Client Profile Questionnaire

CLIENT NAME:

Date:

Portfolio Manager:

Mandeville Private Client Inc.

Client Profile Questionnaire

Client:

A complete and accurate understanding of your current situation, financial goals, investment expectations, time horizon, and capacity & willingness to assume risk is critical to building a successful investment portfolio. This questionnaire has been developed to assist your Mandeville Advisor in determining the appropriate investment profile and suitable strategic asset allocation for your portfolio. If the questionnaire is answered thoughtfully based on your best assessment of your financial goals, expectations and tolerance for risk, it will help us assess the appropriate investment strategies for your portfolio.

It is recommended that this questionnaire be completed in conjunction with your Advisor, and reviewed annually or when your financial situation changes. The information provided will be used to create an Investment Policy Statement (IPS) to guide all aspects of your investment relationship with your Advisor.

Your Investment Advisor should assist you in completing the following questions as accurately and completely as possible by helping you consider how and why the questions are posed, and the correct way of interpreting meaning and the impact of your response. A separate questionnaire should be completed for each individual or legal entity.

Client Information and Background

Client age: _____ **Marital Status:** ______________________________ **Spouse's age:** _____ *(if applicable)*

Number of Dependent Children and/or other Dependents: _____ *Additional comment:* ________________________

Client's Pre-tax annual income: ________________ **Self Employed/Commission Based?** ☐ No ☐ Yes

Spouse's Pre-tax annual income: ________________ **Self Employed/Commission Based?** ☐ No ☐ Yes

For how long do you expect to maintain current income levels: Client _____ *years* Spouse _____ *years*

What is the primary purpose (or multiple purposes) of your investment portfolio(s):

☐ **Planning for Retirement** *(generate a balance of safety/growth)*
☐ **Fund Estate/Legacy** *(secure high growth of assets)*
☐ **Retirement Income** *(generate safe, stable, predictable income)*
☐ **Cash Savings/General Investment**
☐ **Fund Education** *(generate a balance of safety/growth)*
☐ **Other:** ______________________________

Do you require income currently from your portfolio?

☐ No ☐ Yes

Additional comment: ______________________________

Do you anticipate any major lump-sum withdrawals from your portfolio (more than 10%) within the next 3 years?

☐ Nothing anticipated at this time ☐ Somewhat likely ☐ Very likely

Additional comment: ______________________________

Section 1 – Financial Situation, Investment Knowledge and Objectives

1. Approximately what was your average pre-tax annual family/household income from **all sources** over the past three years on a combined basis?
   Higher household income generally supports increased risk capacity and tolerance, particularly if the main income source is stable, reliable and recurring.
   - Less than $50,000 ☐
   - $50,000 to $100,000 ☐
   - $100,000 to $250,000 ☐
   - $250,000 to $500,000 ☐
   - Greater than $500,000 ☐

2. Approximately what is the value of your family/household investable **financial assets** excluding business assets and principal residence?
   While higher wealth typically implies higher financial risk tolerance, some wealthy investors may be risk adverse and have low psychological risk tolerance.
   - Less than $250,000 ☐
   - $250,000 to $500,000 ☐
   - $500,000 to $1,000,000 ☐
   - $1,000,000 to $5,000,000 ☐
   - More than $5,000,000 ☐

3. Rank the following investment objectives in order of importance from 1 (most important) to 3 (least important), for all that apply to this portfolio.
   A basic consideration in managing your portfolio is to identify the primary investment goals and objectives fundamental to establishing an appropriate asset mix and selecting individual securities whose characteristics are consistent with achieving these objectives.
   - Liquidity ☐
   - Income Generation ☐
   - Capital Preservation ☐
   - Capital Growth ☐
   - Aggressive Growth ☐

4. To further understand your primary investment objectives as they relate to portfolio returns and risks, select the return objective that most represents your requirement for this portfolio.
   Your investment return objective will influence the risk-return characteristics of your investment portfolio.
   - Stability of principal ☐
   - Income over the long term ☐
   - Income with moderate capital appreciation ☐
   - Capital appreciation with a modest income component ☐
   - Enhance capital appreciation with minimal current income requirements ☐
   - Maximum capital appreciation ☐

Section 2 – Investment Time Horizon and Liquidity

5. Over what investment time horizon in years will the portfolio be held before you significantly drawn on funds?
A key consideration in the construction of an appropriate investment strategy is the length of time committed to achieve the portfolio's objectives. This time horizon will strongly influence the level of short-term risk that can prudently be assumed and, correspondingly, the rate of return that can reasonably be achieved over the full term.
   - 1 – 3 years . . . . ☐
   - 3 – 5 years . . . . ☐
   - 5 – 7 years . . . . ☐
   - 7 – 10 years . . . . ☐
   - More than 10 years . . . . ☐

6. Do you anticipate the need to liquidate a portion of your investment portfolio over the course of the investment holding horizon?
It is important to maintain an adequate amount of liquidity in an investment portfolio to reduce the possibility of having to sell long-term portfolio assets to fund planned withdrawals from the portfolio.
   - No liquidation requirements anticipated . . . . ☐
   - Approximately ____% anticipated liquidation within 1 – 2 years . . . . ☐
   - Approximately ____% anticipated liquidation within 3 – 5 years . . . . ☐
   - Approximately ____% anticipated liquidation within 5 – 7 years . . . . ☐
   - Approximately ____% anticipated liquidation within 7 – 10 years . . . . ☐
   - Approximately ____% anticipated liquidation beyond 10 years . . . . ☐

7. Based on your past experience, how likely is it that unplanned withdrawals may be made?
Large unplanned transfer to, and particularly from, a portfolio can have a significant negative impact on performance. If the probability for unplanned transfers is greater, a higher percentage of the portfolio may be invested in shorter-term, more liquid, and/or more conservative investments to mitigate the potential negative impact on investment return.
   - Unlikely and any such withdrawals would be minimal . . . . ☐
   - Possible but the amounts would be relative smaller – less than 20% of the portfolio. . . . . ☐
   - Possible and such amounts could be reasonably large – more than 20% of the portfolio . . . . . . ☐
   - Likely but the amounts will be relatively small – less than 20% of the portfolio . . . . ☐
   - Likely and such amounts could be reasonably large – more than 20% of the portfolio . . . . ☐

8. Will this portfolio be relied upon for generating cash income that will be withdrawn to cover income requirements over the course of the investment horizon?
The construction of any portfolio must take in consideration the need to generate specific income levels that will be withdrawn from the portfolio as required. It is important to reasonably be able to generate the income required and/or allow for an adequate level of liquidity to meet capital disbursements and reduce the possibility of having to sell long-term portfolio assets to fund portfolio withdrawals.
   - No, there are NO specific income cash income requirements – all income will be reinvested. . . ☐
   - Yes, SOME income will be withdrawn to cover disbursements . . . . ☐
   - Yes, ALL income will be withdrawn to cover disbursements . . . . ☐
   - Yes, ALL income and some capital will be withdrawn to cover disbursements . . . . ☐

Section 3 – Income Requirements and Return Expectations

9. What is your gross annual income yield requirement from your portfolio to fund **specific needs**?
   If regular withdrawals are made from the portfolio, their relative size is important. In general, the need to generate regular income from the portfolio decreases risk tolerance and also affects the portfolio's asset mix and income yield.
   - 0% . . . . . ☐
   - 1% – 3% . . . . . ☐
   - 3% – 6% . . . . . ☐
   - 6% – 9% . . . . . ☐
   - More than 9% . . . . . ☐

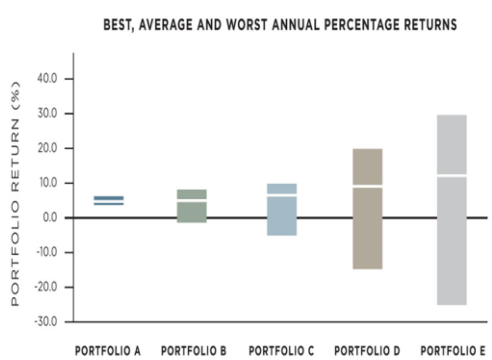
10. Which measure of return is most important to you, and what are your **expectations** for overall return on your investment portfolio over longer periods of time (3 – 5 years +) before tax, using this measure?
    Investors should have realistic expectations for the performance of a diversified investment portfolio over the long-term, and the ability to achieve those returns given an implied level of risk assumed. There are several ways to measure return objectives – we would like to understand which measure is more important.
    - Nominal Return (Absolute): ____% per annum . . . . . ☐
    - Real Return (Relative): CPI + ____% per annum . . . . . ☐
    - Minimum Annual Income: $____________ per annum . . . . . ☐
    - Annual Variability of returns/income: +/-____% annually . . . . . ☐

Section 4 – Risk Tolerance and Volatility

11. Given your financial objectives, how much volatility (risk) are you willing to assume to achieve your portfolio's expected return?
    Risk and return are positively correlated, meaning the higher the return one expects to earn on an investment portfolio, the higher the risk (volatility) one should be able to tolerate. This risk-return trade-off is fundamental to the investment process and understanding an investor's specific tolerance for risk versus the level of return expected is paramount in establishing the strategic asset allocation and investment strategies appropriate for each investor situation.
    - Zero volatility – I cannot tolerate negative returns, stability of returns is essential . . . . ☐
    - Low volatility – I cannot tolerate very little variability of returns and can accept negative Returns 1 in every 7 years . . . . ☐
    - Medium volatility – I can tolerate some variability of returns and can accept negative returns 1 in every 5 years . . . . ☐
    - High volatility – I am not concerned with variability of returns for this portfolio . . . . ☐

12. How much of a one year decline in your total investment portfolio would you be able to tolerate?
    Investor tolerance for downside volatility is frequently significantly lower than for upside return volatility. Downside risk tolerance is an important factor in making asset allocation and security selection decisions.
    - 0% . . . . ☐
    - 1% – 5% . . . . ☐
    - 5% – 10% . . . . ☐
    - More than 10% . . . . ☐
    - More than 20% . . . . ☐

13. Select the hypothetical investment portfolio that would be most likely to meet your return expectations in 'average' and 'good' years without making you uncomfortable during periods of declining values.
    Higher long term returns are often associated with greater short term volatility. Establishing an appropriate asset mix often requires finding the appropriate balance between long term return potential and an investors' ability to tolerate short-term fluctuations in value or potentially losses.



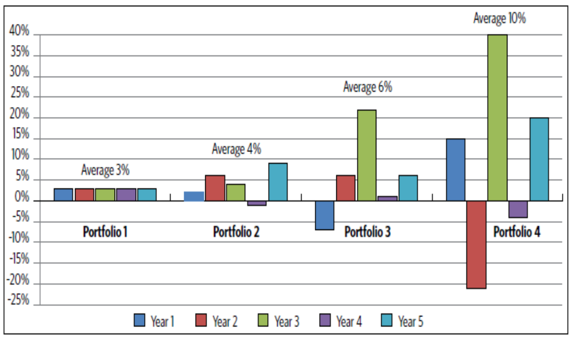
MAX	6.0%	8.0%	10.0%	20.0%	30.0%
AVG	4.0%	5.0%	6.0%	9.0%	12.0%
MIN	3.0%	-1.0%	-5.0%	-15.0%	-25.0%

- Portfolio A . . . . ☐
- Portfolio B . . . . ☐
- Portfolio C . . . . ☐
- Portfolio D . . . . ☐
- Portfolio E. . . . . ☐

**Portfolio returns are based on historical data for representative asset class indices. Returns are shown for illustrative purposes only and are not necessarily indicative of future returns.*

14. Which of the following representative portfolios best characterizes your ability to tolerate investment risk—which portfolio would you have preferred to invest in?

    The chart below illustrates four portfolios each displaying separate and increasing levels of return volatility/risk and annual returns. The returns for each of one through five years are shown for each portfolio, along with the average return over the full five year holding period. As an example, the best and worst returns for Portfolio 4 in any 1 year period were 40% and –21% respectively, with an average annual return of 10% over the five year period.



Portfolio 1 . . . . ☐
Portfolio 2 . . . . ☐
Portfolio 3 . . . . ☐
Portfolio 4 . . . . ☐

**Portfolio returns are based on historical data for representative asset class indices. Returns are shown for illustrative purposes only and are not necessarily indicative of future returns.*

Section 5 – Taxation and Other Considerations

15. How important is the implementation of tax minimizing strategies as an overall objective for this portfolio?
    Taxation is a significant consideration that can influence how a portfolio is optimally structured and managed to mitigate taxes payable and maximize net after tax return. The tax status of a portfolio and applicable rates of taxation on various securities may determine the appropriate need for a bias toward various forms of investment income, including, interest, dividend and capital gains. The availability of tax loss carry-forwards may also influence the extent to which a bias for various forms of investment income may be desirable.
    - Tax considerations are very important . . . . ☐
    - Tax considerations are somewhat important . . . . ☐
    - Tax considerations are not important (i.e. significant tax-loss carry forwards, low tax bracket) . . . . . ☐
    - The portfolio is non-taxable/tax exempt (i.e. RSP, LIRA, RIF, TSFA, registered charity, public/ government organization or other non-taxable legal entity)? . . . . ☐

16. Are there any regulatory, legislated or other legal restrictions affecting the manner in which your portfolio can be invested, or specific limitations on individual securities, industries or asset classes?
    All investment restrictions and constraints imposed on your portfolio are significant factors for your investment advisor to be fully aware of and may affect portfolio strategy, security selection or risk controls.
    - No . . . . ☐
    - Yes . . . . ☐
    - If yes, please specify: ______________________________

Investor Profile Score

Calculate your Investor Profile Score by adding up your scores for all questions.

Questions 1 – 4	Financial Situation, Investment Knowledge and Objectives
Questions 5 – 8	Investment Time Horizon and Liquidity
Questions 9 – 10	Income Requirements and Return Expectations
Questions 11 – 14	Risk Tolerance and Volatility
Questions 15 – 16	Taxation and Other Considerations

Total Investor Profile Score Distribution:

Investor Profile Recommendation

Based on your responses to the CPQ, an aggregate score is determined that corresponds to one of five “Investor Profiles”. Each Investor Profile outlines a specific range of asset class combinations that are appropriate to your financial circumstances and serves as guidance in the construction of an effective and suitable investment portfolio that can best achieve your risk and return objectives.

Conservative ← → **Aggressive**

0	0	0	0	0
Capital Preservation	Conservative	Balanced Growth	Growth	Aggressive Growth

In completing the CPQ, just as important as the scored result itself is the dialogue and understanding that this process promotes between you and your Advisor. Key to constructing a relevant and effective investment portfolio is your Advisor’s detailed understanding of all the factors that affect your financial situation – this “client discovery process” is a vital step in the creation of an IPS, and the development (and management) of your investment portfolio. It is important that your Advisor discuss the results of your CPQ with you, and that you mutually agree on the resulting Client Profile.

Based on your responses, the client profile most appropriate to your situation is:

Clear Form

Client Profile Implemented: ______________________________

Client Signature: ____________________ Date: _____

Advisor Signature: ____________________ Date: _____

CIO Approval: ____________________ Date: _____