SHEAR CAPITAL GROUP, LLC
Financial Planning and Wealth Management Services

Risk Tolerance Questionnaire

This short questionnaire helps determine your investment experience, goals, and emotional response to market changes—key elements in building a personalized financial strategy.

Investment History (not scored)

1. What is your experience and overall knowledge of investments?

- ○ I have no investment experience and a very low knowledge level regarding investments.
- ○ I have very little investment experience and a fairly low knowledge level.
- ○ I have some experience investing in mutual funds and am somewhat knowledgeable.
- ○ I have some experience investing in mutual funds, individual stocks and bonds and am somewhat knowledgeable.
- ○ I am an experienced investor and have a solid knowledge base regarding investments and am aware that markets can be volatile and unpredictable.

Time Horizon

2. When do you expect to begin withdrawing money from your investment account?

- ○ Less than 2 years
- ○ 3 to 4 years
- ○ 8 to 10 years
- ○ 2 years
- ○ 5 to 7 years
- ○ 11 years or more

3. Once you begin withdrawing money from your investment account, how long do you expect the withdrawals to last?

- ○ I plan to take a lump sum distribution
- ○ 1 to 4 years
- ○ 5 to 7 years
- ○ 8 to 10 years
- ○ 11 years or more

Risk Tolerance

4. Inflation, the rise in prices over time, can erode your investment return. Longterm investors should be aware that. if portfolio returns are less than the inflation rate, their ability to purchase goods and services in the future might actually decline. However, portfolios with long-term returns that significantly exceed inflation are associated with a higher degree of risk.

Which of the following choices best reflects your attitude toward inflation and risk?

- ○ My main goal is to avoid loss, even though I may only keep pace with inflation.
- ○ My main goal is to earn slightly more than inflation, while taking on a low level of risk.
- ○ My main goal is to increase my portfolio's value. Therefore, I am willing to accept short-term losses, but I am not comfortable with extreme performance shifts that may be experienced in the most aggressive investment options.
- ○ My main goal is to maximize my portfolio value, and I am willing to take on more extreme levels of risk and performance shifts in my portfolio to do so.



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Securities and advisory services offered through LPL Financial, a registered investment advisor. Member FINRA/SIPC.
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5. The table below presents a hypothetical worst case loss, expected gain, and best case gain of five sample portfolios over a one-year period with an initial $100,000 investment.

Which portfolio would you prefer to hold?

	Hypothetical Best Case ($)	Expected Gain($)	Hypothetical Worst Case ($)
○ Portfolio 1	115,100	104,600	92,800
○ Portfolio 2	119,900	105,500	87,800
○ Portfolio 3	125,600	106,300	79,900
○ Portfolio 4	130,500	107,200	73.700
○ Portfolio 5	135,500	107,800	67,200

6. Investing involves a trade-off between risk and return. Historically, investors who have received high long-term average returns have experienced greater fluctuations in the value of their portfolio and more frequent short-term losses than investors in more conservative investments have.

Considering the above, which statement best describes your investment goals?

○ Protect the value of my account. In order to minimize the chance for loss, I am willing to accept the lower long-term returns provided by conservative investments.
○ Keep risk to a minimum while trying to achieve slightly higher returns than the returns provided by investments that are more conservative.
○ Focus more on the long-term investment returns. Long-Term growth is equally as important as managing portfolio risk.
○ Maximize long-term investment returns. I am willing to accept large and sometimes dramatic short-term fluctuations in the value of my investments.

7. Historically, markets have experienced downturns, both short-term and prolonged, followed by market recoveries. Suppose you owned a well-diversified portfolio that fell by 20% {i.e. $1,000 initial investment would now be worth $800) over a short period, consistent with the overall market.

Assuming you still have 10 years until you begin withdrawals, how would you react?

○ I would not change my portfolio.
○ I would wait at least one year before changing to options that are more conservative.
○ I would wait at least three months before changing to options that are more conservative.
○ I would immediately change to options that are more conservative.



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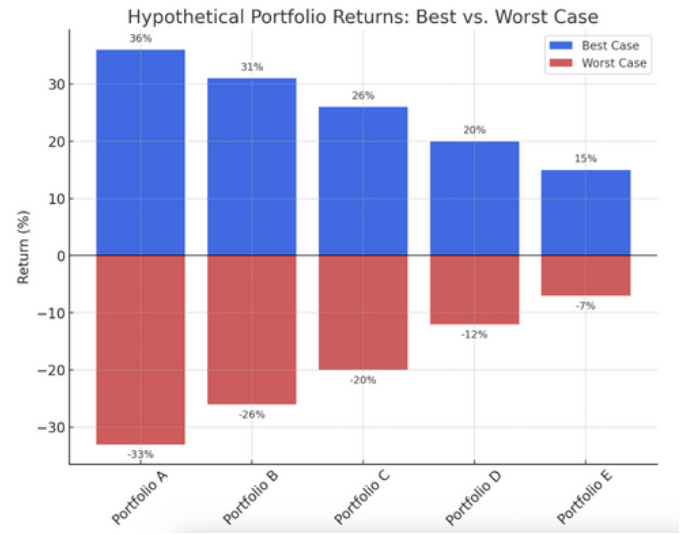
8. The following graph shows the hypothetical best and worst results of five sample portfolios over a one-year holding period. The best potential and worst potential gains and losses are presented. Note that the portfolio with the highest upside also has the largest downside.



Which portfolio would you prefer to hold?

- ○ Portfolio A
- ○ Portfolio B
- ○ Portfolio C
- ○ Portfolio D
- ○ Portfolio E

9. I am comfortable with investments that may frequently experience large declines in value if there is a potential for higher returns.

What is your view regarding this statement?

- ○ Strongly disagree
- ○ Disagree
- ○ Somewhat agree
- ○ Agree
- ○ Strongly agree



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