USING THE CLIENT DISCOVERY WORKSHEETS

As independent financial professionals, we take great pride in our ability to develop long standing relationships based on the quality of advice that is specific to each individual client. Our financial planning and investment advisory services are integrated so that we can effectively address each facet of our clients’ financial plans in a comprehensive manner before recommending any specific strategies or investment products.

Because the initial stage of a planning engagement is of particular importance, we are continually striving to develop methods that lead to an improved understanding of the client. While there is no panacea, we’ve developed the Client Discovery worksheets for you to complete for our initial meeting. These helpful worksheets combine basic quantitative financials (hard data) with qualitative information (soft data) about goals, experience, and money style.

Unlike many other risk tolerance assessment tools, which play to swings in client judgment, our Client Discovery worksheets are designed to help us guide your financial planning and investment behaviors through all types of market conditions. And rather than giving an artificial number representing a client’s absolute risk tolerance, our worksheet aims to reveal invaluable perspective for helping us to assist you with making sound financial decisions during good and bad times.

We hope you enjoy the material and look forward to our initial meeting together.

Ron Luce
CERTIFIED FINANCIAL PLANNER™

Continued >
CLIENT DISCOVERY - FINANCIAL FOUNDATIONS

Income
What is your current income?

<table>
<thead>
<tr>
<th></th>
<th>Client</th>
<th>Spouse</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-Employed?</td>
<td>□ Yes □ No</td>
<td>□ Yes □ No</td>
</tr>
<tr>
<td>Wages and Bonus</td>
<td>$___________</td>
<td>$___________</td>
</tr>
<tr>
<td>Investment and Other Income</td>
<td>$___________</td>
<td>$___________</td>
</tr>
<tr>
<td>Total</td>
<td>$___________</td>
<td>$___________</td>
</tr>
<tr>
<td>Total Client and Spouse</td>
<td>$___________</td>
<td>$___________</td>
</tr>
</tbody>
</table>

How steady is your monthly income? (Put an X on the line where you see yourself.)
Steady ←——— ——— ——— ——— ——— ——— ——— ———→ Highly Variable

How quickly could you find new work to support your expenses if necessary?
Quickly ←——— ——— ——— ——— ——— ——— ——— ———→ > 1 year

Do you expect significant future income (e.g., promotion, settlement, inheritance, new job)? □ Yes □ No
If yes, please explain (e.g., amount/source/date/annuity vs. lump sum): ________________________________

Do you expect decreases in income over the next five years (e.g., plan to retire, switch to part-time)? □ Yes □ No
If yes, please explain: ________________________________
Client Discovery - Financial Foundations continued

Expenses

How much do you spend each month?

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt</td>
<td>$____________</td>
</tr>
<tr>
<td>Necessities</td>
<td>$___________</td>
</tr>
<tr>
<td>Lifestyle expenses</td>
<td>$_________</td>
</tr>
<tr>
<td>Total</td>
<td>$___________</td>
</tr>
</tbody>
</table>

How many dependents do you have, and how old are they? ________________________________

What life stage are you in (e.g., accumulating, retired, gifting)? _______________________

Do you expect any unusual expenses within the next five years? Please explain: ______________

____________________________________________________________________________________

Savings

How much do you have in an emergency fund?

<table>
<thead>
<tr>
<th>Type</th>
<th>Amount</th>
<th>(which is __ months at your current spending)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term (cash equivalents)</td>
<td>$____________</td>
<td>(which is __ months at your current spending)</td>
</tr>
<tr>
<td>Mid-term (liquid investments)</td>
<td>$____________</td>
<td>(which is __ months at your current spending)</td>
</tr>
</tbody>
</table>

On average, how much do you save per month, including in retirement accounts? $___________

How many times per year do you dip into savings/investments to pay for expenses? __________

Net Worth

Total estimated assets $___________

Total estimated liabilities $___________

Do you have sufficient insurance?

<table>
<thead>
<tr>
<th>Type</th>
<th>Yes</th>
<th>No</th>
<th>Unsure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disability</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Home and auto (P&amp;C)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Umbrella policy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term care</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## CLIENT DISCOVERY - GOALS: NEEDS AND WANTS

What goals are on your radar? Check any that apply, and we’ll talk about the details (e.g., amount, date).

<table>
<thead>
<tr>
<th>Life</th>
<th>Family</th>
<th>Work</th>
<th>Legacy</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Pursue hobbies</td>
<td>☐ Care for parent(s)</td>
<td>☐ Start a business</td>
<td>☐ Pursue philanthropy</td>
</tr>
<tr>
<td>☐ Volunteer</td>
<td>☐ Wedding</td>
<td>☐ Retire</td>
<td>☐ Provide for family</td>
</tr>
<tr>
<td>☐ Travel</td>
<td>☐ College</td>
<td>☐ Go on sabbatical</td>
<td>Other: ____________</td>
</tr>
<tr>
<td>☐ Return to school</td>
<td>☐ Birth/ adoption</td>
<td></td>
<td>Other: ____________</td>
</tr>
<tr>
<td>Other: ____________</td>
<td></td>
<td></td>
<td>Other: ____________</td>
</tr>
</tbody>
</table>

If you would like to save a specific amount of money per month to pay for your goal and are not doing that now, how would you like me to address the issue with you?

_____________________________________________________________________________________
_____________________________________________________________________________________
_____________________________________________________________________________________

If your income or investments were to decrease, which goals would you be least willing to sacrifice? __________
_____________________________________________________________________________________
_____________________________________________________________________________________

Which goals would you rethink, reduce, or postpone?
_____________________________________________________________________________________
_____________________________________________________________________________________
_____________________________________________________________________________________

How would your lifestyle or family be affected?
_____________________________________________________________________________________
_____________________________________________________________________________________
_____________________________________________________________________________________

What would you do to recover?
_____________________________________________________________________________________
_____________________________________________________________________________________
_____________________________________________________________________________________

How readily can you change your lifestyle?
Easy ← — — — — — — — — — — — — — — — — — — — — — — — Not Easy
CLIENT DISCOVERY - FINANCIAL KNOWLEDGE

How knowledgeable are you about the following investments?

<table>
<thead>
<tr>
<th></th>
<th>Never heard of it</th>
<th>Familiar</th>
<th>More than most</th>
<th>Industry expert</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mutual funds</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Individual equities</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Individual bonds</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>REITs</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Limited partnerships</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Annuities</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

How at risk do you feel for each of the following? (Lowest 1–10 Highest)

_____ Investment/market risk is when the value of investments declines over a given period of time because of economic changes or other events that impact large portions of the market.

_____ Inflation risk is when investments do not keep up with the rising price of goods and services, thus reducing the buying power of investor assets and income.

_____ Timing risk is when a stock is bought at its high or sold at its low, or a bond is bought just before interest rates rise or sold just before interest rates fall, in an attempt to time the market.

Over time we can discuss the impact of these and others, including longevity risk (running out of money), interest rate risk, liquidity risk, reinvestment rate risk, and default risk.
CLIENT DISCOVERY - MONEY STYLE

1. Where would you put yourself on these scales?

- I’d rather protect my assets for use or income.
- I’d rather risk my assets for opportunity.
- I’d rather be out of the market when it goes down, realizing I’ll miss the upswings.
- I’d rather remain in the market when it goes down, in order to get the upswings.

2. How do you process financial information during volatile periods?

- Ignore the noise
- Glued to the television

Continued >
Client Discovery - Money Style continued

3. How do dips in the market affect your life?
   Can’t sleep at night                           What market?

4. How do you tend to make investment decisions?
   Methodically, taking my time                   Instinctively, trusting my gut

5. Do you tend to second-guess your investment decisions?
   Frequently ←— — — — — — — — —— — — — — — — — — — Never

6. If your friend gave you a hot stock tip, you would:
   - Go online to research it.
   - Ask your financial advisor about it.
   - Ignore the tip and stick with your current investment strategy.

7. Some investment gurus suggest it’s best to stay put and weather market downturns. Compared with others, how easily can you weather these drops?
   Easily ←— — — — — — — — — — — — — — — — — — —— Not Easily

8. If you were burned by an investment in the past, would you purchase it again if analysts rated it a “good buy”?  □ Yes   □ No
Client Discovery - Money Style \textit{continued}

9. Have you ever rushed into an investment in an effort to achieve a goal or make up for a loss, later wishing that you had stuck to your target investment philosophy? □ Yes □ No

If so, what lessons learned would you like to apply to your future investing? ____________________________
______________________________
______________________________

10. Tell me about a good investment decision you’ve made. ____________________________
______________________________
______________________________

11. What did you do that you consider wise? ____________________________
______________________________
______________________________

12. Tell me about a poor investment decision you’ve made. ____________________________
______________________________
______________________________

13. If you felt stress in that situation, what strategies did you use to handle it? What do you know now that would have been useful then? Would you like me to remind you of these strategies if we’re in a similar situation? What would you like to do differently if a similar situation occurred? ____________________________
______________________________
______________________________

14. Looking back, what strategies would you like to have employed? ____________________________
______________________________
______________________________

15. Have you had a financially challenging situation in the past? If so, how did you recover from it? _______
______________________________________________
______________________________________________
______________________________________________
RETIREMENT VISION QUESTIONNAIRE

Many people find it easy to picture their retirement, a time when every day is a “vacation day.” This may be true for you as well, but we find that some clients do not have a clear vision of what their retirement will be like. In planning for the financial aspects of your retirement, we also strive to help you prepare for other quality of life issues that retirees face.

The following questionnaire will help to get you thinking about your future, and it will help us focus on areas where you will need our assistance:

1. What would your ideal day be like?

2. Is that “ideal” a day you could conceive of every day?

3. How do you spend your leisure time now?

4. Can you/will you continue these same activities post-retirement?

5. What interests do you have that you may not have had the time or opportunity to explore while still working?

6. Will incorporating these new interests/activities be one of your goals?

7. Do you have close ties to your family?

8. Do you have many friendships, or people with whom you will socialize?

9. Do you have strong community involvement? Will this be an outlet for you?
**Retirement Vision Questionnaire continued**

10. Will you want to downsize your residence as you age?

11. Will you consider relocation as you age (e.g., to a warmer climate or one closer to relatives/friends)?

12. Is living with family members a goal/possibility?

13. Do you enjoy traveling? Do you want to increase your travel in retirement?

14. With the extra time afforded to you, will you want to go out to eat more often? Will you want to go to more movies, plays/musicals, or other entertainment events?

15. Do you currently volunteer? Have you considered volunteer work?

16. How will you maintain your health and fitness in retirement? Will you work out at a health club or exercise at home? Do you want to take up fitness activities?

17. Can you conceive of a week without work? Does part-time work appeal to you?

18. Do you want to leave a legacy for your children or grandchildren?

19. Is there a charity or charities to which you wish to leave an endowment?

20. Do you have other legacy or charitable goals (e.g., having a wing of a building at your alma mater named after you)?
HOW DO YOU DEFINE SUCCESS?

When entering a relationship with a financial professional, it is often beneficial to articulate your goals and values. These should be related not only to your finances, but also to your emotions, and should concern the short term and the long term. One key to a successful relationship is mutual understanding. In the hope that we can operate on the same wavelength, we ask that you put some thought into answering the following questions.

What are your expectations of a financial professional? ______________________________________________

________________________________________________________________________________________________________________________

________________________________________________________________________________________________________________________

What are you hoping a financial professional can achieve in the next one to three years? In the next five to ten years? Beyond that? ____________________________________________________________________________

________________________________________________________________________________________________________________________

________________________________________________________________________________________________________________________

In terms of our relationship, how would you define success? (Does it have to do with portfolio management more than financial planning, tax-sensitive investing more than estate planning, risk management planning rather than estate planning, etc.?) ______________________________________________________________________

________________________________________________________________________________________________________________________

________________________________________________________________________________________________________________________

How do you rank the following: protecting your financial interests, preserving and/or growing your wealth, and transferring wealth? ______________________________________________________________________

________________________________________________________________________________________________________________________

________________________________________________________________________________________________________________________