



# THE OPTIMIZED PORTFOLIO SYSTEM

## INVESTMENT ALLOCATION QUESTIONNAIRE

Prepared for: \_\_\_\_\_

Prepared by: \_\_\_\_\_



Securities offered through ValMark Securities, Inc. Member FINRA, SIPC  
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Investment Advisory services offered through ValMark Advisers, Inc.  
A SEC Registered Investment Advisor (10/10)

## TOPS™ Overview

TOPS™ is a goal-based asset allocation program, which seeks to provide a return that is commensurate with the risk associated with each investment portfolio. The TOPS™ Investment Committee has carefully crafted each portfolio ranging from Income & Growth to Aggressive Growth utilizing many principals of Modern Portfolio Theory. The portfolios of TOPS™ invest, primarily, in Exchange-Traded Funds.

The TOPS™ Program allows each client to select an asset allocation strategy which has the level of risk acceptable to the client. Each portfolio is designed to diversify investment assets amongst many asset classes; and to pursue a strategic asset allocation and investment strategy over a time horizon of at least five years. Financial Consultants will assist clients in assessing their financial situation, identifying their investment objectives, and determining which strategy may be suitable for their objectives.

TOPS™ offers clients the ability to select from six portfolio strategies:

**TOPS™ 1 – Income & Growth**, which seeks to provide primarily income, with growth of capital and a relatively low level of volatility;

**TOPS™ 2 – Balanced**, which seeks to provide investors with a total return in the form of growth of capital and income, while maintaining a moderate level of volatility;

**TOPS™ 3 – Moderate Growth**, which seeks to provide growth of capital, where capital growth takes precedence over the reduction of volatility;

**TOPS™ 4 – Growth**, which seeks to provide primarily growth of capital, at a level of risk expected to be lower than that of an investor fully invested in equity-based investment options. The Portfolio allocates some investments to bond and money market asset classes in order to diversify the Portfolio, to provide for liquidity, and to reduce Portfolio volatility.

**TOPS™ 5 – Core Equity**, which seeks to provide growth of capital through investment exposure to Core Equity asset classes, and is intended to complement an existing portfolio that is primarily invested in bonds and other conservative investments. The Portfolio places greater emphasis on large cap equity investments.

**TOPS™ 6 – Aggressive Growth**, which seeks to provide growth of capital through exposure to investments across multiple equity asset classes. The Aggressive Growth Portfolio is anticipated to be the riskiest of the 5 Portfolios available for investing through the TOPS™ Program. Clients invested in this Portfolio should expect greater volatility and more aggressive risk return characteristics.

**\*TOPS™ Custom Portfolios.** At the discretion of ValMark Advisers, Inc.



# Risk Tolerance Questionnaire

This educational questionnaire is designed to help you select the Strategic Allocation Portfolio that is best suited for you. The following questions consider your time horizon, long-term goals and attitude towards risk. Please answer each question and place the corresponding value in the box provided. After adding up the values, please refer to the scoring guide to assist in selecting a Strategic Allocation Portfolio.



**1. My current age is:**

- A. Less than 50 years ..... 8 POINTS
- B. 50 – 55 years ..... 6 POINTS
- C. 56 – 62 years ..... 5 POINTS
- D. 63 – 69 years ..... 4 POINTS
- E. 70 years and older ..... 2 POINTS

**2. the earliest date on which I plan to withdraw money from this account is:**

- A. 15 years or more ..... 10 POINTS
- B. 10 – 14 years ..... 8 POINTS
- C. 7 – 9 years ..... 5 POINTS
- D. 4 – 6 years ..... 3 POINTS
- E. 3 years or less ..... 0 POINTS

**3. The answer below that best describes how I will eventually withdraw money from this account is:**

- A. Either as a lump sum or over a period of 4 years or less ..... 0 POINTS
- B. Spread gradually over a period of 5 to 9 years ..... 1 POINT
- C. Spread gradually over a period of 10 to 14 years ..... 3 POINTS
- D. Spread gradually over a period of 15 to 19 years ..... 4 POINTS
- E. Spread gradually over a period of 20 years or more ..... 5 POINTS

**4. The percentage of my overall investable assets that this account represents is:**

- A. Less than 25% ..... 5 POINTS
- B. 25 – 50% ..... 4 POINTS
- C. 51 – 75% ..... 2 POINTS
- D. Greater than 75% ..... 1 POINT

**5. My overall knowledge of investments is:**

- A. HIGH: I have extensive experience in investing and have a broad understanding of capital markets in general ..... 5 POINTS
- B. MEDIUM: I have some experience investing in mutual funds or individual stocks and bonds ..... 3 POINTS
- C. LOW: I have very little investment experience outside of bank savings accounts, money market funds and certificates of deposit (CDs)..... 2 POINTS

**6. When thinking about my investment portfolio, I would describe myself as:**

- A. Wanting my money to have as much growth potential as possible, regardless of fluctuation in account value ..... 6 POINTS
- B. Wanting to maintain a balanced mix of investments with some fluctuation and growth potential ..... 3 POINTS
- C. Wanting as much assurance as possible that the value of my investment portfolio savings will not go down ..... 1 POINT

**POINTS**

**POINTS**

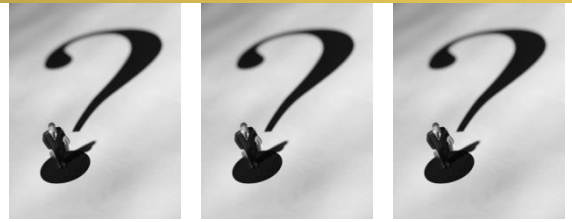
**POINTS**

**POINTS**

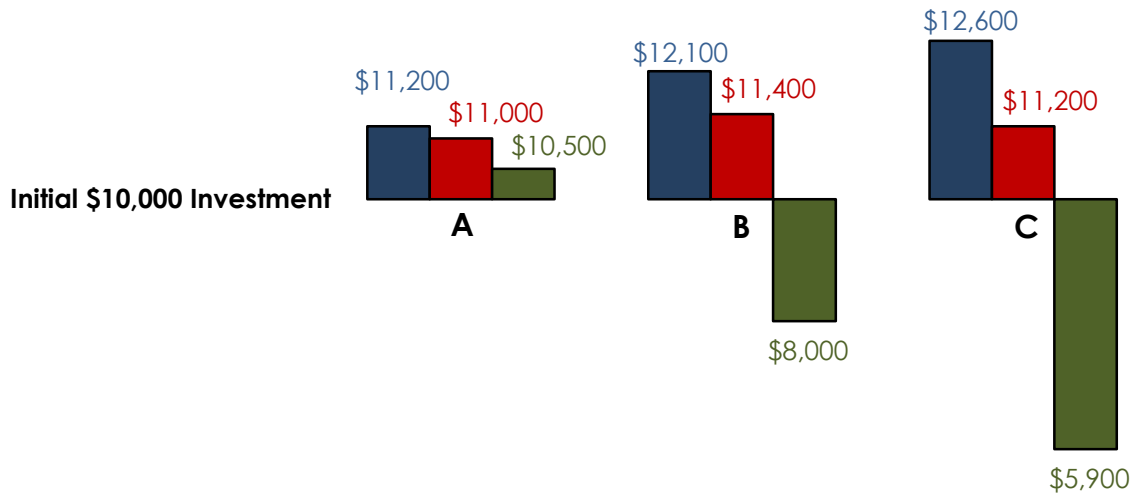
**POINTS**

**POINTS**

# Risk Tolerance Questionnaire



7. The following graph shows the possible outcomes (best, average and worst case scenario) of \$10,000 invested in three different portfolios over one year.



THESE HYPOTHETICAL PERFORMANCE EXPERIENCES DO NOT REPRESENT ACTUAL OR PREDICTED RESULTS.

The portfolio that best represents how I would invest is:

- A. Portfolio A ..... 1 POINT
- B. Portfolio B ..... 3 POINTS
- C. Portfolio C ..... 6 POINTS

**POINTS**

8. If the value of my portfolio decreased by 20% in one year, I would most likely:

- A. Not be concerned about the short-term fluctuation in my investment ..... 6 POINTS
- B. Be somewhat concerned and would consider using a more conservative portfolio ..... 3 POINTS
- C. Be very concerned and would sell my portfolio and reinvest in a more conservative investment such as a money market fund or stable value fund ..... 1 POINT

**POINTS**

PLEASE PROCEED TO SCORING SECTION BELOW

## SCORING SECTION

Add up the points scored for each section and place the sum in the Total Points box at right. Use the ranges below to help determine which portfolio is appropriate. The tool is designed to place clients in an appropriate portfolio range and all portfolios close to final score should be considered for investment.

- Income & Growth Portfolio ..... 8 TO 12 POINTS
- Balanced Portfolio ..... 13 TO 19 POINTS
- Moderate Growth Portfolio ..... 20 TO 29 POINTS
- Growth Portfolio ..... 30 TO 37 POINTS
- Core Equity ..... 38 TO 45 POINTS
- Aggressive Growth Portfolio ..... 46 TO 51 POINTS

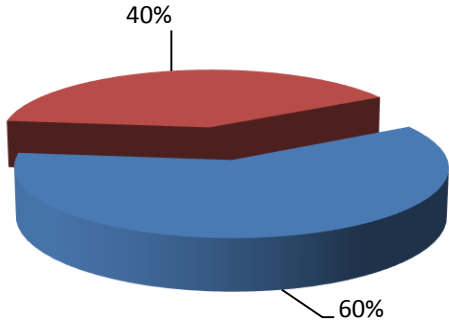
**POINTS**

Investment Questionnaire Scoring Results Guide

**TOPS 1-Income & Growth**

8-12 score

40/60

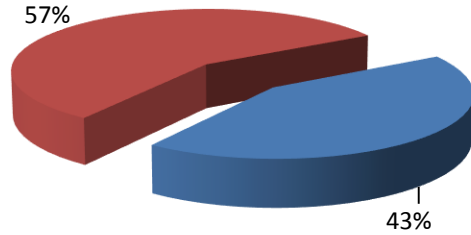


■ Fixed Income - 60%      ■ Equities - 40%

**TOPS 2-Balanced**

13-19 Score

57/43

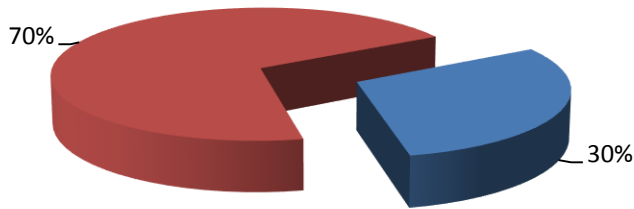


■ Fixed Income - 43%      ■ Equities - 57%

**TOPS 3-Moderate Growth**

20-29 Score

70/30

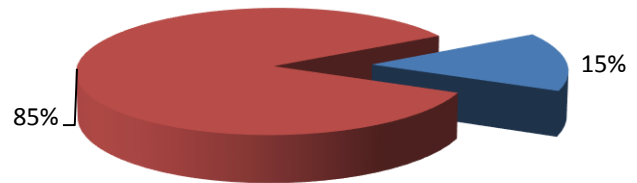


■ Fixed Income - 30%      ■ Equities - 70%

**TOPS 4-Growth**

30-37 Score

85/15

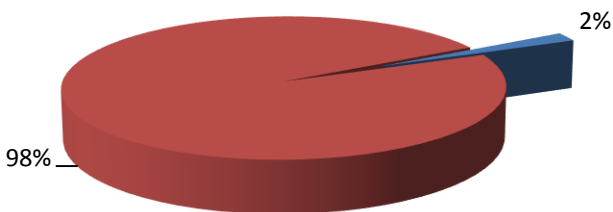


■ Fixed Income - 15%      ■ Equities - 85%

**TOPS 5-Core Equity**

38-45 SCORE

98/2

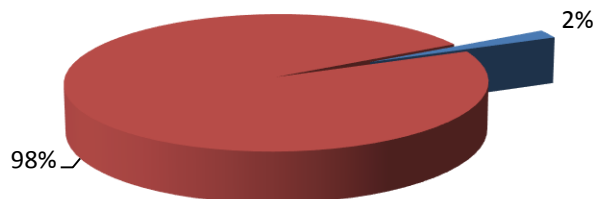


■ Fixed Income - 2%      ■ Equities - 98%

**TOPS 6-Aggressive Growth**

46-51 SCORE

98/2



■ Fixed Income - 2%      ■ Equities - 98%

