

## Investment Personality Test

Please note: This test is not a substitute for personal consultation and advice. It is meant for informational purpose only.

### Part 1

*Please answer the following questions. Numbers in brackets denote the points you should give yourself for assessing your financial personality.*

What is your performance goal in terms of your expected average inflation-adjusted return per year?

- Less than 2% (1)
- 2% to 4% (2)
- More than 4% up to 6% (3)
- More than 6% up to 8% (4)
- More than 8% (5)

What is your most important investment goal? (*Select any one*)

*My most important investment goal is*

- to grow my assets as fast as possible (5)
- to grow my assets significantly but also to draw some income (4)
- to receive a regular income from my investments but also to grow my assets more than the inflation rate (3)
- to draw regular income and protect my assets from losses (2)
- to protect my assets against losses, over and above any other goals (1)

*Please tell us now if you agree or disagree with the following statements.*

“I want a guaranteed income from my investments, even if I have to accept a lower rate of return”

- Completely agree (1)
- Agree slightly (2)
- Neither agree nor disagree (3)
- Disagree slightly (4)
- Completely disagree (5)

“I cannot afford to lose my assets even if it means lowering the chances of a good return.”

- Completely agree (1)
- Agree slightly (2)
- Neither agree nor disagree (3)
- Disagree slightly (4)
- Completely disagree (5)

“I want to be sure that I can sell all or parts of my portfolio quickly (within days) if I have a need for liquidity.”

- Completely agree (1)
- Agree slightly (2)
- Neither agree nor disagree (3)
- Disagree slightly (4)
- Completely disagree (5)

Total points for Part 1: .....

## Part 2

*Please answer the following questions.*

How old are you?

- Less than 30 years (1)
- 30-39 years (2)
- 40-49 years (3)
- 50-59 years (4)
- 60 years or older (5)

In case you were to lose your regular source of income: For how long can you finance your living without having to sell parts of your long-term investment portfolio (life insurance, securities, real estates etc.)?

- More than 5 years (1)
- 2-5 years (2)
- 12 months-2 years (3)
- 6-12 months (4)
- Less than 6 months (5)

How predictable and sufficient is your source of income?

- I have no regular source of income (5)
- Somewhat predictable but can fluctuate from month to month (4)
- Reasonably predictable, with some excess income to invest from time to time (3)
- Predictable and sufficient to allow for periodic investment (2)
- Very predictable with a large excess income to invest on a regular basis (1)

Do you expect to have large cash needs in the future that would tap into a significant part of your present assets? (e.g. buying a house, starting a business, paying for retirement etc.)

- No, I do not expect large cash needs (5)
- Yes I do, earliest in more than 15 years (4)
- Yes I do, earliest in 11-15 years (3)
- Yes I do, earliest in 6-10 years (2)
- Yes I do, within the next 5 years (1)

Which statement describes your level of investment knowledge best?

- I have no knowledge and rely completely on my wealth manager (1)
- I have a little knowledge but I leave most decisions to my wealth manager (2)
- I have some knowledge but lack the time or desire to follow the markets (3)
- I have good knowledge and follow the market development closely, and make joint decisions with my wealth manager (4)
- I have excellent knowledge and take most decisions on my own (5)

Total points for Part 2: .....

**Part 3**

*Please select the answer that best describes your attitude.*

A bet has a 50% probability of losing 10,000 USD and a 50% probability of gaining 15,000 USD. I would ...

- ...definitely decline the bet (1)
- ... probably decline the bet (2)
- ... be undecided about the bet (3)
- ...probably take the bet (4)
- ...definitely take the bet (5)

If my investment portfolio fell by 10% I would...

- ...definitely take all my money out of the market (1)
- ... probably take my money out of the market (2)
- ... be undecided on whether to take my money out of the market (3)
- ...probably not take my money out of the market (4)
- ...definitely not take my money of the market (5)

*Please tell us now if you agree or disagree with the following statements.*

“Stock market crashes have their good side: I can go bargain shopping for cheap investments afterwards.”

- Completely agree (5)
- Agree slightly (4)
- Neither agree nor disagree (3)
- Disagree slightly (2)
- Completely disagree (1)

“I get nervous when the market strongly moves up and down in a short time span.”

- Completely agree (1)
- Agree slightly (2)
- Neither agree nor disagree (3)
- Disagree slightly (4)
- Completely disagree (5)

“The global financial market system is capable of pulling through, in spite of major upheavals.”

- Completely agree (5)
- Agree slightly (4)
- Neither agree nor disagree (3)
- Disagree slightly (2)
- Completely disagree (1)

Total points for Part 3: .....

**Evaluation:**

*Please add up your points for every part of the questionnaire separately.*

*Our test determines your investor personality type in all three dimensions:*

- *Investment goals (Part 1)*
- *Risk tolerance (Part 2)*
- *Ability to cope with uncertainty (Part 3)*

Part 1: Investment goals

5-11 points: Your goals show that you tend to be a conservative investor of Type A. You typically expect a very moderate return but you highly value the protection of your assets at all times. Receiving regular income is probably high on your list of priorities.

12-18 points: Your goals show that you have a balanced Type B investor personality. Asset protection and performance goals should be in balance. Regular income from your assets may be part of your equation.

19-25 points: Your goal evaluation shows that you tend to expect a strong performance from your investments. Asset protection, security and a regular income are most likely less important to you, at least over the short-term. You are probably of Type C with regard to investment goals.

Part 2: Risk tolerance

5-11 points: Your risk tolerance tends to be above average, indicating that you are a Type C long-term investor. This may be due to a number of factors like your relatively young age, or the fact that you need not to rely on income or payments from your asset base. It may be also just due to the fact that you accept high volatility in the short-term to gain bigger returns in the long-term.

12-18 points: Your risk tolerance seems to be somewhere in the middle ground. This is typical for balanced investors of Type B. Usually this happens because different factors that influence risk tolerance cancel each other out. For example, you may be retired and receiving some income from your assets and not planning to make any more big purchases from your assets.

19-25 points: Your relatively high score in this part of the test shows your conservative risk tolerance. This indicates an investor personality of Type A with regard to risk tolerance. A number of factors like age, dependence on income streams or general aversion to volatility leads to low risk tolerance.

Part 3: Ability to cope with uncertainty

5-11 points: Your score indicates that you do not wish to cope with high uncertainty in financial matters. Peace of mind is of high priority to you. This points to a Type A conservative investor personality.

12-18 points: This is a moderately high score. It is typical for a balanced investor of Type B. Uncertainty to moderate extents is acceptable. But you would probably be worried by longer periods of upheaval in the markets if this could impact your portfolio.

19-25 points: You seem to be a typical long-term investor of Type C with a Zen personality when it comes to investing. Volatility, crashes or bad news do not worry you. You may even see them as good news and smell opportunity. But make sure this is not reflected only in your responses to a questionnaire, but also in potentially harsh reality.

So which personality type is closest to you? The conservative type (A), the balanced type (B) or the long-term investor type (C). Or are you a combination of these types? Ideally you display the same type (A, B or C) across all three dimensions. In this case the judgement is clear, and you have certain clear guidelines for designing your asset allocation accordingly. In other cases you may display a conservative Type A personality with respect to your goals, for instance, but in terms of risk tolerance and ability to cope with uncertainty you tend to be more of a balanced Type B. In this case your asset allocation will probably end up somewhere in between Type A and Type B.

A difficult situation arises if your test indicates that your investor personality is all over the place. We have seen quite a few examples of investors with C type goals (more aggressive), A or B type risk tolerance (conservative or balanced) and very conservative A-type ability to cope with uncertainty (very sensitive to uncertainty and extremely cautious). In these cases we recommend that people should reconsider their goals as they obviously do not match with their ability to cope with uncertainty. If they fail to reframe their goals, they will typically switch their behaviour between all types of personalities, with very poor outcomes.

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