



INVESTMENT POLICY STATEMENT

PURPOSE

The purpose of this Investment Policy Statement (“IPS”) is to assist the Client and The Financial Advisory Group (“Advisor”) in effectively supervising, monitoring and evaluating the Client’s Investment Portfolio (“Portfolio”). The Client’s investment program is defined in the various sections of the IPS by:

1. Stating in a written document the Client’s attitudes, expectations, objectives and guidelines for the investment of all assets.
2. Encouraging effective communications between the Client and the Advisor.
3. Complying with all applicable fiduciary, prudence and due diligence requirements experienced investment professionals would utilize, and with all applicable laws, rules and regulations from various local, state, federal and international political entities that may impact the Client’s assets.

BACKGROUND

The assets covered by this IPS currently total approximately _____ in market value, but the Client’s net worth is estimated to be _____. The assets included in this IPS are listed in Attachment A. Additional client accounts or assets may be added at any time.

STATEMENT OF OBJECTIVES

This IPS describes the prudent investment process the Advisor deems appropriate for the Client’s situation. The Client desires to maximize returns within prudent levels of risk and to meet the following stated investment objectives:

1. _____
2. _____
3. _____



Time Horizon

The investment guidelines are based upon an investment horizon of greater/less than five years; therefore interim fluctuations should be viewed with appropriate perspective. Short term, long term and periodic liquidity requirements are detailed in Attachment A.

Risk Tolerances

The Client recognizes and acknowledges some risk must be assumed in order to achieve long-term investment objectives and that in order to gain greater rewards, additional amounts of risk must be assumed by the Portfolio.

OVERALL RISK PROFILE

Conservative	Moderate			Aggressive
1	2	3	4	5

Client and Adviser agree on overall investment profile of ____.

Portfolio Monitoring

The Advisor will review each portfolio, on a regular basis, and make changes as needed. The following factors contribute to the need to review and modify investments:

- Change in Client risk profile
- Significant contribution or withdrawal of funds
- Changes in economic or market conditions
- Changes in Client needs.

Tax Considerations

Periodic modifications of the portfolios may result in the sale of some securities. The Advisor's decision to sell securities will incorporate tax considerations. The goal is to maximize after-tax returns, and cash flow, over the entire investment horizon.

The Client's current marginal tax rate is _____. The Client is responsible for informing the Advisor of any changes to their marginal tax rate.

DUTIES AND RESPONSIBILITIES

Investment Advisor

The Client has retained the Advisor to manage the portfolios. The Advisor will be responsible for engaging in a disciplined and rigorous investment process. As a fiduciary to the Client, the primary responsibilities of the Advisor are:

1. Prepare and maintain this investment policy statement.
2. Invest in sufficient asset classes with different investment managers and distinct risk/return profiles in order to prudently diversify the Portfolio.
3. Prudently select investment options.
4. Control and account for all investment expenses.
5. Monitor and supervise all service vendors and investment options.
6. Avoid prohibited transactions and conflicts of interest.
7. Monitor and report on the performance of the Client's investments.

Custodian

The Advisor engages the services of an independent custodian for the safekeeping of the Portfolio's assets. The specific duties and responsibilities of the custodian are:

1. Maintain separate accounts by legal registration.
2. Value the holdings.
3. Collect all income and dividends owed to the Portfolio.
4. Settle all transactions (buy-sell orders) initiated by the Advisor.
5. Provide monthly reports that detail transactions, cash flows, securities held and their current value, and changes in value of the Portfolio since the previous report.
6. Provide electronic (on-line) information about Client accounts to the Client and Advisor.



PERFORMANCE EVALUATION

The Client acknowledges that securities markets fluctuate on a day-to-day basis. Such short-term fluctuations may cause variations in performance. However, a disciplined investing process focuses on consistent returns measured over a long period of time. Therefore, the Advisor intends to view the Portfolio's performance from a long-term perspective.

The Advisor will monitor the performance of the investments on an ongoing basis and it is at the Advisor's discretion to take action by replacing any investment if they deem it appropriate at any time.

INVESTMENT POLICY REVIEW

The Advisor will review this IPS at least annually to determine whether stated investment objectives are still relevant and the continued feasibility of achieving the same. It is not expected that the IPS will change frequently. In particular, short-term changes in the financial markets should not require adjustments to the IPS.

Approved:

Advisor

Date

Client

Date

Client

Date

ATTACHMENT A

Accounts

Needs/Liquidity Requirements

1. _____

2. _____

3. _____

4. _____

5. _____

6. _____

7. _____

8. _____

9. _____

10. _____
