

In 2006, the Vanguard 500 Index fund had a 15.64% investment return. The #1 holding was Exxon. A solid-performing socially responsible (SRI) fund returned 14.70%, without investing in Exxon. I would have wanted to have invested in:

- The Vanguard 500 Index fund The SRI fund

These statements are true for me (check only those that apply):

- I am comfortable paying for professional investment management, such as a mutual fund manager, because I believe that they have the possibility of outperforming the market – either by doing better in good years and/or better in bad years.
- I believe that no one, not even the pros, can consistently beat the market so I'm happy to invest in an index fund that tracks the market, and pay the lowest annual fees.
- If I'm going to pay for professional management, I expect my funds to be among the best performing funds, year after year.
- I want a portfolio that I don't have to look at again for many years.
- I am ready to annually monitor the funds in my portfolio and rebalance – either myself or by hiring someone for assistance.
- I want all my accounts at one institution to keep things as simple as possible.
- I'm comfortable having my accounts at ___ different institutions if that means that I get to choose exactly the mutual funds that I want.

I look at my investment account balance:

- Weekly When the stock market makes the news
 When my statement arrives What statements? (ie, I don't look)

I would prefer to:

- Win \$80,000 Have a 80% chance of winning \$100,000

I would prefer to:

- Lose \$80,000 Have a 80% chance of losing \$100,000

If in one year my overall balance grew, but 1 of my 5 funds lost money, I would...

- Sell the "loser" fund and buy more of the other 4 funds
 Replace my fund with a peer fund that performed better last year
 Sell parts of the 4 funds and buy more of the "loser"
 Do nothing

Client: _____

Date: _____