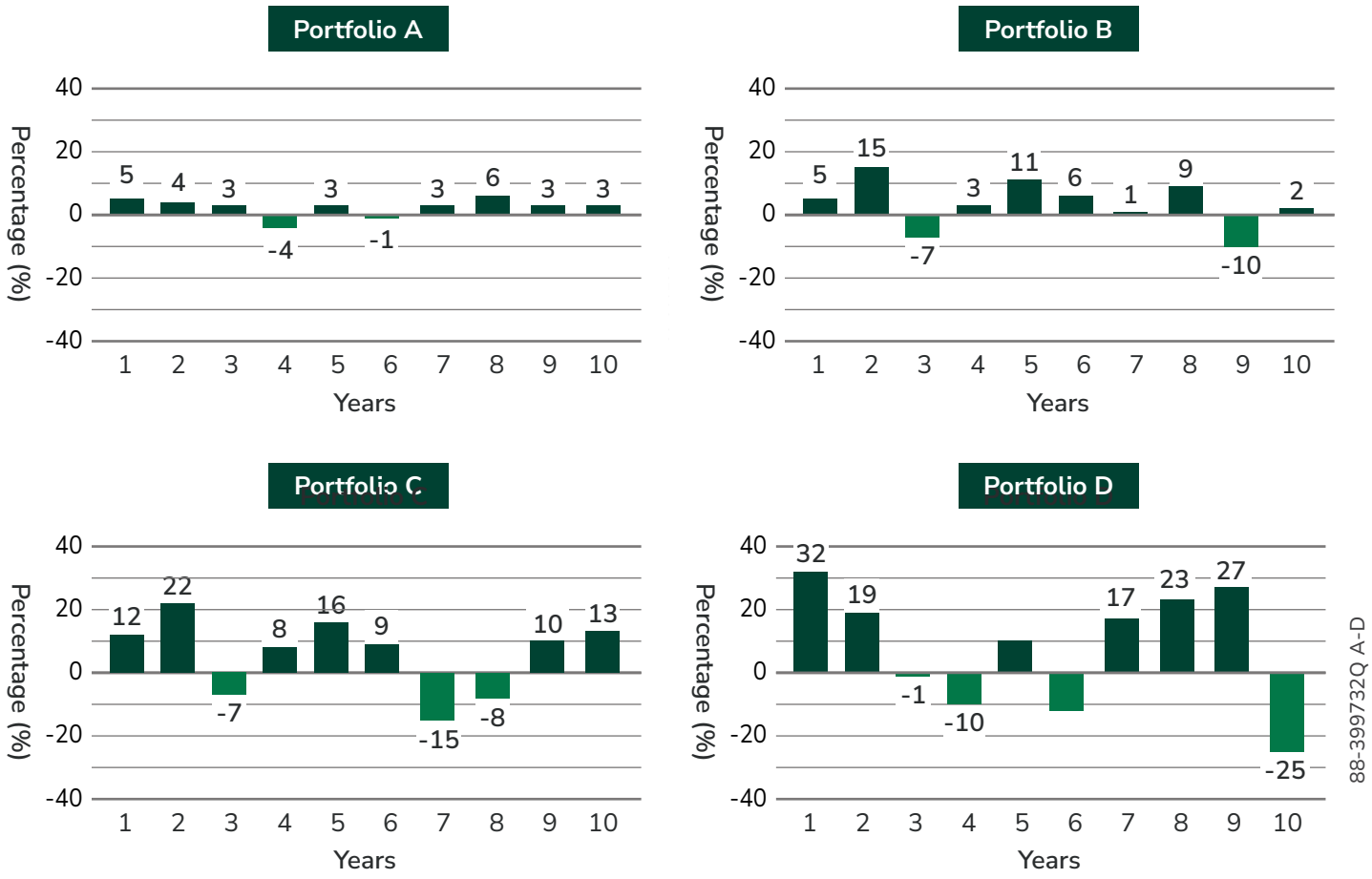
b. Portfolio B **(3 points)**

c. Portfolio C **(6 points)**

d. Portfolio D **(10 points)**

All plans as specified:	

11. Which of the following hypothetical portfolios would you feel most comfortable holding over a 10-year period?



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* The rate of return on an investment is impossible to predict. The ranges shown in the chart are for demonstration purposes only.

a. Portfolio A **(0 points)**

b. Portfolio B **(3 points)**

c. Portfolio C **(6 points)**

d. Portfolio D **(10 points)**

All plans as specified:	

12. Historically, there have been scenarios where despite several years of strong performance, well-diversified portfolios declined by 30% in a one-year period due to a major stock market decline. If this were to happen today, what would be your immediate reaction, prior to calling your Advisor?

a. I would consider this an opportunity and invest more **(10 points)**

b. I would stay the course but would not invest more **(6 points)**

c. I would sell a portion in an attempt to minimize further decreases and monitor the remaining investments closely **(3 points)**

d. I would have trouble sleeping at night, so I would sell my investments to avoid further decreases **(0 points)**

All plans as specified:	

Risk Tolerance Score

To calculate the Risk Tolerance score, add the scores for Questions 6 to 12 for each:

All plans as specified:	0
	-
	-
	-

Recommended risk profile

The total scores for the Risk Capacity and Risk Tolerance questions for your selections of 'All plans as specified' and/or specific plans as indicated are listed below under "Your answer". The risk profile for each is determined by the total score for either Risk Capacity or Risk Tolerance that falls furthest to the left of the below table.

Risk profiles	1	2	3	4	5	6
Risk capacity	-	<10	10-17	18-31	32-45	>45
Risk tolerance	<12	12-18	19-28	29-42	43-56	>56

All plans as specified

	Your answer
Risk Capacity **(total of questions 1-5)**	0
Risk Tolerance **(total of questions 6-12)**	0

	Your answer
Risk Capacity **(total of questions 1-5)**	0
Risk Tolerance **(total of questions 6-12)**	0

	Your answer
Risk Capacity **(total of questions 1-5)**	0
Risk Tolerance **(total of questions 6-12)**	0

	Your answer
Risk Capacity **(total of questions 1-5)**	0
Risk Tolerance **(total of questions 6-12)**	0

Note: selecting option (a) for Question 8 will result in a default score of 0 for Risk Tolerance and an overall risk profile of 1 – 'Very Low Risk'

Your risk profile for **all plans** as specified on page 3 is:	Very Low Risk
Your risk profile for _____ is:	-
Your risk profile for _____ is:	-
Your risk profile for _____ is:	-

Alternative risk profile

The above questions for Risk Capacity and Risk Tolerance may not capture every relevant factor that could determine a client's risk profile. If personal or financial circumstances not covered by this questionnaire impact your client's KYC information, record those here along with their resulting risk profile. A client's expectations for returns may conflict with the level of risk that they are willing and able to accept on their account. When taking these additional factors into consideration, it is important to demonstrate how they impact your client's Risk Capacity and Tolerance, ensuring that the more conservative of each is used to determine their risk profile. If a client's goals or return objectives cannot be achieved without taking greater risk than they are able or willing to accept, alternatives should be clearly explained such as saving more, spending less or retiring later.

Advisor Notes:

Advisor Signature:

Date:

Risk profiles	Profile definition	Recommended risk profile for Plan KYC
1. Very Low Risk profile	You have a very low tolerance for risk and are unable to tolerate any declines in your investments. You prefer knowing that your capital is safe and are willing to accept lower returns to protect your capital.	**Low:** Unlimited **Low-Moderate:** 0% **Moderate:** 0% **Moderate-High:** 0% **High:** 0%
2. Low Risk profile	You have a low tolerance for risk and are uncomfortable with a decline in the value of your investments. You are willing to accept lower returns in exchange for reduced volatility and risk in your investments	**Low:** Unlimited **Low-Moderate:** Up to 25% **Moderate:** 0% **Moderate-High:** 0% **High:** 0%
3. Low-Moderate Risk profile	You have a low-moderate tolerance for risk and may be seeking to maximize income from your investment. You are willing to accept some short-term fluctuations and declines in your investments in exchange for modest returns. While capital appreciation is typically not a priority, a small portion of the portfolio may be invested in equity funds to provide the potential for some growth to offset the impact of inflation.	**Low:** Unlimited **Low-Moderate:** Unlimited **Moderate:** Up to 25% **Moderate-High:** 0% **High:** 0%
4. Moderate Risk profile	You have a moderate tolerance for risk and a decline in the value of your investments. You are willing to tolerate some fluctuations in your investment returns for the opportunity to achieve moderate growth. You are comfortable with establishing a balance between risk and potential return in your investments.	**Low:** Unlimited **Low-Moderate:** Unlimited **Moderate:** Unlimited **Moderate-High:** Up to 25% **High:** 0%
5. Moderate-High Risk profile	You have a moderate-high tolerance for risk and a decline in the value of your investments. You are willing to tolerate larger fluctuations in your investment returns and moderate to large declines in investment values in exchange for potential long-term capital appreciation.	**Low:** Up to 25% **Low-Moderate:** Unlimited **Moderate:** Unlimited **Moderate-High:** Unlimited **High:** Up to 25%
6. High Risk profile	Your tolerance for risk, portfolio volatility and investment losses is high. You are willing to tolerate potentially significant and sustained price fluctuations to achieve maximum returns over the long term.	**Low:** Up to 10% **Low-Moderate:** Up to 25% **Moderate:** Unlimited **Moderate-High:** Unlimited **High:** Unlimited

* Although the suggested risk profile bands contemplate investments with a higher risk rating than the target profile, collectively, the overall risk should average out to the target profile. Example: A client with a Moderate-High Risk profile may invest up to 25% in High Risk investments, but should have the balance of their investments in Moderate or lower.

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