

I know my risk profile:

Answer the following questions which will help you to determine how you should approach investment offerings. Every investment is based on low, medium or high risk. This means that for low risk there is low returns and low losses, medium risk means medium returns and medium losses and high risk pays the best returns but the losses are the highest. In the questionnaire below, all figures are in Jamaican dollars (J\$).

1. Age

- 25 to 50 (3 months)

- 50 to 65 (2 points)

- Older than 65 (1 point)

2. Assets (excluding emergency fund and personal property)

- More than JA\$4,400,000.00 (3 points)

- \$2,000,000 to \$4,400,000.00 (2 points)

- Less than \$2,000,000 (1 point)

3. Attitude

How would you feel if a stock of yours dropped 50 points in a day?

- I'd take it in my stride (3 points)

- I'd be upset but I'd invest again (2 points)

- I'd never want to invest again (1 point)

4. Debts (excluding home mortgage)

- Less than 10% of take-home pay (3 points)

- 10% to 15% of take-home pay (2 points)

- More than 15% of take-home pay (1 point)

5. Emergency Fund

- More than six months' expenses (3 points)

- Three to six months' expenses (2 points)

- Less than three months' expenses (1 month)

6. Feelings about the Future of the Local and Global economy

- Optimistic (3 points)

- Unsure (2 points)
- Pessimistic (1 point)

7. Annual household income

- More than \$5,280,000 (3 points)
- Between \$2,640,000 and \$5,280,000 (2 points)
- Less than \$2,640,000 (1 point)

8. Investment Knowledge and experience level

- Knowledgeable, calm and self-assured (3 points)
- Some knowledge and experience (2 points)
- Little knowledge or experience (1 point)

9. Present investment portfolio

- Mostly real estate, stock, growth funds (3 points)
- Mostly bonds, annuities, treasuries (2 points)
- Mostly CDs, money market accounts (1 point)

10. Retirement Date

- Ten years or more away (3 points)
- Three to ten years away (2 points)
- Less than three years away (1 point)

Total score:
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What your Risk Tolerance score says about your appetite for risk.

- Score with total points 23 or more: you are in a good position to increase your risk tolerance
- Score of 15 to 23 points: indicates a moderate risk tolerance
- Score of less than 15 points: low risk tolerance
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The Investment Pyramid



High Risk assets	Medium Risk assets	Low Risk assets
✓ Futures/options	¶ Blue chip stocks	✓ Bank Savings accounts
✓ Speculative stocks	¶ High-grade corporate /government bonds	✓ CDs
✓ Lower grade bonds	¶ Real estate	✓ Money Market accounts /funds
✓ Collectibles	¶ Mutual funds	✓ Life insurance cash values
✓ Ponzi schemes	¶ Annuities (variable)	✓ Annuities (fixed)
✓		✓ T-Bills
		✓ Home equity
		✓ Pension Plan funds