

Investor Risk Tolerance and Individual/Family Questionnaire for *DeGreen-Direct* Investors

Today's Date: ____/____/____ Your Personal* Email Address: _____

Your Best Phone Number: _____

**To protect your privacy, we do not recommend company email addresses.*

1. I (we) will be responding to these questions (check one): ____ As an individual ____ As a couple

2. Name of individual responding to this questionnaire: _____
FIRST NAME LAST NAME

3. Names of couple responding to this questionnaire: _____
FIRST NAME(S) LAST NAME(S)

a. Individual Investor's birth date: ____/____/____ Are you retired? ____ Yes ____ No

b. Husband's birth date: ____/____/____ Are you retired? ____ Yes ____ No

c. Wife's birth date: ____/____/____ Are you retired? ____ Yes ____ No

4. The "investment time horizon" for my DCM portfolio is:

Note: "Investment time horizon" refers to the number of years you expect the portfolio to be invested before you will need to make substantial withdrawals from the portfolio. If you will require substantial withdrawals within three years, the DCM program may not be right for you – at least with respect to the money you will need during that time period. Please select only one:

a. I (we) will need to begin making substantial withdrawals beginning in approximately:

____ Less than 3 years. ____ 3–5 years. ____ 5–10 years. ____ More than 10 years.

5. If you started taking distributions from your account today, to maintain your standard of living, or to support your anticipated retirement lifestyle, how much would you need to take each year from your portfolio – in today's dollars – NET of Social Security or other income? \$ _____

6. My (our) knowledge of investments is: ____ None ____ Limited ____ Good ____ Extensive

7. We need to know how much of your total portfolio you may initially allocate to our management. This may affect your allocations within our program. Therefore, please list the *approximate* total value of all your investment or savings accounts (including your brokerage accounts, retirement accounts at work, and cash or CDs at the bank), and what you may initially invest with DCM:

Description	Who Owns the Account?*	Where is This Money Now? (name of company, broker or bank)	Account Number (if applicable)	Approximate Account Value	Amount You May Place under DCM Management
Cash/CDs/Checking Accounts				\$	\$
IRAs				\$	\$
401(k)s or other qualified retirement plan				\$	\$
Taxable (non-qualified) brokerage accounts				\$	\$
Annuities				\$	\$
Other accounts/cash you control				\$	\$
TOTAL				\$	\$

* **H**= Husband only **W** = Wife only **S** = Self if unmarried **CP** = Owned by H & W as Community Property
JT = Owned by H & W as Joint Tenants **JTO** = Joint Tenancy with non-spouse **RLT** = Your Revocable Living Trust
T = A Non-Revocable trust that you control **C** = a Company you control

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8. My (our) investment temperament with respect to the funds (DCM) may manage for me (us) is: (Please select only one.)
- I am (we are) more interested in conserving capital than in seeking growth. I (we) prefer to accept moderate income and little or no growth in exchange for stability and minimum risk.
- I (we) understand that in order to achieve higher returns, it is necessary to take some risk. I am (we are) willing to accept moderate volatility in the value of my (our) portfolio in exchange for greater income and/or growth potential.
- I (we) understand that in order to achieve higher returns it is necessary to take more risk. I am (we are) willing to be more aggressive and face greater risk in order to pursue the possibility of above-average return.

9. How long would you be prepared to recover from a downward fluctuation in your DCM-managed portfolio?

Note: According to studies, except for the Great Depression, the longest time investors have had to wait after a market crash or a really bad market decline for their buy-and-hold diversified portfolio to return to its earlier value has been four+ years for diversified stock (equity), and two+ years for diversified bond investments. Knowing this, knowing that future recovery periods could be longer or shorter, and knowing that it is impossible to protect you from an occasional loss in either stocks or bonds, please check one of the following to indicate how long you would be prepared to wait out a downward fluctuation in your portfolio:

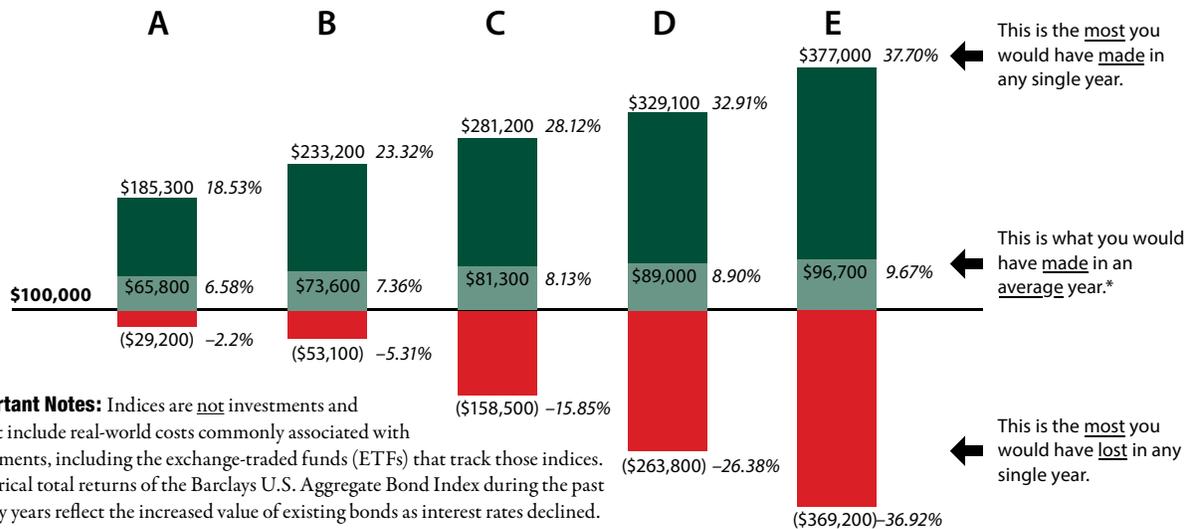
- I (we) would be willing to wait less than one year
- I (we) would be willing to wait between one and three years
- I (we) would be willing to wait three to five years
- I (we) would be willing to wait as long as it takes

10. If you answered three years or less in question #8 (the first two choices), are you prepared to substantially reduce your goals as a result of not being willing to accept much risk?

Yes No

11. Which portfolio would you be most comfortable owning?

The chart below shows the historical range of gains and losses (total return) for five different “buy and hold” portfolios. The chart assumes that you invested \$1,000,000 at the beginning of each year starting in 1992 through 2011. Each portfolio is assumed to be invested in either the S&P 500 Index, the Barclays U.S. Aggregate Bond Index, or in a combination of the two. DCM portfolios are actively managed, and may involve market and sector rotation, or the use of cash or other defensive positions during a year. We do not take a “buy-and-hold” approach.



Important Notes: Indices are not investments and do not include real-world costs commonly associated with investments, including the exchange-traded funds (ETFs) that track those indices. Historical total returns of the Barclays U.S. Aggregate Bond Index during the past twenty years reflect the increased value of existing bonds as interest rates declined. These returns are not likely to be obtained as interest rates bottom.

*The “average” total return in each column is for individual years only, and is not cumulative. Cumulative returns could be greater or smaller depending on the year in which gains and losses occurred during the 20-year period. THE CHART IS NOT PROMISORY IN NATURE. YOUR DCM RETURNS COULD BE BETTER OR WORSE.

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11. (continued) The buy-and-hold portfolios in the above chart reflect the following allocations:

- Portfolio "A": 100% S&P 500 Index
- Portfolio "B": 75% S&P, 25% Bond Index
- Portfolio "C": 50% S&P, 50% Bond Index
- Portfolio "D": 25% S&P, 75% Bond Index
- Portfolio "E": 100% U.S. Agg. Bond Index

THEREFORE, if you could only chose among the above buy-and-hold portfolios, which would you be most comfortable owning?

Portfolio A Portfolio B Portfolio C Portfolio D Portfolio E

12. Which DCM allocation meets your needs?

At DCM we allocate among what we consider to be "growth" or "wealth preservation" positions. Historically, "growth" has been commonly associated with stocks while "wealth preservation" has been associated with bonds. However, with interest rates at historic lows and rising, we currently often use equity-based "wealth preservation surrogates", such as high-dividend or less volatile stock ETFs or other investments for "wealth Preservation". Either allocation may also include commodity or other ETFs, mutual funds, or other securities. We call each combination of these two allocations an "Allocation Category."

Using comparative valuation methods, we typically invest in U.S.-traded exchange-traded funds (ETFs) to access what we regard as the most promising markets and sectors in the U.S., in other developed markets, and in emerging markets. We also sometimes invest in individual securities (stocks, bonds, etc.) and mutual funds. We may also go partially or completely to cash or to other defensive positions as circumstances warrant. Therefore, our performance may be better or worse than the performance of the portfolios depicted above.

THEREFORE, based on your analysis of the above chart and information, and subject to our in-person discussion, which of our Allocation Categories is, in your opinion, probably most appropriate for you?

100% Growth 60% Growth and 40% WP 30% Growth and 70% WP
 80% Growth and 20% WP 50% Growth and 50% WP 20% Growth and 80% WP
 70% Growth and 30% WP 40% Growth and 60% WP 100% Wealth Preservation (WP)

13. Please indicate below that you understand the following:

At any given time, DCM may elect, due to market conditions, to not fully allocate either your Growth or Wealth Preservation allocations. During such periods, we may have more of your money in cash or other defensive positions than indicated above. However, we will not allocate more toward your Growth selection than you have indicated above. IT IS YOUR RESPONSIBILITY TO ADVISE US IF YOU WISH TO CHANGE YOUR ALLOCATION BETWEEN GROWTH AND WEALTH PRESERVATION. We typically rebalance portfolios quarterly, but may elect to delay or accelerate rebalancing based on market conditions. During the period between each rebalancing, fluctuations in the market price of our holdings may cause the percentage allocation between your Growth and Wealth Preservation allocations to vary.

YES, I (we) understand NO, I (we) do NOT understand

14. REALITY CHECK: In my (our) own words, the primary purpose of my DCM portfolio over the next five years is:

15. Agreed-upon DCM allocation between Growth Portfolio and Wealth Preservation Portfolio:

After reflecting upon my (our) responses above, and after visiting with a representative of DCM, or with my independent advisor, I (we) agree that at this time the most suitable broad allocation between Growth and Wealth Preservation within my DCM-managed accounts (my/our DCM portfolio only) is:

$$\frac{\text{Growth}}{\text{Growth}} \% + \frac{\text{Wealth Preservation}}{\text{Wealth Preservation}} \% = 100\%$$

16. Account paperwork appointment set for: _____.

17. Approximate value of assets to be managed by DCM: \$ _____.

18. Applicable annual DCM fee: _____ %

Acknowledgements and Warranties

I (WE) SPECIFICALLY ACKNOWLEDGE AND UNDERSTAND THAT INVESTING INVOLVES RISK, INCLUDING THE RISK OF LOSING MONEY, AND THAT DEGREEN CAPITAL MANAGEMENT DOES NOT WARRANT OR GUARANTEE INVESTMENT RESULTS OF ANY KIND.

Recognizing that account values I (we) provided above may be approximate, I (we) acknowledge that I (we), as a direct investor(s), am (are) responsible for the broad portfolio allocations that I have directed DCM to make within my (our) portfolio. Further, I (we) warrant that the above answers reflect my (our) current financial situation and attitudes, and my (our) risk tolerance; that I (we) agree to the broad allocations between stocks and bonds, as defined above, within my (our) DCM portfolio, as indicated in Item #15, that those allocations are appropriate and suitable for me (us) as of this date, and that I (we) take full responsibility for notifying DCM if our circumstances change.

Finally, as a direct investor I acknowledge that DCM, as a money manager, does not offer comprehensive financial planning or investment advice. I (we) specifically acknowledge that DCM has in no way discouraged us from seeking the guidance of an independent advisor not affiliated with DCM, including, but not limited to, the guidance of a MARKTORS®-Certified Advisor; and that no representative of DCM has directly or indirectly stated or implied that guidance they may have provided to me (us) is the result of their preparation of a comprehensive financial plan or its equivalent, or of their superior knowledge of my (our) situation.

Note: Both husband and wife must sign if accounts placed under DCM management are jointly held in any form, and/or if you completed the questionnaire as a couple, and not as an individual.

_____ SIGNATURE OF INVESTOR	_____ DATE	_____ SIGNATURE OF INVESTOR	_____ DATE
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_____ PRINT NAME OF INVESTOR	_____ PRINT NAME OF INVESTOR
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Acceptance By Degreen Capital Management, LLC.

Upon reviewing the investor(s)' responses, we accept the broad allocations contained in Item #15, above, and will implement accordingly, subject to market conditions.

By _____
For DeGreen Capital Management LLC

DATE

PRINT NAME AND TITLE



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