Find the Portfolio that's right for you
...in three easy steps

In addition to the Upgrader Funds, there are nine Investor Models that tactically combine two or more of the Upgrader Funds so you get a portfolio that's right for your particular investment goals. This three-part Questionnaire will guide you to one of the Investor Models based on the amount of time you plan to be invested and the risk you're willing to take to achieve your goals.

1. Set your Investment Goal

Break your investments down into specific pools of money based on your goals. For example, if you are planning to buy a car within the next six months, that money should be in a very low risk vehicle, like a money market account. The longer your time horizon, the more aggressive you can be with those assets, in order to maximize your potential gain.

If your are investing for more than one goal, consider opening a separate account for each different time horizon. Your FundX Upgrader Funds investments should fall into one of the following four time frames.

- 2 + to 4 years
- 4 + to 7 years
- 7 + to 10 years
- 10+ years

2. Find Your Risk Tolerance

To zero in on how much volatility you can handle in your portfolio, answer the following five hypothetical questions and rate yourself using the scoring system at the end.

1. Given that long-run stock market growth has averaged almost 11.5% per year over the past 40 years and that there are occasional sharp declines in the stock market (such as the 48% drop in the S&P 500 Index from March 2000 to September 2002), how would you react to a substantial decline in the stock market?

- ○ A. I would be comfortable and would see it as a buying opportunity.
- ○ B. I would be comfortable and would do nothing.
- ○ C. I would be uncomfortable and would do nothing.
- ○ D. I would be uncomfortable and switch to less volatile investments.

2. From an original investment of $50,000, your portfolio has grown 100% to $100,000, but it suddenly drops $20,000, down 20%. How would you react?

- ○ A. I would sell the investments entirely
- ○ B. I would make no adjustment to the investments in my portfolio
- ○ C. I would make additional purchases in my portfolio
- ○ D. I would try to avoid the investment that might suddenly decline by 20%

3. Your portfolio, from the previous question, is now worth $80,000, and it suddenly declines another $12,000 or 15%, to $68,000. How would you react?

- ○ A. I would sell the investments entirely
- ○ B. I would make no adjustment to the investments in my portfolio
- ○ C. I would make additional purchases in my portfolio
- ○ D. I would try to avoid the investment that might suddenly decline by 15%

4. If you could choose only one of the four portfolios characterized below, which would you select?

●	
Average Annual Return	5.0%
Highest Annual Return	10.5%
Lowest Annual Return	0.0%

●	
Average Annual Return	8.0%
Highest Annual Return	16.7%
Lowest Annual Return	-9.8%

●	
Average Annual Return	11.0%
Highest Annual Return	29.9%
Lowest Annual Return	-22.1%

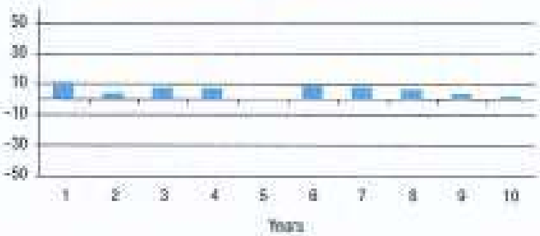
●	
Average Annual Return	15.0%
Highest Annual Return	56.9%
Lowest Annual Return	-39.9%

1of3

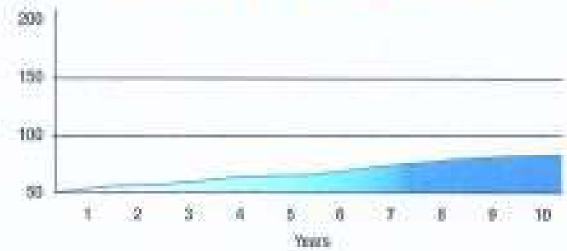
5. The bar charts below show annual rates of return earned by four hypothetical investments over a ten-year period. Each chart also shows the cumulative value of an initial lump sum deposit of $50,000 made at the beginning of year one, then held for ten years. Given the fluctuation of the returns for these four investments and their ending values, which would you choose?

- ○ **Investment A** with a 5% average annual return and ending value of $81,673
- ○ **Investment B** with an 8% average annual return and ending value of $108,114
- ○ **Investment C** with an 11% average annual return and ending value of $142,225
- ○ **Investment D** with a 15% average annual return and ending value of $202,387

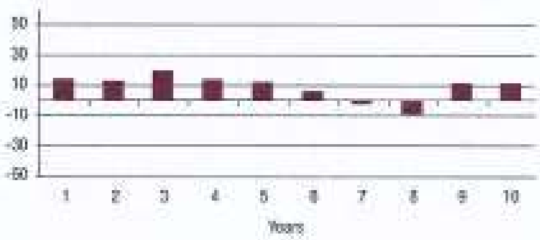
Investment A 5% Annualized Return



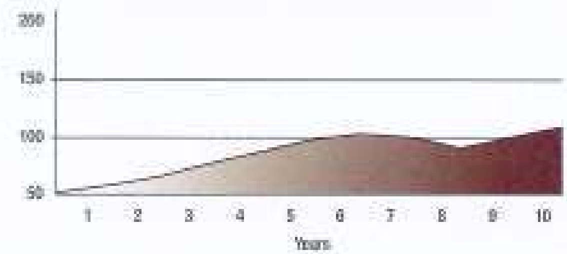
Investment A 5% Annualized Return



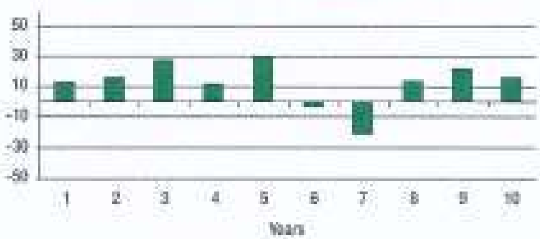
Investment B 8% Annualized Return



Investment B 8% Annualized Return

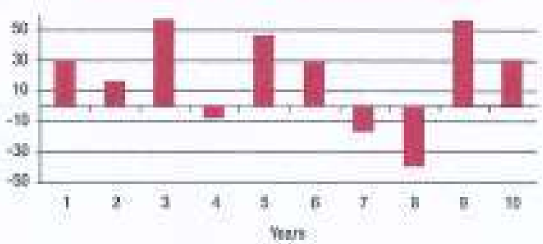


Investment C 11% Annualized Return

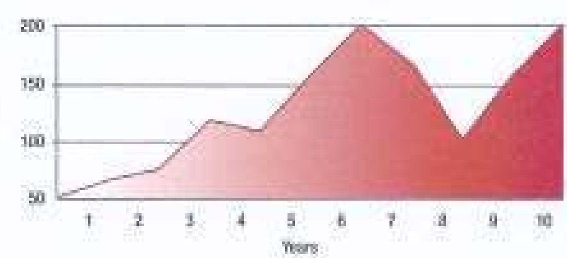


Investment C 11% Annualized Return

Investment D 15% Annualized Return



Investment D 15% Annualized Return



Score Yourself:

Here are the scores for each answer to the questions:

1	2	3	4	5
A: 20 points B: 15 points C: 10 points D: 5 points	A: 10 points B: 15 points C: 20 points D: 5 points	A: 10 points B: 15 points C: 20 points D: 5 points	A: 5 points B: 10 points C: 15 points D: 20 points	A: 5 points B: 10 points C: 15 points D: 20 points

Use your total score to determine which of the four risk-tolerance categories you fall into:

Your Score:	Risk Tolerance:
25 to 40	Low
45 to 60	Average
65 to 80	Above Average
85 to 100	High

3. Select a Model

Now that you have an idea of where you fall on the risk spectrum, match your risk tolerance (left) with the time horizon (top) to determine which model may be right for you. Remember, these are only suggestions; use them as a guide.

Guide to Investment Models

Risk Tolerance	Investment Horizon			
	2+ to 4 years	4+ to 7 years	7+ to 10 years	10+ years
High	C1 10% HOTFX 10% FUNDX 80% INCMX	G2 * 20% HOTFX 50% FUNDX 30% INCMX	A1 30% HOTFX 70% FUNDX	A1 30% HOTFX 70% FUNDX
Above Average	C2 10% HOTFX 90% INCMX	M2 * 10% HOTFX 30% FUNDX 60% INCMX	G2 * 20% HOTFX 50% FUNDX 30% INCMX	G1 25% HOTFX 50% FUNDX 25% RELAX
Average	C2 10% HOTFX 90% INCMX	M3 * 35% FUNDX 65% INCMX	M1 * 10% HOTFX 40% FUNDX 50% INCMX	G2 * 20% HOTFX 50% FUNDX 30% INCMX
Low	INCMX	C2 10% HOTFX 90% INCMX	C1 10% HOTFX 10% FUNDX 80% INCMX	M4 15% HOTFX 15% FUNDX 70% INCMX

Model Name

Model Allocations

Any account that you plan to hold for less than two years should not be invested in the FUNDX UPGRADER FUNDS.

* The FundX Conservative Upgrader Fund (RELAX) changed its portfolio as of January 1, 2008. In response to the changes in RELAX, some of the FundX Upgrader Fund Investor Models have changed their fund allocations as of January 1, 2008. The Models (shown above) reflect these changes.

3 of 3