

# Financial DNA®

## Natural Behavior Discovery

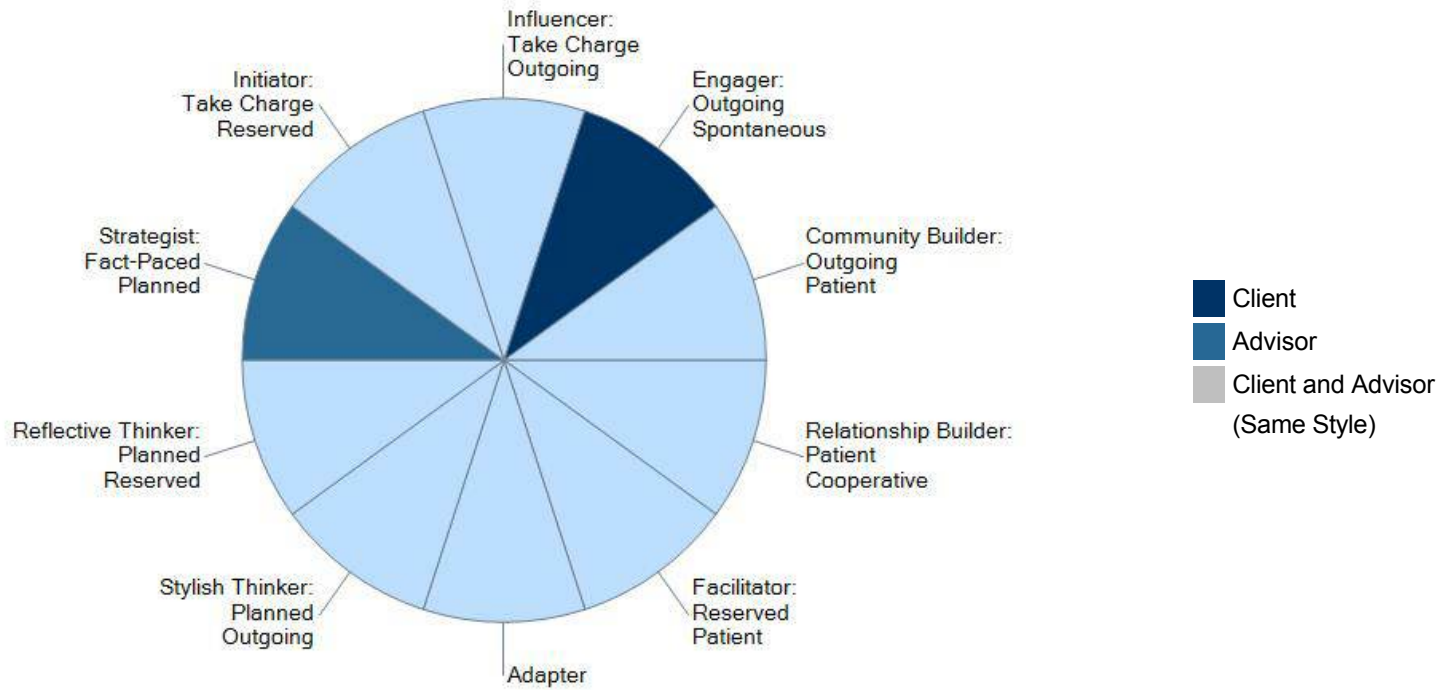
**Your DNA Behavioral Management Guide for:  
Helen Jones**

Provided by your advisor: **Chris Coddington**

Insights for the advisor to tailor  
the meeting structure, style  
and content to guide you based  
on your unique natural behavior style.

## 1.1 Financial DNA Natural Behavior Discovery

The graph below highlights how your and the client's unique DNA Natural Behavior Style are similar and/or different for achieving results and building relationships.



## 1.2 Behavioral Compatibility with the Client

Your level of behavioral modification required based on the client's DNA Natural Behavior Style is: **High**

### Client – Helen Jones

### Advisor – Chris Coddington

<b>Natural Behavior Style:</b>	Engager	Strategist
<b>Strongest Factor 1:</b>	Outgoing	Pioneer
<b>Strongest Factor 2:</b>	Creative	Skeptical
<b>Risk Profile (Pop score):</b>	73%	98%
<b>Risk Profile Group (1-7):</b>	Group 5	Group 7

### Advisor's Strongest Behavioral Similarities to Client

*(However, may lead to potential shared blind-spots)*

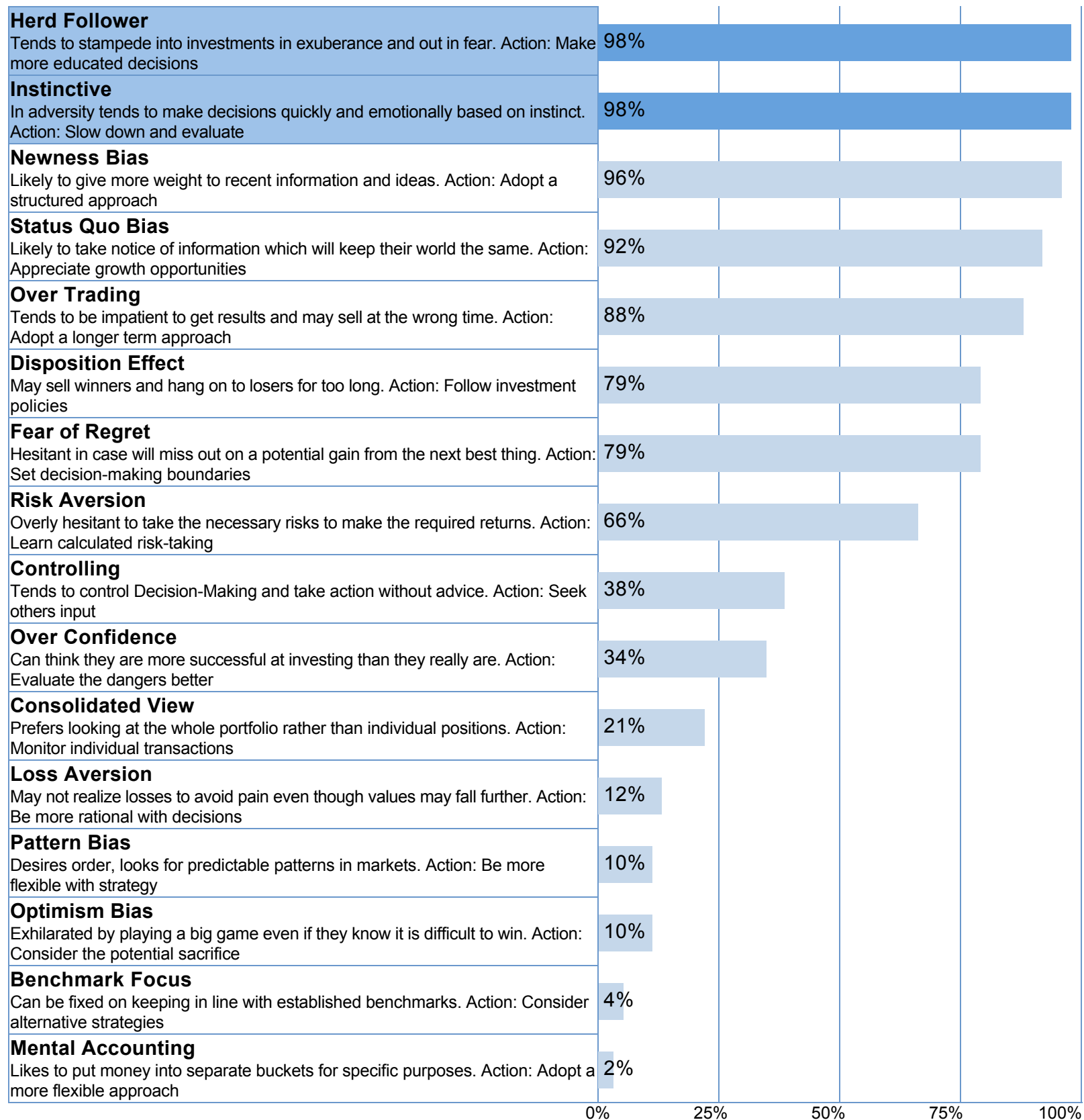
### Advisor's Strongest Behavioral Differences to Client

*(Advisor bias may over influence client decisions)*

1. Realist, Impatient for returns, Sells at wrong time, Over trading	1. Goal driver, Over focused on success, Fails to change plans, Optimism bias
2. Venturesome, Takes poor chances, Low portfolio balance, Over confidence	2. Reflector, Hoards, Fear of not enough, Mental accounting
3. Analyzer, Paralysis, Misses opportunities, Pattern bias	3. Questioner, Does not delegate, Misses market timing, Controlling

## 1.3 Influences of Behavioral Biases on the Client's Financial Decision-Making

The behavioral biases highlighted below are all patterns of behavior which if not managed can cause a client to make irrational decisions on a regular basis, increasing the risk of not achieving their goals. Discuss the strongest behavioral biases with the client and agree a strategy for managing them.



## 1.4 Discovery Connection Questions

Engage your client in a discussion about their report. Consider asking your client some of the following questions to understand their thoughts and perspectives about the report:

1. How do you feel about your report?
2. What was the most accurate part of the report?
3. What aspects do you agree with and disagree with?
4. What parts of the report do you not understand?
5. How has the report made you think differently about your decision-making?
6. Has the report identified differences with others?
7. What is your greatest behavioral strength for making decisions?
8. What is your greatest struggle for making decisions?
9. Do you adapt your behavior in making financial decisions; and, if yes, how?
10. Have you showed your spouse or life partner? If so, what do they think?

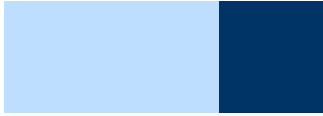


### Disclaimer

The purpose of this instrument is educational. It is designed to help people identify their natural behavioral strengths and struggles for making life, financial and investment decisions. This Financial DNA Natural Behavior Report should not be used to identify, diagnose, or treat psychological, mental health, and/or medical problems. Additionally, if this report is used to evaluate personnel, the user should seek adequate legal counsel to ensure compliance with applicable local, state and federal employment laws. The user assumes sole responsibility for any actions or decisions that are made as a result of using this aid to self discovery. By using the Financial DNA Natural Behavior Report, you expressly waive and relinquish any and all claims of any nature against DNA Behavior International, any affiliated companies, and/or their employees arising out of or in connection with the use of this survey. DNA Behavior does not purport to provide you with any securities or investment recommendations or advice. Before making any life, financial or investment decision, we recommend that you seek the wise counsel of a wealth mentor or advisor. In addition, the use of this report is subject to the Terms and Conditions at [www.financialdna.com](http://www.financialdna.com).

## Appendix A: Client Engagement

### A.1 Relationship Behavior Risk Management

The following relationship behavior factors relate to the client's strengths and struggles for building relationships with the advisor and others.

<p><b>Can Lack Attention to Detail</b> High level, May be unprepared. Provide fact sheets and bullet points</p>	84%		16%	<p><b>Researches Information</b> Investigative, Research, Analytical, Structured. Present specifics</p>
<p><b>May Not Listen Carefully</b> Focused on own agenda, May misinterpret what is said. Slow them down</p>	21%		79%	<p><b>Relationship Driven</b> Patient, Caring, Inclusive Harmonious, Soften the communication</p>
<p><b>May Take Control of Decision Making</b> Operates alone, Independent thinker, Guarded. Provide options</p>	38%		62%	<p><b>Delegates to Advisor</b> Collaborative, Adopts a team based approach. Encourage input</p>

### A.2 Desired Relationship Environment to Be Created for the Client






You will need to recognize the client's strengths and struggles in their approach to decision-making and also how to interact with them based on their performance environment keys for building a sustainable.

Performance Strengths	Performance Struggles	Performance Keys
Good at meeting people	Strong need for approval from others	Remember my need for fun and/or excitement
Likes to make a good impression on others	May be too transparent, too uninhibited	Invest time in building our relationship
Able to promote	Difficulty with following set procedures	Tell me who is involved
Open to unusual ideas		Expect/encourage my out-of-the-box thinking
Imagines new possibilities		Encourage me to brainstorm

## Appendix B: Setting Goals

### B.1 Financial Behavior Risk Management

The following financial behavior factors relate to the client's strengths and struggles for achieving their goals.

<p><b>May Set Overly Ambitious Goals</b> Too focused on success, Overly vigorous. Check what they are prepared to give up</p>	<p>10%  90%</p>	<p><b>Builds a Content Life</b> Steady, Accepts the current environment as it is. Focus on life balance</p>
<p><b>Can Easily Change Plans</b> Flexible, but changes strategy too quickly. Monitor follow through</p>	<p>98%  2%</p>	<p><b>Pursues Goals</b> Committed, Stays to plan, Focused. Manage over drive with flexibility</p>
<p><b>Tendency to be Financially Disorganized</b> Not prepared, Can be in disarray. Provide more structure</p>	<p>90%  10%</p>	<p><b>Follows Budgets</b> Financially organized, Orderly. Follow a set process</p>
<p><b>May Have a High Desire to Spend</b> Lifestyle oriented, Emotional buyer, Generous. Discuss spending plans (not budgets)</p>	<p>98%  2%</p>	<p><b>Saves Money</b> Rational consumer, Wealth accumulator, Can be frugal. Discuss how much is enough</p>
<p><b>Can Lack Boundaries</b> Over commits, Loses focus, Needs boundaries. Provide a concrete plan of action</p>	<p>69%  31%</p>	<p><b>Bottom Line Results Focus</b> Prefers outcomes clearly defined, Demanding, Price sensitive. Move at a quick pace</p>

### B.2 Financial Behavior Risk Management Questions

Engage your client in a discussion about their approach to achieving goals and managing their wealth. Consider asking your client some of the following questions:



1. How are you progressing towards achieving your goals?
2. What can get in the way of you achieving your goals?
3. What is important about money to you?
4. How much money is enough for you in retirement?

## Appendix C: Building the Portfolio

### C.1 Investment Behavior Risk Management

The Natural Risk Behavior Score for Helen Jones is higher than **73%** of the population.


Based on the Natural Risk Behavior Score, the approach to making investment decisions relative to the population is highlighted below.

<p><b>Propensity to Take Inappropriate Chances</b> Takes unnecessary risks, Too speculative. Present risk/return</p>	34%		66%	<p><b>Safely Manages Risk</b> Conservative, Surveys situations well, Sees potential dangers. Communicate safety</p>
<p><b>Likelihood to be Emotional With Losses</b> Wants guarantees, Regrets decisions afterwards. Make them feel comfortable</p>	12%		88%	<p><b>Risk Tolerance</b> Rationalizes losses, Accepts consequences of losses. Provide a plan to move on quickly</p>

### C.2 Natural Behavior Portfolio Risk Group

The Natural Behavior Portfolio Risk Group that should be considered as a starting point in determining the structure of the your client's investment portfolio is indicated below. The Portfolio Risk Group shown below has been determined based on the blend of the Natural Behavior Risk Propensity and Risk Tolerance Scores as summarized in the table above.

Based only on your client's Natural Behavior Risk Score, your Portfolio Risk Group is **Group 5**.

Portfolio Risk Group							
	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7
Percentage of the population with a risk taking level less than your client	<2%	2-16%	16-30%	31-69%	<b>70-84%</b>	84-98%	>98%
Portfolio Structure	Capital Protection	Ultra-Conservative	Conservative	Balanced	<b>Accumulation</b>	Growth	Aggressive

In determining the Overall Portfolio Risk Group, discuss with the client their goals, financial capacity, and learned behaviors. Refer to the tables in Appendix C.4.

### C.3 Investment Behavior Risk Management Questions

Engage your client in a discussion about the level of investment risk they are prepared to take in order to achieve their investment objectives. Consider asking your client some of the following questions:

1. Tell me about the financial and non-financial risks you have taken in your life?
2. How do you assess the merits of taking a risk?
3. Do you understand the impact taking risks may cause on other people in your life?
4. How has taking a risk played out for you?

## C.4 Consideration Factors for Final Portfolio Risk Group Determination

### 1. Review The Investment Portfolio Risk Reward Analysis

We recommend that you review with the client the Investment Portfolio Risk Reward Analysis table that is provided below to assess the appropriate Overall Portfolio Risk Group. The Overall Portfolio Risk Group that is used in the Financial Plan and Investment Policy Statement should be selected based on understanding the investment portfolio returns needed to achieve the client's goals (item 1 in the table below) and with respect to the client's current financial capacity (items 2 to 4 in the table below).

Portfolio Risk Group	1 Capital Protection	2 Ultra-Conservative	3 Conservative	4 Balanced	5 Accumulation	6 Growth	7 Aggressive
1. Investment Portfolio Return Aim (Without Borrowing)	In Line with Cash Deposits	In Line with or slightly better than cash deposits	Excess of deposits and possibly beats inflation	Average returns higher than deposit rates and inflation	Above average returns and higher than deposits or inflation	Significantly higher than deposits and inflation with high return potential over the long-term	The highest return potential over the longer term
2. Average Portfolio Fluctuation Based on 5 Year Data of Monthly Pricing	0% to ±0.5%	±0.5% to ±2%	±2% to ±5%	±5% to ±10%	±10% to ±15%	±15% to ±25%	±25% or greater
3. Potential Short Term Portfolio Loss (Based on Outer Limits)	-1%	-4%	-10%	-20%	-30%	-50%	Far greater than -50%
4. Risk of Expected Loss	Very Low Risk	Low Risk	Low to Medium Risk	Medium Risk	Medium to High Risk	High Risk	Very High Risk

The guidelines provided in this table are based on research from a range of relevant international investment body sources.

### 2. Review Your Potential Learned Risk Behavior Motivations

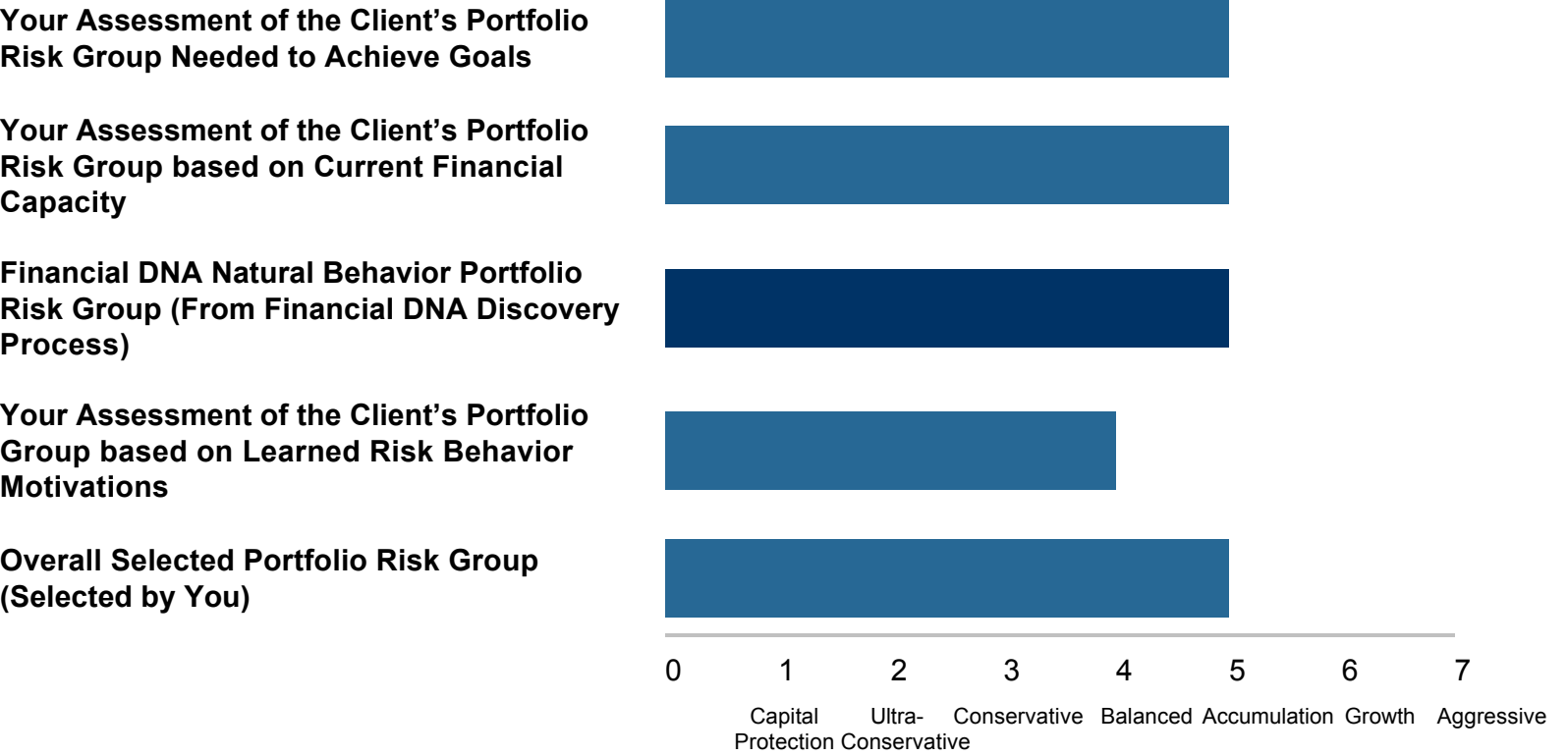
The Overall Portfolio Risk Group that is used in the Financial Plan and Investment Policy Statement should also be selected based on understanding the potential motivations that influence the client's Learned Risk Behavior. The Learned Risk Behavior reflects how the Natural Risk Behavior identified in this report may be currently adapted in the client's complete financial personality by circumstances, experiences and education. We recommend that you review with the client the Potential Learned Risk Behavior Motivations table that is provided below to assess the appropriate Overall Portfolio Group.

Potential Motivations	May Invest Higher Than Natural Risk Behavior	May Invest Lower Than Natural Risk Behavior
1. Market Perception	Bullish	Bearish
2. Goal Setting Attitude	Ambitious	Conservative
3. Financial Decision-Making Confidence	High	Low
4. Age	Retirement in 10+ Years	Close to Retirement
5. Financial Experiences	Good-"Rags to Riches"	Poor-"Riches to Rags"
6. Life Experiences	Positive Feeling	Negative Mood
7. Values and Beliefs	Belief in taking risk builds wealth	Belief that investments are for life security
8. Financial Education	High Investment Knowledge	Low Investment Knowledge



D.1 Summary of Client’s Selected Portfolio Risk

In finalizing the Financial Plan and Investment Policy Statement, discuss and reconcile with the client how the investment risk required to achieve their goals is aligned to their financial capacity and financial personality.



D.2 Financial Planning Meeting Wrap-up – Advisor Client Relationship Focus Questions

1. **Ask the Client** : If I was to be your Advisor how could I best help you?
2. **Advisor - Client Compatibility**  
What will you value from the relationship, and how will you measure it?
3. **Client Communication**  
How would you like me, as your advisor, to communicate with you and how regularly do you need information updates and meetings?
4. **Setting Goals - Managing Expectations**  
Where do you want to be versus who you are and where you are at now?
5. **Investing Style - Unique Decision-Making Pattern**  
What is your ideal decision-making process for creating and protecting wealth?
6. **Accountability: Disciplined Execution**  
What would you like the review process to be in managing your finances?