



# Quadrus Investor Questionnaire

**QUADRUS**

Quadrus Investment Services Ltd.

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Date

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**Advisor information:**

Advisor name

Advisor code

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**Client information:**

New

Existing

**Primary owner:**

First name

Last name

**Joint owner:**

First name

Last name

**Corporate:**

Name

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# Dealer Investor Profile questions

**The first section** determines the maximum profile for clients based on their time horizon, investment needs and objectives and risk tolerance for up to four plans. **The second section** determines the maximum profile for clients based on their investment knowledge and risk capacity. **The Dealer Investor Profile for each plan** will be determined by taking the most conservative outcome of these two sections.



## Section 1

### Time horizon, investment needs and objectives and risk tolerance

This section is made up of four sub-sections that may differ based on the plan(s). For each plan, the plan level profile is determined by taking the most conservative outcome of the above noted sub-sections (the question on leveraging does not factor into the scoring).

**You can gather details for up to four plans. You can specify what each plan is for below (for example, RRSP, open, etc.).**

Plan 1:

Plan 2:

Plan 3:

Plan 4:

### Leverage

**For information purposes only and is not factored into scoring.**

Will you be borrowing money (in other words, taking out a loan or using a line of credit) to fund this purchase? **Note: if a non-registered plan is being opened, additional documentation will be required.** (For joint plans, if any account holder is borrowing money for this investment, answer **Yes**.)

Plan 1:

Plan 2:

Plan 3:

Plan 4:

## Time horizon

Enter the maximum rating a client can have based on time horizon (indicated in brackets) in the space(s) provided.

Considering your main goal for this plan, at what point do you expect that you'll have withdrawn all or a significant portion (50% or more) of the money from this particular account? (For joint plans, all account holders must agree on the answer.)

- a. 1-3 years **(Moderate)**
- b. 4-5 years **(Advanced)**
- c. 6-10 years **(Advanced)**
- d. Over 10 years **(Aggressive)**

Plan 1:

Plan 2:

Plan 3:

Plan 4:

## Investment needs and objectives

Enter the client's maximum rating (indicated in brackets) in the space(s) provided.

What is your primary goal for this portfolio? (For joint plans, all account holders must agree on the answer.)

- a. The safety of my investment is my only priority. **(Preservation)**
- b. I want to keep my money relatively safe and earn interest income. **(Conservative)**
- c. I am looking to invest in funds that focus on earning mainly interest income while also achieving modest asset growth. **(Moderate)**
- d. I primarily want my investment to grow, while also earning modest interest income. **(Balanced)**
- e. My primary goal is to invest in funds that focus on achieving maximum asset growth. **(Aggressive)**

Plan 1:

Plan 2:

Plan 3:

Plan 4:

## Risk tolerance

There are six questions in this section. Each answer has a score indicated in brackets. Once the section is complete, add up the scores of the six questions for each plan.

1. From September to November 2008, North American stock markets lost over 30%. If a similar situation occurred today, where your \$100,000 investment dropped to \$70,000 over a three-month period, for this account you would (For joint plans, all account holders must agree on the answer.):
  - a. Sell all the remaining investments to avoid further losses. **(0)**
  - b. Sell a portion of the remaining investment to protect some of the capital. **(3)**
  - c. Hold onto the investment and not sell any of it in the hope that the investment will recover. **(6)**
  - d. Buy more of the investment now since the prices are lower. **(10)**

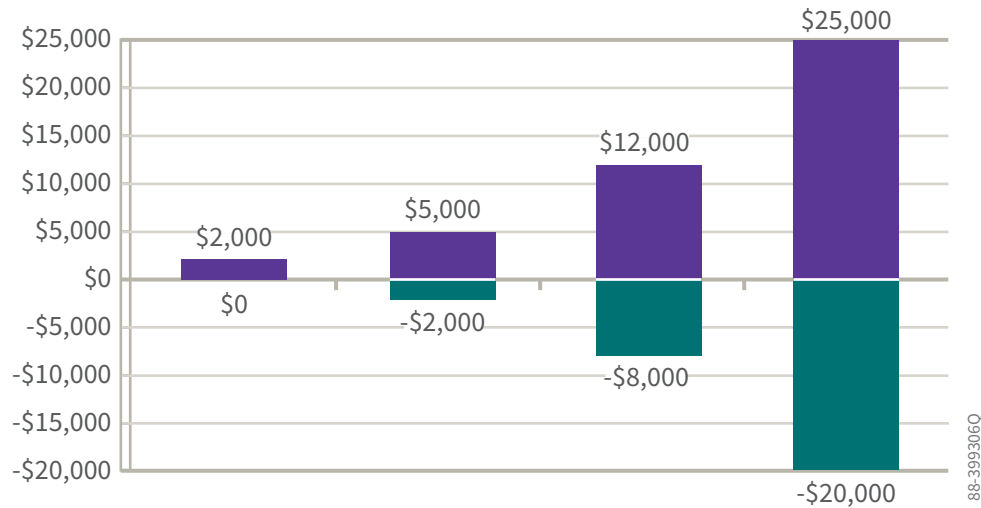
Plan 1:

Plan 2:

Plan 3:

Plan 4:

2. The chart below shows how market volatility can impact the value of four different investments of \$100,000 over a one-year period. Given the potential for these increases and/or decreases in market value in any one year, which investment would you likely invest your money in? (For joint plans, all account holders must agree on the answer.)



- EITHER a decrease of \$0 OR an increase of \$2,000 **(0)**
- EITHER a decrease of \$2,000 OR an increase of \$5,000 **(3)**
- EITHER a decrease of \$8,000 OR an increase of \$12,000 **(5)**
- EITHER a decrease of \$20,000 OR an increase of \$25,000 **(10)**

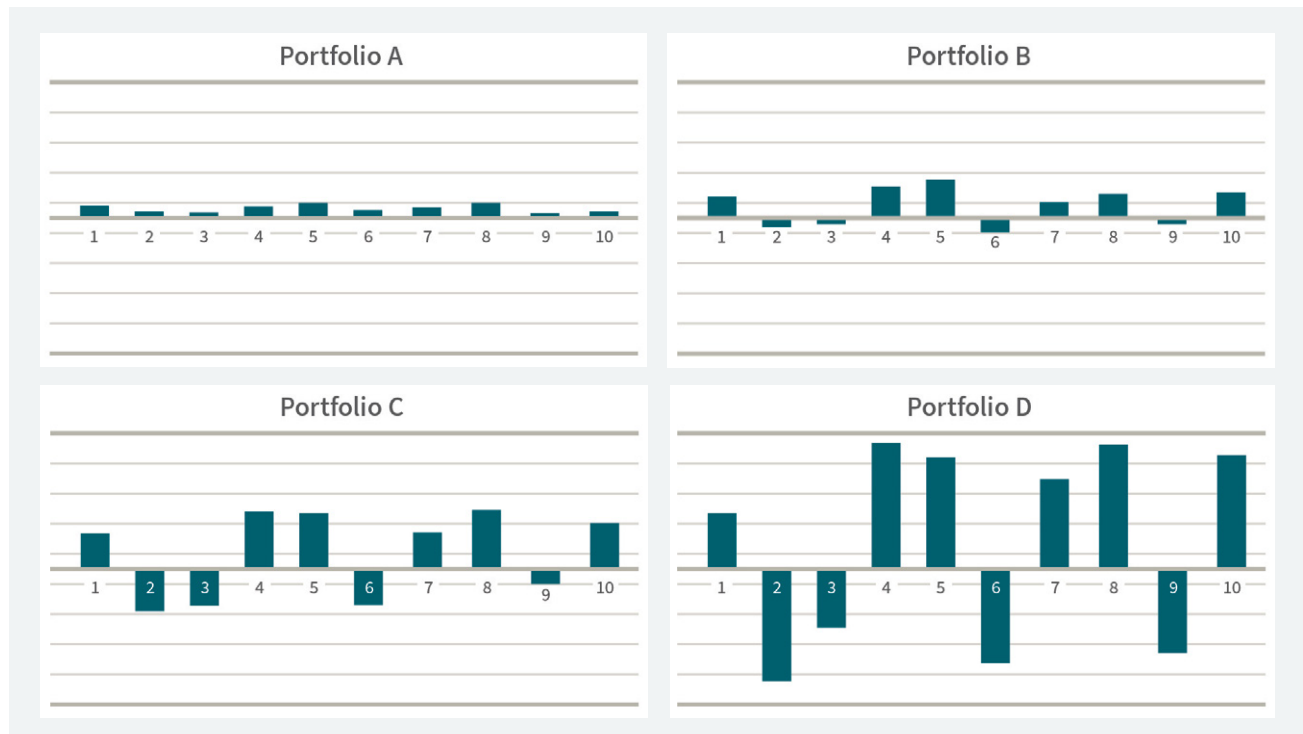
Plan 1:                                      Plan 2:                                      Plan 3:                                      Plan 4:

3. In making financial and investment decisions for this goal, you are (For joint plans, all account holders must agree on the answer):

- Very conservative and try to minimize risk (volatility in your portfolio) and avoid the possibility of any loss **(0)**
- Conservative, but willing to accept a small amount of risk **(4)**
- Willing to accept a moderate level of risk and tolerate some short-term volatility in your portfolio (that will translate into a loss only if sold) to achieve potentially higher returns **(6)**
- Aggressive and typically take on significant risk and are willing to tolerate higher, short-term volatility in your portfolio (that will translate into a loss only if sold) for the potential of achieving higher returns **(10)**

Plan 1:                                      Plan 2:                                      Plan 3:                                      Plan 4:

4. Investments with higher returns typically involve greater risk. The chart below shows hypothetical annual returns (annual increases and decreases to market value) for four different investment portfolios over a 10-year period. Keeping in mind how the returns fluctuate, which investment portfolio would you be most comfortable holding in this account? (For joint plans, all account holders must come to a consensus on the answer)



- Portfolio A - Small increases each year, no decreases **(0)**
- Portfolio B - Small to moderate increases most years, some small to moderate decreases in other years **(4)**
- Portfolio C - Moderate increases most years, some moderate decreases in other years **(6)**
- Portfolio D - Large increases in some years, some moderate to large decreases in the other years **(10)**

Plan 1:

Plan 2:

Plan 3:

Plan 4:

5. The value of an investment portfolio will generally go up and down over time. Assuming that you have invested \$100,000 in this goal, how much of a decline in your investment portfolio could you tolerate in a 12-month period? (For joint plans, all account holders must come to a consensus on the answer)

- I could not tolerate any loss **(0)**
- \$3,000 (-3%) **(3)**
- \$10,000 (-10%) **(6)**
- \$20,000 (-20%) **(9)**
- More than -\$20,000 (more than -20%) **(10)**

Plan 1:

Plan 2:

Plan 3:

Plan 4:

6. When you are faced with a major financial decision about this goal, are you more concerned about the possible losses or the possible gains? (For joint plans, all account holders must agree on the answer.)
- a. Always the possible losses **(0)**
  - b. Mainly the possible losses, with a lesser focus on gains **(3)**
  - c. Mainly the possible gains, with a lesser focus on losses **(6)**
  - d. Always the possible gains **(10)**

Plan 1:

Plan 2:

Plan 3:

Plan 4:

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The following key indicates the maximum rating permitted based on the cumulative scores:

- < 20 – **Preservation**
- 20-21 – **Conservative**
- 22-30 – **Balanced**
- 31-45 – **Advanced**
- > 45 – **Aggressive**

For each plan, add the scores for questions 1-6 and enter the result(s) in the following fields

Plan 1:

Plan 2:

Plan 3:

Plan 4:

## Results - Section 1

### Investment knowledge, Investment needs & objectives and Risk tolerance

For each plan, enter the most conservative of Investment knowledge, Investment needs & objectives and Risk tolerance

Plan 1:

Plan 2:

Plan 3:

Plan 4:

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## Section 2

### Investor knowledge and risk capacity

This section is made up of two sub-sections, most of which remain constant regardless of the plan held by the client(s). It is determined by taking the most conservative outcome of the client's investment knowledge and their financial capacity to take on risk. **Note: if this is a joint plan, the profile of the least conservative client becomes the client level profile for the plan because the capacity is based on the greater of the two profiles.**

Client 1 Name:

Client 2 Name:

### Investment knowledge

**There is one question in this sub-section. Enter the maximum rating the client can have based on knowledge (indicated in brackets) in the space provided.**

Which statement best describes your knowledge of investing?

- a. I have virtually no knowledge or experience with investing. My investment knowledge level is **“None.” (Balanced)**
- b. I have some basic knowledge of the financial markets and have limited experience with investing. My investment knowledge level is **“Limited.” (Advanced)**
- c. I am familiar with various investment strategies and am an experienced investor. My investment knowledge level is **“Good.” (Aggressive)**
- d. I have extensive knowledge of the financial markets and have a significant amount of experience investing. My investment knowledge level is **“Excellent.” (Aggressive)**

Client 1 Rating:

Client 2 Rating:

### Risk capacity

**There are six questions in this section. Enter the score indicated in brackets in the space provided. Once the section is complete, add up the scores of the six questions for each client.**

1. What is your annual gross income (from all sources)?

- a. Less than \$30,000 **(1)**
- b. \$30,000 - \$60,000 **(3)**
- c. \$60,001 - \$90,000 **(6)**
- d. \$90,001 - \$120,000 **(8)**
- e. Over \$120,000 **(10)**

Client 1 Score:

Client 2 Score:



2. How would you classify your current/future income source(s)?

- a. Stable **(8)**
- b. Somewhat stable **(4)**
- c. Unstable **(1)**

Client 1 Score:

Client 2 Score:

3. What is your estimated net worth (What you own minus what you owe)?

- a. Under \$50,000 **(1)**
- b. \$50,000 - \$99,999 **(3)**
- c. \$100,000 - \$200,000 **(7)**
- d. Over \$200,000 **(10)**

Client 1 Score:

Client 2 Score:

If individual plan and above includes spouse's net worth, tick this box

4. Liquid assets are assets that you can redeem for cash quickly and easily for the purpose of covering a shortfall, an unexpected expense, or a short-term goal. What is the value of your liquid assets?

- a. Under \$25,000 **(1)**
- b. \$25,000 - \$49,999 **(3)**
- c. \$50,000 - \$100,000 **(7)**
- d. Over \$100,000 **(10)**

Client 1 Score:

Client 2 Score:

If individual plan and above includes spouse's liquid net worth, tick this box

5. What is your age group?

- a. Under 35 **(20)**
- b. 35-54 **(12)**
- c. 55-64 **(6)**
- d. 65 or older **(3)**

Client 1 Score:

Client 2 Score:

6. For each plan noted earlier, identify the approximate percentage of your total savings and investments that the plan represents?

- a. Less than 25% **(10)**
- b. 25% - 50% **(5)**
- c. 51% - 75% **(4)**
- d. More than 75% **(2)**

Plan 1:

Plan 2:

Plan 3:

Plan 4:

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The following key indicates the maximum rating permitted based on the cumulative scores for risk capacity:

- Less than 20 – **Conservative**
- 20-35 – **Balanced**
- 36-50 – **Advanced**
- More than 50 – **Aggressive**

For each plan, add the scores for questions 1 to 5 (constant for all plans) to the score for question 6 and enter the result in the following fields. Note: If the plan(s) are joint, use the highest client score from questions 1 to 5.

Plan 1:

Plan 2:

Plan 3:

Plan 4:

## Results - Section 2

### Investor knowledge & risk capacity

For each respective plan, use the most conservative result of knowledge and risk capacity. **If a plan is joint, use the score of the client with the highest score**

Plan 1:

Plan 2:

Plan 3:

Plan 4:



## Overall dealer investor profile(s)

For each respective plan, indicate the most conservative result between **Section 1** (Time horizon, investment needs and objectives & risk tolerance) and **Section 2** (Knowledge & risk capacity)

Plan 1:

Plan 2:

Plan 3:

Plan 4:

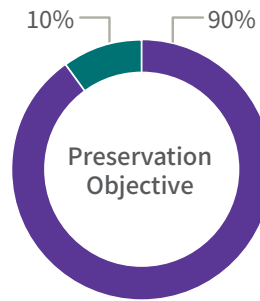
## Definitions

### Preservation

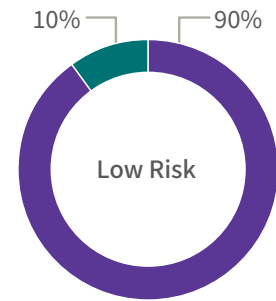
You have a very low tolerance and/or financial capacity to take on risk and, for that reason, you're unable to withstand any investment losses. Your investment time horizon is likely quite short. You prefer knowing that your capital is safe and you're not concerned with returns.

**Asset allocation target:** 100% money market, low risk

**KYC info:** Preservation, Low risk



■ Money Market 90%  
■ Other funds allowance 10%



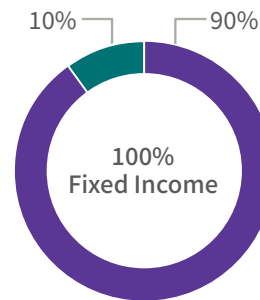
■ Low risk 90%  
■ Higher risk allowance 10%

### Conservative

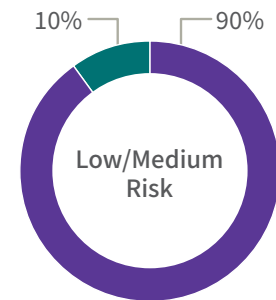
You have a low-medium tolerance and/or financial capacity to take on risk and you're willing to accept some small short-term fluctuations and small losses in your investment portfolio in exchange for modest returns. Your investment time horizon is likely quite short. You prefer knowing that your capital is relatively safe and you're willing to accept lower returns to protect your capital.

**Asset allocation target:** 100% Income classified funds, no more than 10% > Low-medium risk

**KYC info:** 100% fixed Income, Low-Medium risk



■ Income 90%  
■ Other funds allowance 10%



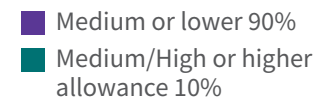
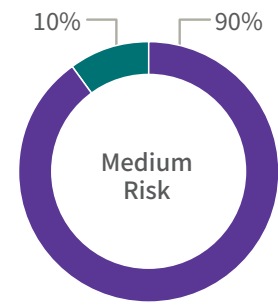
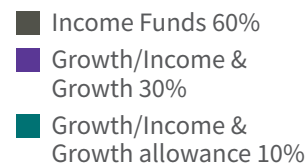
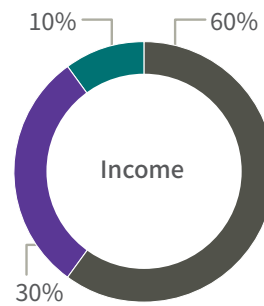
■ Low/Medium risk 90%  
■ Higher risk allowance 10%

## Moderate

You have a medium tolerance and/or financial capacity to take on risk and likely have a relatively short time horizon. You're willing to tolerate some fluctuations in your investment returns and moderate losses of capital. The primary objective of your investment portfolio will be to generate interest income by primarily selecting funds that invest in fixed-income securities. While capital appreciation is not a priority, a small portion of the portfolio may be invested in Growth classified funds to provide the potential for some growth to offset the impact of inflation.

**Asset allocation target:** Minimum 60% Income classified funds, no more than 10% > Medium risk

**KYC info:** Income, Medium risk

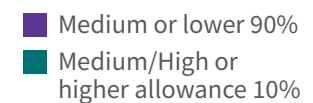
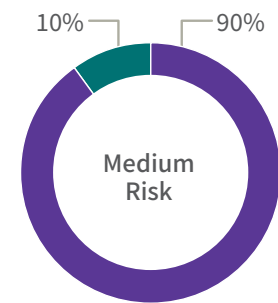
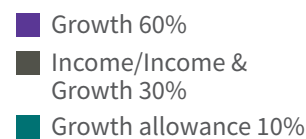
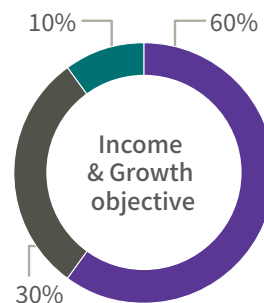


## Balanced

You have a moderate tolerance and/or financial capacity to take on risk. You're willing to tolerate some fluctuations in your investment returns and moderate losses of capital. You have at least a medium-term investment time horizon. The objective of your portfolio will be to generate a combination of interest income and long-term capital growth and therefore the portfolio will include a maximum of 70% in Growth classified investments.

**Asset allocation target:** Maximum 70% Growth classified funds, no more than 10% > Medium risk

**KYC info:** Income & Growth, Medium risk

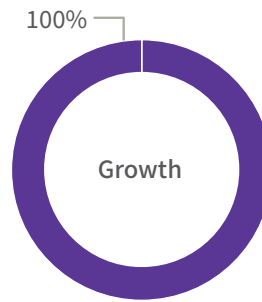


## Advanced

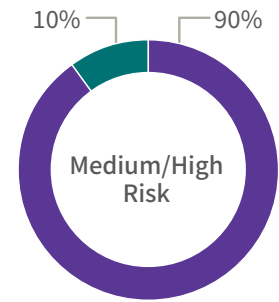
You have a medium-high tolerance and/or financial capacity to take on risk. You're willing to tolerate large fluctuations in your investment returns and moderate to large losses of capital in exchange for potential long-term capital appreciation. You have at minimum, a basic understanding of the financial markets. You don't have a significant desire to earn interest income in your investments. You have a medium to long-term investment time horizon.

**Asset allocation target:** Up to 100% Growth classified funds, no more than 10% > Medium-High risk

**KYC info:** Growth, Medium-High risk



■ Growth 100%



■ Medium/High or lower 90%

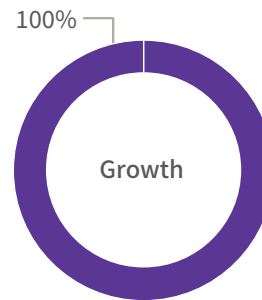
■ High allowance 10%

## Aggressive

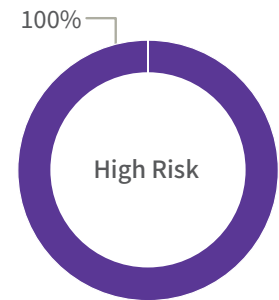
You have a high tolerance and financial capacity to take on risk. You're willing to tolerate potentially significant and sustained price fluctuations and large losses of capital. You have at minimum, a good understanding of the financial markets. You have no desire to earn interest income in your investments and have a long investment time horizon.

**Asset allocation target:** Up to 100% Growth classified funds, no restriction on risk

**KYC info:** Growth, High risk



■ Growth 100%



■ High Risk or lower 100%

# Dealer Investor Profile



## Risk:

Plan 1

Plan 2

Plan 3

Plan 4



## Objective:

Plan 1

Plan 2

Plan 3

Plan 4



## Alternative investor profile options and reason why:

This questionnaire may not capture every relevant factor that could determine a client's investor profile. If personal or financial circumstances not covered by this questionnaire impact the client's dealer investor profile and their Know Your Client (form), **record those here along with their resulting profile.**

Plan 1

Plan 2

Plan 3

Plan 4

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

# QUADRUS