

Investor Profile Assessment



Investor confidence, experiences with risk, and patterns of behaviors: all of these can impact your clients' ability to adhere to an investment management strategy. What if you could know these characteristics about your prospective and current clients at the point of initial portfolio construction or recommendation, and *before* a dramatic change in their financial situation, the markets, or the financial environment in general? What if you could coach and help them prepare for inevitable fluctuations in their investments?

The Investor Profile assessment provides you and your clients with a comprehensive picture of client psychology, behaviors, and personality in investment-related decisions and market volatility. With its unique focus on behavioral patterns, preferences, and attitudes, the Investor Profile is the scientific answer to understanding the psychological risk tolerance of your clients, thereby anticipating (and guiding) future actions.



Manage the Behavioral Side of Your Practice with Data

Psychological Risk Tolerance & Portfolios

A scientific measure of psychological risk tolerance, the Investor Profile provides you with a mapped portfolio allocation based on your client's overall Investor Profile score. Using a proprietary dataset & mapping methodology from the Financial Planning Performance Lab, the Investor Profile provides you with a mapped portfolio similar to those of other investors working with financial advisors. This proprietary dataset includes 14,000+ investors. Use this information in conjunction with other objective and financial data to ensure the construction of a risk- and volatility-appropriate long-term portfolio.

Anticipate Investor Action

Use behavioral science to anticipate what your clients will be prone to do in future, volatile markets. Through empirical research, DataPoints has identified several patterns of behaviors and experiences that relate to future investor action ... and inaction. The Action score in the Investor Profile results provides you with an indicator of how your client might behave during times of market volatility and/or decline: selling at the bottom? No action at all? Or boldly buying when everyone else is fleeing the market?

Identify & Guide Better Investing Behaviors

The Investor Profile assessment measures factors that can impact reactions and decision-making related to investing. Use this detailed data to understand and guide clients towards improved investing-related decisions.

After your client completes the short, 8-12-minute assessment, you receive a detailed Advisor Report, providing you with a comprehensive picture of your client's patterns of investing-related experiences and behaviors. Your client receives a white-labeled, personalized report. Afterwards, use our behavioral coaching tool to create customized recommendations for helping your client improve his or her investment-related decisions. Track progress over time, and help couples understand investment-related strengths and challenge areas.

Factor	Description
Investing Confidence	Confidence & self-efficacy in investment decision-making
Volatility Composure	Behaviors & experiences during times of market ups and downs
Risk Personality	Personality related to trying new approaches to problems or taking chances
Risk Preference	Preference for certain types of investments
Judgment	Knowledge/outlook related to sound investing principles

Investor Profile

- Approximately 40 questions and takes 8-12 minutes to complete
- Measures psychological risk tolerance, and provides scores on Investor Confidence, Judgment, Volatility Tolerance, Risk Preference and Risk Personality
- Appropriate for prospects & clients of all age ranges and experience levels
- Create personalized, behavioral plans to guide clients to better investing behaviors
- Provides maps to portfolio allocation ranges based on a proprietary mapping database from the Financial Planning Performance Lab
- Compare couples' scores on investing-related characteristics
- Reporting includes: advisor detailed report, client report, household comparison charts, behavioral coaching & planning component

The Science of Predicting Wealth

DataPoints is committed to ensuring our assessments meet industry standards and best practices, including *The Standards for Educational and Psychological Testing*¹. The Investor Profile is backed by scientific, empirical evidence supporting its reliability and validity.

A complete technical report is available to DataPoints' clients. Contact research@datapoints.com for more information.

¹ American Educational Research Association, American Psychological Association, & National Council on Measurement in Education. (2004). *The Standards for Educational and Psychological Testing*. Washington, DC: American Educational Research Association.