INDEPENDENT WEALTH MANAGEMENT

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Investment Policy Questionnaire (IPQ)

We will structure and give advice concerning your investment portfolio based on the following facts preferences, and discussions with you.

I. Initial Facts About You and Your Investment Portfolio

1. What is the approximate value of your total investment portfolio(s)? $__________________

2. What percentage of your investable assets will this account represent?

   ☐ 5 - 10% ☐ 20-30% ☐ More than 50%
   ☐ 10 - 20% ☐ 30-50% ☐ 100%

3. What is your projected time horizon for this portfolio (That is, how long do you expect the assets to remain in the portfolio until they are completely withdrawn for their intended purpose)?

   ☐ Up to 3 years ☐ 6 – 10 years ☐ 4 – 5 years ☐ More than 10 years

4. Retirement plans: ☐ Currently retired ☐ Retirement date:__________________

5. Describe (in terms of amount and probability) the contributions and/or withdrawals you anticipate making in the following time periods.

	Contributions	Withdrawals	Probability High	Probability Medium	Probability Low
Near term(first year)	+$____________	-$____________	☐	☐	☐
Mid-term(2-5 years)	+$____________	-$____________	☐	☐	☐
Long-term(5+ years)	+$____________	-$____________	☐	☐	☐

   ☐ None anticipated at this time

6. Rate your overall investment knowledge and experience (of products, risk factors, return characteristics, etc.):

   ☐ No knowledge or experience
   ☐ Poor
   ☐ Fair
   ☐ Good
   ☐ Very good

II. Addressing Your Tolerance For Investment Risk

7. Investment risk means different things to different people, and people have varying levels of risk tolerance. For each of the following possibilities, check the reaction that best reflects your risk tolerance:

   (A) My portfolio may experience negative return in 1 out of 4 years.
   - ☐ Avoid at all costs.
   - ☐ Permissible under certain circumstances.
   - ☐ Acceptable in order to achieve my expected returns.

   (B) My portfolio may experience a wide fluctuation in an individual security or several securities.
   - ☐ Avoid at all costs.
   - ☐ Permissible under certain circumstances.
   - ☐ Acceptable in order to achieve my expected returns.

   (C) My portfolio may experience a high degree of fluctuation in value over a market cycle (usually 3-5 years).
   - ☐ Avoid at all costs.
   - ☐ Permissible under certain circumstances.
   - ☐ Acceptable in order to achieve my expected returns.

8. If the value of your portfolio decreased by 20% in one year, how would you react?
   - ☐ I would be very concerned and would find another way to invest my money.
   - ☐ I would be somewhat concerned and would reconsider the aggressiveness of my portfolio.
   - ☐ I would not be concerned about the temporary fluctuation in my portfolio.

9. What is the maximum percentage you would be willing to lose in any one year in your portfolio? A general (but not guaranteed) proposition for investing is that, over time, higher returns correspond with greater risks.

   ☐ 0% ☐ 5% ☐ 10% ☐ 15% ☐ 20%

   ☐ 25% ☐ 30% ☐ 35% ☐ 40% ☐ 45%

10. Select the one choice that best represents how you feel about the following statement: “My portfolio should be managed for the long run and the volatility is less important than the end result.”
    - ☐ I disagree
    - ☐ I am willing to accept some variability of return, but never any loss of capital.
    - ☐ I am willing to accept a reasonable amount of annual fluctuation and an occasional year of negative return, in the interest of building capital.
    - ☐ I agree.

III. Understanding Your Expectations

11. The time period used in evaluating your portfolio has a significant impact on the probability of realizing a stated return objective. How long are you willing to wait for your account's performance to meet your rate of return objective?

☐ One year or less ☐ Three to five years ☐ More than five years

12. For your investment portfolio, how do you rate the following?

	Very Important	Somewhat Important	Not Important
(a) Preservation of purchasing power	☐	☐	☐
(b) Consistency of return	☐	☐	☐
(c) High long-term growth	☐	☐	☐
(d) Low volatility	☐	☐	☐
(e) Aggressive growth	☐	☐	☐

13. Please rate the importance -- to you -- of the following objectives:

	Very Important	Somewhat Important	Not Important
(a) Saving for retirement	☐	☐	☐
(b) Reducing Income taxes	☐	☐	☐
(c) Saving for a major purchase	☐	☐	☐
(d) Replacing Income	☐	☐	☐
(e) Emergency cash reserves	☐	☐	☐
(f) Accumulating wealth	☐	☐	☐
(g) Preserving wealth	☐	☐	☐

14. Do you have any investment restrictions with regard to:

☐ Legal considerations (describe): ______________________________

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☐ Tax considerations (describe): ______________________________

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☐ Social considerations (describe): ______________________________

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☐ Other considerations (describe): ______________________________

____

IV. Select The Investment Objective That's Right For You

15. What is most important to you when drawing from your investment to supplement your income needs?(Choose one)

    ☐ Having high odds of not running out of money

    ☐ Having a steady income that keeps pace with inflation

    ☐ Maximizing income while you are young, then lowering income needs as you get older

    ☐ Leaving an inheritance for children or charity

    ☐ Drawing at a rate that would deplete investments as you get older

16. You have taken a look at past investment returns, established your investment time horizon and considered the risk and return issues important to successful investing. Which one of the following objectives most closely meets your needs and circumstances?(Choose one)

    ☐ **80% to 100% Risk Assets***
    Historically, this allocation might produce average returns of 8.5% per year with a worst one year return of approximately negative 53%

    ☐ **60% to 80% Risk Assets***
    Historically, this allocation might produce average returns of 7.6% per year with a worst one year return of approximately negative 42%

    ☐ **40% to 60% Risk Assets***
    Historically, this allocation might produce average returns of 6.5% per year with a worst one year return of approximately negative 31%

    ☐ **20% to 40% Risk Assets***
    Historically, this allocation might produce average returns of 5.6% per year with a worst one year return of approximately negative 20%

    ☐ **0% to 20% Risk Assets***
    Historically, this allocation might produce average returns of 4.6% per year with a worst one year return of approximately negative 13%

    *Risk Assets equal: Stocks, Aggressive Bonds, Alternative Assets

*Annual Returns 1926 – 2010**

Asset Class	**Compound Return**	**Standard Deviation**
U.S. Treasury bills	3.6%	3.1%
Intermediate Gov't bonds	5.4%	5.7%
Long-term Gov't bonds	5.5%	9.5%
Long-term Corporate bonds	5.9%	8.3%
Large Company stocks	9.9%	20.4%
Small company stocks	12.1%	32.6%
Inflation	3.0%	4.2%

* Source: Stocks, Bonds, Bills and Inflation 2010 Yearbook, Ibbotson

Printed Name ____________ Signature ____________ Date ____________

Printed Name ____________ Signature ____________ Date ____________