

What's your investment style?

This questionnaire is designed to measure how aggressively you should invest your retirement savings, given your financial situation and your personal sensitivity to short-term fluctuations in investment returns. It uses the information you provide to suggest an investment mix (i.e., how to invest your savings between stocks, bonds, etc.) that suits your investor profile.

Getting ready

Take the time to think about each question before answering—you want to be sure that your investment choices reflect your financial situation and your tolerance to investment risk.

Before you begin, be sure to have current information on your savings close at hand—including pension and savings plans with your current employer, retirement benefits, or savings you may have left with any previous employer, personal RRSPs, locked-in plans, etc.

This questionnaire is not intended to be a comprehensive analysis of your financial situation and the suggestions provided should not be interpreted as advice. You may want to consult a financial planner or financial advisor for detailed investment counsel.

Choose the most appropriate answer to each question by checking the boxes to the left. When you have answered all of the questions, consult Your Score to tabulate your result.

1 When do you plan on retiring?

- A. In less than 5 years
- B. Between 5 and 14 years from now
- C. Between 15 and 24 years from now
- D. In 25 years or more

2 Which of the following statements best describes your disposable income* at the moment?

- A. I need all of my disposable income to cover living expenses and I find it hard to meet my debt payments
- B. My disposable income covers living expenses and debts, but leaves very little for savings
- C. I can put money aside for upcoming expenses and for retirement
- D. My disposable income allows for substantial savings

* Simply put, your disposable income is your take-home pay, after income tax and other payroll deductions (employment insurance, government pension plans, etc.).

3 How would you describe your current financial situation?

- A. I have substantial debt and little or no savings
- B. I am reducing my debt and I have some small savings
- C. I have nearly repaid my debt and my savings are growing
- D. I have little or no debt and I have substantial savings
- E. I have little or no debt, but I have little or no savings either

Important: If you own a residence, your debt excludes your mortgage, and the value of your residence is not considered as savings.

4 How do your total retirement savings compare with your annual retirement savings contributions?

- A. Up to 5 times my annual contributions
- B. Between 6 and 10 times my annual contributions
- C. Between 11 and 20 times my annual contributions
- D. More than 20 times my annual contributions

5 Which of the following statements best describes how you currently invest your personal retirement savings?

- A. I have no retirement savings
- B. I am not sure how my retirement savings are invested
- C. I invest in conservative vehicles such as guaranteed investment certificates (GICs) or government bonds
- D. I invest mainly in a range of mutual funds, with or without the help of an investment advisor or financial planner
- E. I manage my personal investments, which include stocks and equity funds

6 Think of the total value of your retirement savings. How much of a drop in that value could you tolerate over a 1-year period without becoming anxious?

- A. I could not tolerate any drop in the value of my retirement savings
- B. I could tolerate a drop of up to 5%
- C. I could tolerate a drop of up to 10%
- D. I could tolerate a drop of up to 15%
- E. I could tolerate a drop of more than 15% over a 1-year period—I am invested for the long term

7 It is common knowledge that the value of investment funds varies over time. Imagine that you invested a large sum in a mutual fund last year. Since then, the fund has lost 20% of its value, despite very solid long-term historical performance. This decrease in value is consistent with the performance of similar investment funds over the same period. What would you do in this situation?

- A. I would take my money out of the fund before I lost any more
- B. I would take half of my money out of the fund
- C. I would do nothing in the hopes that the fund would go back up and I would suffer no actual loss
- D. I would take advantage of the drop to put more money into the fund

Imagine that a quarter of your total retirement savings, or \$10,000, was invested in this fund. This investment would now be worth \$8,000. How would you deal with this situation?

8 If you had to put all of your savings in one of the four portfolios (or investment baskets) shown below, which would you choose?

A portfolio that, over the next 3 years, would generate an average annual return of:

- A. Portfolio 1: between 2% and 4%
- B. Portfolio 2: between 0% and 8%
- C. Portfolio 3: between -3% and 12%
- D. Portfolio 4: between -5% and 20%

9 When you retire, what will drive how you convert your retirement savings into income?

- A. Security
- B. Flexibility
- C. Security and flexibility
- D. Flexibility in the early years, security in the later years
- E. I have no idea at the moment

Your score

Based on the answers you selected, tabulate your score in the following tables.

Question	A	B	C	D	E	Your score
1	0	3	5	7	—	
2	0	1	2	3	—	
3	0	2	4	6	5	
4	3	2	0	3	5	
5	2	2	0	3	5	
6	0	3	4	5	6	
7	0	2	4	5	—	
8	0	1	2	3	—	
Total						(A)

For question 9, pick one of the following based on how you answered question 1.




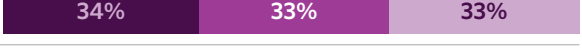

Your answer	A	B	C	D	E	Your score
< 5 years	0	10	5	7	5	
5 - 14 years	5	10	7	8	7	
15 - 25 years	10	12	10	10	10	
> 25 years	10	12	10	10	10	
Total						(B)

Now tabulate your score from questions 1 through 9:

_____ (A) + _____ (B) = _____ Total

Results

The following table shows you how a typical, well-informed investor would allocate his or her savings between the various asset categories. Find out what type of investor you are and how you could invest your savings.

If your score was...	you are this type of investor	How your savings could be allocated
between 0 and 10	Cautious	
between 11 and 20	Conservative	
between 21 and 30	Moderate	
between 31 and 40	Dynamic	
between 41 and 50	Aggressive	

Bonds
 Canadian equity
 Foreign equity

Your investment needs may change from time to time. You should redo this exercise at regular intervals or when your personal and financial situation changes.