# Risk Tolerance Questionnaire

Tolerance for risk is a key consideration in determining your probable level of comfort with varying investing choices.

## Risk Questionnaire

### Time Horizon
Your current situation and future income needs.

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</table>
| 1 | What is your current age? | □ Less than 45  
□ 45 to 55  
□ 56 to 65  
□ 66 to 75  
□ Older than 75 |

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| 2 | When do you expect to start drawing income? | □ Not for at least 20 years  
□ In 10 to 20 years  
□ In 5 to 10 years  
□ Not now, but within 5 years  
□ Immediately |

### Long-Term Goals and Expectations
Your views of how an investment should perform over the long term.

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| 3 | What is your goal for this investment? | □ To grow aggressively  
□ To grow significantly  
□ To grow moderately  
□ To grow with caution  
□ To avoid losing money |

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| 4 | Assuming normal market conditions, what would you expect from this investment over time? | □ To generally keep pace with the stock market  
□ To slightly trail the stock market, but make a good profit  
□ To trail the stock market, but make a moderate profit  
□ To have some stability, but make modest profits  
□ To have a high degree of stability, but make small profits |

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| 5 | Suppose the stock market performs unusually poorly over the next decade, what would you expect from this investment? | □ To lose money  
□ To make very little or nothing  
□ To eke out a little gain  
□ To make a modest gain  
□ To be little affected by what happens in the stock market |

### Short-Term Risk Attitudes
Your attitude toward short-term volatility.

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| 6 | Which of these statements would best describe your attitudes about the next three years’ performance of this investment? | □ I don’t mind if I lose money  
□ I can tolerate a loss  
□ I can tolerate a small loss  
□ I’d have a hard time tolerating any losses  
□ I need to see at least a little return |

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| 7 | Which of these statements would best describe your attitudes about the next three months’ performance of this investment? | □ Who cares? One calendar quarter means nothing.  
□ I wouldn’t worry about losses in that time frame  
□ If I suffered a loss of greater than 10%, I’d get concerned  
□ I can only tolerate small short-term losses  
□ I’d have a hard time accepting any losses |
## Risk Tolerance Results

Tolerance for risk is a key consideration in determining your probable level of comfort with varying investing choices. Your responses to the questionnaire have been scored and then mapped to a mix of asset types listed in the chart below.

### Risk Profile

This section indicates the risk level that is considered appropriate for you and the assets represented in this proposal.

Your risk tolerance is scored based on three factors that impact investing decisions: time horizon, long-term goals and expectations, and short-term risk attitudes. This graph illustrates your risk tolerance.

### Risk Questionnaire

<table>
<thead>
<tr>
<th>Risk Questionnaire</th>
<th>Time Horizon</th>
<th>Long-Term Goals and Expectations</th>
<th>Short-Term Risk Attitudes</th>
<th>Overall Risk Tolerance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Moderate</td>
<td>Moderate</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Very Conservative</td>
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<tr>
<td>Conservative</td>
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<td></td>
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<tr>
<td>Moderate</td>
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<td>Aggressive</td>
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<tr>
<td>Very Aggressive</td>
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</tbody>
</table>

### Very Conservative

As a very conservative investor, your portfolio will be invested in the most risk-averse areas such as cash and fixed-income securities. This approach offers a high degree of stability and should minimize the chances of substantial short-term volatility. The overall return, while not guaranteed, should fall within a narrow range of possibilities. However, particularly for time periods greater than five years, these returns may underperform the returns achievable from a higher-risk approach.

### Conservative

As a conservative investor, your portfolio will be invested primarily in risk-averse areas such as cash and fixed-income securities with only a modest exposure to equities. This approach concentrates on stability rather than maximizing return and should limit the chances of substantial short-term volatility. The overall return, while not guaranteed, should fall within a relatively narrow range of possibilities. However, particularly for time periods greater than five years, these returns may underperform the returns achievable from a higher-risk approach.

### Moderate

As a moderate investor, your portfolio will include investment in equities, balanced by exposure to more risk-averse areas of the market such as cash, fixed-income securities, and real estate. This approach aims to achieve a balance between stability and return but is likely to involve at least some short-term volatility. The overall return is not guaranteed, although the range of possible outcomes should not be extreme. In most circumstances, particularly for time periods greater than five years, these returns should outperform the returns achievable from a more conservative approach but may underperform the returns achievable from a higher-risk approach.

### Aggressive

As an aggressive investor, your portfolio will be invested primarily in equities. This approach concentrates on achieving a good overall return on your investment while avoiding the most speculative areas of the market. Significant short-term fluctuations in value can be expected. The eventual return for the time period over which you invest could fall within a relatively wide range of possibilities. In most circumstances, particularly for time periods greater than five years, these returns should outperform the returns achievable from a more conservative approach.

### Very Aggressive

As a very aggressive investor, your portfolio will be invested in equities and will include exposure to more speculative areas of the market. The aim is to maximize return while accepting the possibility of large short-term fluctuations in value and even the possibility of longer-term losses. The eventual return for the time period over which you invest could fall within a wide range of possibilities. In most circumstances, the return should outperform the returns achievable from a more conservative approach.
Standardized and Tax Adjusted Returns Disclosure Statement

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor’s shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end please visit http://advisor.morningstar.com/familyinfo.asp.

Standardized Returns assume reinvestment of dividends and capital gains. They depict performance without adjusting for the effects of taxation, but are adjusted to reflect sales charges and ongoing fund expenses.

If adjusted for taxation, the performance quoted would be significantly reduced. For variable annuities, additional expenses will be taken into account, including M&E risk charges, fund-level expenses such as management fees and operating fees, contract-level administration fees, and charges such as surrender, contract, and sales charges. The maximum redemption fee is the maximum amount a fund may charge if redeemed in a specific time period after the fund’s purchase.

After-tax returns are calculated using the highest individual federal marginal income tax rates, and do not reflect the impact of state and local taxes. Actual after-tax returns depend on the investor’s tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements such as 401(k) plans or an IRA. After-tax returns exclude the effects of either the alternative minimum tax or phase-out of certain tax credits. Any taxes due are as of the time the distributions are made, and the taxable amount and tax character of each distribution are as specified by the fund on the dividend declaration date. Due to foreign tax credits or realized capital losses, after-tax returns may be greater than before-tax returns. After-tax returns for exchange-traded funds are based on net asset value.

Money Market Fund Disclosures
If money market fund(s) are included in the Standardized Returns table below, each money market fund’s name will be followed by a superscripted letter that links it to the applicable disclosure below:

Institutional Money Market Funds (designated by an "I"):
You could lose money by investing in the fund. Because the share price of the fund will fluctuate, when you sell your shares they may be worth more or less than what you originally paid for them. The fund may impose a fee upon sale of your shares or may temporarily suspend your ability to sell shares if the fund’s liquidity falls below required minimums because of market conditions or other factors. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund’s sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

Government Money Market Funds that have Chosen to rely on the ability to impose liquidity fees and suspend redemptions (designated by an "L") and Retail Money Market Funds (designated by an "R"):
You could lose money by investing in the fund. Although the fund seeks to preserve the value of your investment at $1.00 per share, it cannot guarantee it will do so. The fund may impose a fee upon sale of your shares or may temporarily suspend your ability to sell shares if the fund’s liquidity falls below required minimums because of market conditions or other factors. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund’s sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

Government Money Market Funds that have chosen not to rely on the ability to impose liquidity fees and suspend redemptions (designated by an "N"):
You could lose money by investing in the fund. Although the fund seeks to preserve the value of your investment at $1.00 per share, it cannot guarantee it will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund’s sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

<table>
<thead>
<tr>
<th>Annualized returns 06-30-2018</th>
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<tbody>
<tr>
<td><strong>Standardized Returns (%)</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>AllianzGI Equity &amp; Conv Inc-NAV</td>
</tr>
<tr>
<td>AllianzGI Equity &amp; Conv Inc-Market</td>
</tr>
<tr>
<td>William Blair Macro Allocation I</td>
</tr>
<tr>
<td>MSCI EAFE NR USD</td>
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</tbody>
</table>

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<table>
<thead>
<tr>
<th>Standardized Returns (%)</th>
<th>7-day Yield Subsidized as of date</th>
<th>7-day Yield Unsubsidized as of date</th>
<th>1Yr</th>
<th>5Yr</th>
<th>10Yr</th>
<th>Since Inception Date Inception</th>
<th>Max Front Load %</th>
<th>Max Back Load %</th>
<th>Net Exp Ratio %</th>
<th>Gross Exp Ratio %</th>
<th>Max Redemption %</th>
</tr>
</thead>
<tbody>
<tr>
<td>AllianzGI Equity &amp; Conv Inc-NAV</td>
<td>12.62</td>
<td>7.03</td>
<td>5.38</td>
<td>4.54</td>
<td>02-22-2007</td>
<td>9.15</td>
<td>6.42</td>
<td>5.09</td>
<td>4.42</td>
<td></td>
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</tr>
<tr>
<td>William Blair Macro Allocation I</td>
<td>0.51</td>
<td>1.24</td>
<td>—</td>
<td>3.88</td>
<td>11-29-2011</td>
<td>0.55</td>
<td>1.29</td>
<td>—</td>
<td>3.38</td>
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<tr>
<th>Return after Tax (%)</th>
<th>On Distribution</th>
<th>On Distribution and Sales of Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Yr</td>
<td>5Yr</td>
<td>10Yr</td>
</tr>
<tr>
<td>AllianzGI Equity &amp; Conv Inc-NAV</td>
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<tr>
<td>William Blair Macro Allocation I</td>
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<td>1.24</td>
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Risk Tolerance Disclosure Statement

General
Risk tolerance is an investor’s general ability to withstand risk inherent in investing. This report confirms the responses that you gave to the risk tolerance questionnaire that was administered by your advisor, and summarizes the result of your responses. Your advisor has the ability to override the result to present you with a more appropriate result. Your risk tolerance is scored based on three factors: (1) time horizon, (2) long-term goals and expectations, and (3) short-term risk attitudes. Using a weighted average, an overall risk tolerance score is generated. This score is then mapped to one of the following risk tolerance profiles, from most risk averse to least: Income, Conservative Growth, Moderate Growth, Growth, Aggressive Growth. Ultimately, you and/or your advisor have the final decision in determining your risk tolerance profile.

Although the scoring is objective, subjectivity cannot be completely eliminated using such planning tools. There is no guarantee that the risk assessment tool or its scoring accurately assessed your tolerance to risk. In addition, although the advisor may have directly or indirectly used the results of this questionnaire to determine a suggested asset allocation, there is no guarantee that the asset mix appropriately reflects your ability to withstand investment risk.

Prior to investing in a specific mutual fund or variable annuity or variable life subaccount, you must be provided a current prospectus.

Morningstar is not a broker/dealer.

Scoring
Your risk tolerance is scored based on three factors: (1) time horizon, (2) long-term goals and expectations, and (3) short-term risk attitudes. Using a weighted average, an overall risk tolerance score is generated. Each overall score is mapped to one of five possible portfolio asset mixes – Income, Conservative Growth, Moderate Growth, Growth, Aggressive Growth. Each is constructed to theoretically represent a spectrum of risk/return profiles from least risky to most risky.

Asset Class Assumptions
The following scoring was applied for each response:

\[
\begin{align*}
A &= 5 \\
B &= 4 \\
C &= 3 \\
D &= 2 \\
E &= 1 
\end{align*}
\]

The following total score resulted in each risk tolerance result:

<table>
<thead>
<tr>
<th>Result</th>
<th>Score</th>
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<tbody>
<tr>
<td>Very Conservative</td>
<td>7-10</td>
</tr>
<tr>
<td>Conservative</td>
<td>11-17</td>
</tr>
<tr>
<td>Moderate</td>
<td>18-24</td>
</tr>
<tr>
<td>Aggressive</td>
<td>25-31</td>
</tr>
<tr>
<td>Very Aggressive</td>
<td>32-35</td>
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</table>

Investment Risks

International/Emerging Market Equities: Investing in international securities involves special additional risks. These risks include, but are not limited to, currency risk, political risk, and risk associated with varying accounting standards. Investing in emerging markets may accentuate these risks.

Sector Strategies: Portfolios that invest exclusively in one sector or industry involve additional risks. The lack of industry diversification subjects the investor to increased industry-specific risks.

Non-Diversified Strategies: Portfolios that invest a significant percentage of assets in a single issuer involve additional risks, including share price fluctuations, because of the increased concentration of investments.

Small Cap Equities: Portfolios that invest in stocks of small companies involve additional risks. Smaller companies typically have a higher risk of failure, and are not as well established as larger blue-chip companies. Historically, smaller-company stocks have experienced a greater degree of market volatility than the overall market average.

Mid Cap Equities: Portfolios that invest in companies with market capitalization below $10 billion involve additional risks. The securities of these companies may be more volatile and less liquid than the securities of larger companies.

High-Yield Bonds: Portfolios that invest in lower-rated debt securities (commonly referred to as junk bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. The investor should be aware of the possible higher level of volatility, and increased risk of default.

Tax-Free Municipal Bonds: The investor should note that the income from tax-free municipal bond funds may be subject to state and local taxation and the Alternative Minimum Tax.

Bonds: Bonds are subject to interest rate risk. As the prevailing level of bond interest rates rise, the value of bonds already held in a portfolio declines. Portfolios that hold bonds are subject to declines and increases in value due to general changes in interest rates.

HOLDRs: The investor should note that these are narrow industry-focused products that, if the industry is hit by hard times, will lack diversification and possible loss of investment would be likely. These securities can trade at a discount to market price, ownership is of a fractional share interest, the underlying investments may not be representative of the particular industry, the HOLDR might be delisted from the AMEX if the number of underlying companies drops below nine, and the investor may experience trading halts.

Hedge Funds: The investor should note that hedge fund investing involves specialized risks that are dependent upon the type of strategies undertaken by the manager. This can include distressed or event-driven strategies, long/short strategies, using arbitrage (exploiting price inefficiencies), international investing, and use of leverage, options and/or derivatives. Although the goal of hedge fund managers may be to reduce volatility and produce positive absolute return under a variety of market conditions, hedge funds may involve a high degree of risk and are suitable only for investors of substantial financial means who could bear the entire loss of their investment.

Bank Loan/Senior Debt: Bank loans and senior loans are impacted by the risks associated with fixed income in general, including interest rate risk and default risk. They are often non-investment grade; therefore, the risk of default is high. These securities are also relatively illiquid. Managed products that invest in bank loans/senior debt are often highly leveraged, producing a high risk of return volatility.

Exchange Traded Notes (ETNs): ETNs are unsecured debt obligations. Any repayment of notes is subject to the issuer’s ability to repay its obligations. ETNs do not typically pay interest.
Leveraged ETFs: Leveraged investments are designed to meet multiples of the return performance of the index they track and seek to meet their fund objectives on a daily basis (or other time period stated within the prospectus objective). The leverage/gearing ratio is the amount of excess return that a leveraged investment is designed to achieve in comparison to its index performance (i.e. 200%, 300%, -200%, or -300% of 2X, 3X, -2X, -3X). Compounding has the ability to affect the performance of the fund to be either greater or less than the index performance multiplied by the multiple stated within the funds objective over a stated time period.

Short Positions: When a short position moves in an unfavorable way, the losses are theoretically unlimited. The broker may demand more collateral and a manager might have to close out a short position at an inopportune time to limit further losses.

Long-Short: Due to the strategies used by long-short funds, which may include but are not limited to leverage, short selling, short-term trading, and investing in derivatives, these funds may have greater risk, volatility, and expenses than those focusing on traditional investment strategies.

Liquidity Risk: Closed-end fund, ETF, and HOLDR trading may be halted due to market conditions, impacting an investor’s ability to sell a fund.

Market Price Risk: The market price of ETFs, HOLDRs, and closed-end funds traded on the secondary market is subject to the forces of supply and demand and thus independent of the NAV. This can result in the market price trading at a premium or discount to the NAV, which will affect an investor’s value.

Market Risk: The market prices of ETFs and HOLDRs can fluctuate as a result of several factors, such as security-specific factors or general investor sentiment. Therefore, investors should be aware of the prospect of market fluctuations and the impact it may have on the market price.

Target-Date Funds: Target-date funds typically invest in other mutual funds and are designed for investors who are planning to retire during the target date year. The fund’s target date is the approximate date when investors expect to begin withdrawing their money. A target-date fund’s investment objective/strategy typically becomes more conservative over time, primarily by reducing its allocation to equity mutual funds and increasing its allocations in fixed-income mutual funds. An investor’s principal value in a target-date fund is not guaranteed at any time, including at the fund’s target date.

High double- and triple-digit returns: High double- and triple-digit returns were the result of extremely favorable market conditions, which may not continue to be the case. High returns for short time periods must not be a major factor when making investment decisions.

**Benchmark Disclosure**

**BBgBarc US Agg Bond TR USD**

This index is composed of the BarCap Government/Credit Index, the Mortgage-Backed Securities Index, and the Asset-Backed Securities Index. The returns we publish for the index are total returns, which include reinvestment of dividends.

**MSCI EAFE NR USD**

This Europe, Australasia, and Far East index is a market-capitalization-weighted index of 21 non-U.S., industrialized country indexes.