

# Investor Questionnaire

**This questionnaire is designed to provide an asset allocation that may be appropriate for you. By using this investment planning tool, you acknowledge that you have read and understood the information provided, and that you agree to the Terms and Conditions of Use in this kit.**

Instructions: Answer these questions with one specific financial goal in mind, such as retirement. Don't use this questionnaire for goals that require you to spend all of your money for the goal within the next two years. Savings for short-term objectives should be invested in stable investments—primarily short-term reserves.

To determine your investment approach for other goals, fill out the questionnaire as many times as you like, with a different goal in mind each time.

## 1. I plan to begin taking money from my investments in . . .

- ☐ A. 1 year or less
- ☐ B. 1–2 years
- ☐ C. 3–5 years
- ☐ D. 6–10 years
- ☐ E. 11–15 years
- ☐ F. More than 15 years

## 2. As I withdraw money from these investments, I plan to spend it over a period of . . .

- ☐ A. 2 years or less
- ☐ B. 3–5 years
- ☐ C. 6–10 years
- ☐ D. 11–15 years
- ☐ E. More than 15 years

## 3. When making a long-term investment, I plan to keep the money invested for . . .

- ☐ A. 1–2 years
- ☐ B. 3–4 years
- ☐ C. 5–6 years
- ☐ D. 7–8 years
- ☐ E. More than 8 years

**4. From August 31, 2000, through March 31, 2001, stocks lost more than 25%. If I owned a stock investment that fell more than 25% in seven months, I would . . . (If you owned stocks during this period, please select the answer that matches your actions at that time.)**

- |  |   |
|--|---|
| <input type="radio"/> A. Sell all of the remaining investment  | <input type="radio"/> C. Hold on to the investment and sell nothing |
| <input type="radio"/> B. Sell some of the remaining investment | <input type="radio"/> D. Buy more of the investment                 |

**5. Generally, I prefer an investment with little or no ups or downs in value, and I am willing to accept the lower returns these investments may make.**

- |  |   |
|--|---|
| <input type="radio"/> A. I strongly disagree | <input type="radio"/> D. I agree          |
| <input type="radio"/> B. I disagree          | <input type="radio"/> E. I strongly agree |
| <input type="radio"/> C. I somewhat agree    |   |

**6. When the market goes down, I tend to sell some of my riskier investments and put the money in safer investments.**

- |  |   |
|--|---|
| <input type="radio"/> A. I strongly disagree | <input type="radio"/> D. I agree          |
| <input type="radio"/> B. I disagree          | <input type="radio"/> E. I strongly agree |
| <input type="radio"/> C. I somewhat agree    |   |

**7. Based only on a brief conversation with a friend, coworker, or relative, I would invest in a mutual fund.**

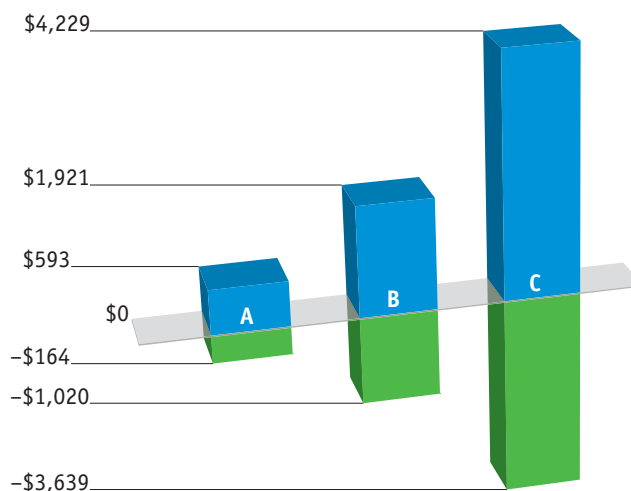
- |  |   |
|--|---|
| <input type="radio"/> A. I strongly disagree | <input type="radio"/> D. I agree          |
| <input type="radio"/> B. I disagree          | <input type="radio"/> E. I strongly agree |
| <input type="radio"/> C. I somewhat agree    |   |

8. From January 31, 1999, through December 31, 1999, some bonds lost almost 9%. If I owned a bond investment that lost 9% in 11 months, I would . . . (If you owned bonds during this period, please select the answer that matches your actions at that time.)

- ☐ A. Sell all of the remaining investment
- ☐ B. Sell some of the remaining investment
- ☐ C. Hold on to the investment and sell nothing
- ☐ D. Buy more of the investment

9. The chart to the right shows the highest one-year loss and the highest one-year gain on three different hypothetical investments of \$10,000.\* Given the potential gain or loss in any one year, I would invest my money in . . .

- ☐ A. Investment A
- ☐ B. Investment B
- ☐ C. Investment C



\*The maximum gain or loss on an investment is impossible to predict. The ranges shown in the chart are hypothetical and are designed solely to gauge an investor's risk tolerance.

10. My current and future income sources (such as salary, Social Security, pension) are . . .

- ☐ A. Very unstable
- ☐ B. Unstable
- ☐ C. Somewhat stable
- ☐ D. Stable
- ☐ E. Very stable

11. When it comes to investing in stock or bond mutual funds (or individual stocks or bonds), I would describe myself as . . .

- ☐ A. Very inexperienced
- ☐ B. Somewhat inexperienced
- ☐ C. Somewhat experienced
- ☐ D. Experienced
- ☐ E. Very experienced

continued ►

## Answer Key

Use the following answer key to score your questionnaire. For example, if you answered “C” to question 1, give yourself 4 points.

							Points
	A	B	C	D	E	F	
1.	0	1	4	7	12	17	
2.	0	1	3	5	8	–	
3.	0	1	3	5	7	–	
4.	1	3	5	6	–	–	
5.	6	5	3	1	0	–	
6.	5	4	3	2	1	–	
7.	5	4	3	2	1	–	
8.	1	3	5	6	–	–	
9.	1	3	5	–	–	–	
10.	1	2	3	4	5	–	
11.	1	2	3	4	5	–	
Add up your score and enter the total here:							

Use your score to find your suggested mix and fund recommendations on the sheet provided.

## Vanguard® Fund Recommendations

### Which funds might be right for you?

Your answers to the Investor Questionnaire have provided you with a suggested asset mix based on your time horizon and how well you are likely to tolerate investment volatility. Now you are ready to consider the suggested portfolio mixes that match your investment profile.

### Choosing your portfolio

Vanguard suggests that most of your stock portfolio consist of large-company U.S. stocks. Large companies usually pay dividends and tend to have the financial resilience to withstand long-term economic downturns. Then you should diversify with mid- and small-capitalization stocks as well as international funds.

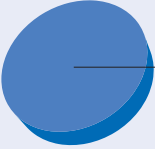
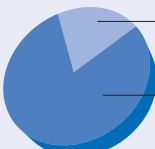
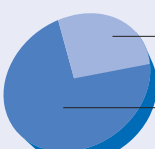
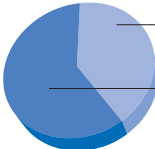
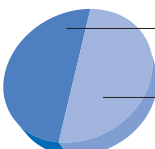
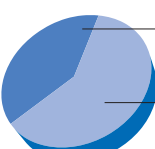

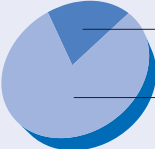
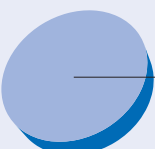
Your bond portfolio should consist of investment-grade U.S. bonds due to mature (be repaid) on average within ten years. This can be realized with either an intermediate-term or short-term bond fund that invests in bonds issued by the U.S. Treasury or one that invests in “investment grade” U.S. corporate bonds. A bond judged to have a high probability of being repaid is considered investment grade.

### An index fund portfolio

A simple, low-cost way to build a well-diversified portfolio is to invest in passively managed funds, also known as index funds. Index funds seek to track the performance and risk characteristics of a specific stock or bond benchmark, or index. One possible portfolio that includes only index funds can be found on the next page.

### An index/active fund portfolio

On the following page is another investment approach, called “active” management. Some investors favor actively managed mutual funds because they believe a professional investment manager can provide returns that will exceed the market averages. However, the fact is that few professional managers have been able to beat the market consistently over time. For this reason many investors choose index funds for the greatest portion of their portfolios, and complement them with actively managed funds. Remember, these portfolios are only suggestions. You may choose to replace one or more of the funds with an alternate fund of the same type.

Overall Score		All Indexed Portfolios	
Income	7–22 points	 100%	100% Vanguard® Total Bond Market Index Fund
	23–28	 20% 80%	15% Vanguard® Total Stock Market Index Fund 5% Vanguard® Total International Stock Index Fund 80% Vanguard Total Bond Market Index Fund
	29–35	 30% 70%	25% Vanguard Total Stock Market Index Fund 5% Vanguard Total International Stock Index Fund 70% Vanguard Total Bond Market Index Fund
Balanced	36–41	 40% 60%	30% Vanguard Total Stock Market Index Fund 10% Vanguard Total International Stock Index Fund 60% Vanguard Total Bond Market Index Fund
	42–48	 50% 50%	40% Vanguard Total Stock Market Index Fund 10% Vanguard Total International Stock Index Fund 50% Vanguard Total Bond Market Index Fund
	49–54	 40% 60%	50% Vanguard Total Stock Market Index Fund 10% Vanguard Total International Stock Index Fund 40% Vanguard Total Bond Market Index Fund
Growth	55–61	 30% 70%	55% Vanguard Total Stock Market Index Fund 15% Vanguard Total International Stock Index Fund 30% Vanguard Total Bond Market Index Fund
	62–68	 20% 80%	65% Vanguard Total Stock Market Index Fund 15% Vanguard Total International Stock Index Fund 20% Vanguard Total Bond Market Index Fund
	69–75	 100%	80% Vanguard Total Stock Market Index Fund 20% Vanguard Total International Stock Index Fund

■ Stocks
■ Bonds

## Index/Active Portfolios

All Index recommended

All Index recommended

All Index recommended

15% Vanguard® Total Stock Market Index Fund	5% Vanguard® Morgan™ Growth Fund
10% Vanguard® Total International Stock Index Fund	5% Vanguard® Explorer™ Fund
5% Vanguard® Windsor™ II Fund	60% Vanguard® Total Bond Market Index Fund

25% Vanguard Total Stock Market Index Fund	5% Vanguard Morgan Growth Fund
10% Vanguard Total International Stock Index Fund	5% Vanguard Explorer Fund
5% Vanguard Windsor II Fund	50% Vanguard Total Bond Market Index Fund

25% Vanguard Total Stock Market Index Fund	10% Vanguard Morgan Growth Fund
10% Vanguard Total International Stock Index Fund	5% Vanguard Explorer Fund
10% Vanguard Windsor II Fund	40% Vanguard Total Bond Market Index Fund

25% Vanguard Total Stock Market Index Fund	10% Vanguard Morgan Growth Fund
15% Vanguard Total International Stock Index Fund	10% Vanguard Explorer Fund
10% Vanguard Windsor II Fund	30% Vanguard Total Bond Market Index Fund

35% Vanguard Total Stock Market Index Fund	10% Vanguard Morgan Growth Fund
15% Vanguard Total International Stock Index Fund	10% Vanguard Explorer Fund
10% Vanguard Windsor II Fund	20% Vanguard Total Bond Market Index Fund

40% Vanguard Total Stock Market Index Fund	15% Vanguard Morgan Growth Fund
20% Vanguard Total International Stock Index Fund	10% Vanguard Explorer Fund
15% Vanguard Windsor II Fund	

### **Terms and Conditions of Use for Vanguard's Investor Questionnaire**

This kit is designed to help you decide how to allocate the assets in your retirement plan among different asset classes (stocks, bonds, and short-term reserves) and among different funds available through your plan. You are under no obligation to accept the suggestions provided by the kit.

The suggestions provided are based on generally accepted investment principles. There is no guarantee, however, that any particular asset allocation or mix of funds will meet your investment objectives or provide you with a given level of retirement income. All investments involve risks, and fluctuations in the financial markets and other factors may cause declines in the value of your plan account.

Please bear in mind that the fund or mix of funds suggested for each asset allocation is only one of many possible ways to implement the allocation. Other funds available through your plan, or different percentages of the funds, could also be used. You should carefully consider all of your options.

This investment planning tool is provided to you at no charge by Vanguard Advisers, Inc. It does not provide comprehensive investment or financial advice. In applying the suggestions to your particular situation, you should consider your other assets and investments. As your financial circumstances or goals change, it may be helpful to complete the Investor Questionnaire again to see if your suggested asset allocation has changed. Vanguard Advisers, Inc., is not responsible for reviewing your financial situation or updating the suggestions contained here.

*For more information about any fund, including investment objectives, risks, charges, and expenses, call The Vanguard Group at 1-800-523-1188 to obtain a prospectus. The prospectus contains this and other important information about the fund. Consider and read the prospectus information carefully before you invest. You can also download Vanguard fund prospectuses at [www.vanguard.com](http://www.vanguard.com).*

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