

WHAT TYPE OF INVESTOR ARE YOU?

The first step to successful investing is to establish a clear understanding between both of us as to the investment objectives and policies that we will follow when investing your portfolio. We refer to this as your **Investment Policy Statement**.

- ✓ It serves to remind us both of your long term goals and needs as well as reassure you that you are only taking on as much risk as you need or want.
- ✓ Establish reasonable return expectations, objectives, and guidelines for the investment of your money.
- ✓ Define both of our responsibilities in this relationship.
- ✓ Help balance your desire for high returns with your tolerance for volatility.

After reviewing the following investment objectives please choose the one that best describes the type of investor you are. (enter Investment Objective from 1 of 4 below) # _____. Portfolio #1 is the most conservative and #4 is the most aggressive. Please note that there is a distinction between an investment objective and a guaranteed investment result, and that investment results cannot be guaranteed.

Please Select Only 1 Of The Following 4 Investment Objectives.

1 Income with Capital Preservation:

This type of portfolio is for investors who have 1 to 5 year investment horizons and who are concerned by volatility and wish to minimize it. Such portfolios often generate a lower stream of current income with lower volatility.

- Time Horizon: 5 Years or less
- Annual Return Objective: 3% – 6%
- Risk Tolerance: Conservative with a possible 3 month loss of 6% or more

These are the main objectives of the investment program. The objectives have been developed in conjunction with a review of your financial resources, financial goals, asset allocation, risk tolerance and time horizon.

- 1) Investments will be primary targeted toward fixed income assets (including a small cash position), along with some income-producing equity assets. Additionally, this portfolio may include global real estate, currencies, and commodities, as well as managed futures and long-short funds.
- 2) Investors in this portfolio should have a time horizon of more than three years and be comfortable with the risks associated with modest equity portion of their investment portfolio.
- 3) Emphasis is placed on generation of current income and prevention of capital loss.
- 4) The primary investment objective of this portfolio is income, with growth of principal a secondary concern.

- 5) Fixed income and fixed income alternative assets form the core of the portfolio, generating a steady income stream.
- 6) The majority of fixed income investments are allocated to higher quality bonds. Additional fixed income allocations to high yield and foreign bonds provide opportunities for increased income and diversification.
- 7) A small investment in equity assets may provide the opportunity for modest long-term growth of principal.
- 8) Equity investments are divided among large company, small company, and international companies.

This portfolio assumes you have an investment time horizon of **up to five years**. The investment program does attempt to consider the active management of short-term investment fluctuations. The asset allocation has been developed as a short-term strategy for the management of your investment assets that you will need within 5 years.

Restrictions and custom holdings:

2 Income and Growth

This type of portfolio is for investors who have 5- to 10-year investment horizons and who are concerned by volatility but not preoccupied by it. Such portfolios often generate a healthy stream of current income from both dividends and interest.

- Time Horizon: 5 -10 Years
- Annual Return Objective: 6% - 8%
- Risk Tolerance: Moderate *with a possible 3 month loss of 9% or more

These are the main objectives of #2 investment program. The objectives have been developed in conjunction with a review of your financial resources, financial goals, asset allocation, risk tolerance and time horizon.

- 1) Investment targets generally will mirror a balanced portfolio, with equity assets and fixed income assets (including a small cash position), holding both US and international stocks and bonds. Additionally, this portfolio may include global real estate, currencies, and commodities, as well as managed futures and long-short funds.
- 2) Investors in this portfolio should have a relatively long time horizon, that is greater than five years, and an understanding of the risks associated with equity investments.
- 3) The primary investment objective of this portfolio is growth of principal. Fixed income and fixed income alternative assets are included to generate income and reduce overall volatility.
- 4) Emphasis is placed on modest capital growth with some focus on generation of current income.

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How Long Should We Plan For Until You Need Your Money Back?

For the purpose of planning, the time horizon for these investments is estimated to be ___ to ___ years. **Capital values fluctuate and you recognize that the possibility of capital loss does exist.** Your time horizon may change based on unforeseen circumstances or changes in financial conditions and if such an event were to occur, you should contact SEASTRUNK FINANCIAL promptly. Historical asset class return data suggests the shorter the holding period the greater the risk of your objective not being achieved.

What Is Your Tolerance For Risk And Fluctuations In Prices?

You need to recognize that risk is inherent when investing in securities and results in the future could be better or worse than expected. You need to be prepared to tolerate occasional negative performance in order have the opportunity to meet longer-term investment goals. Keeping a consistent strategy during good and bad markets is an important factor in achieving your longer-term objectives.

Your portfolio will be invested in a manner consistent with these stated objectives and the chosen asset allocation over the established time frame. Financial research has demonstrated that risk is best minimized by holding assets over time and through diversifying across low-correlating assets. *Please recognize that that your portfolio performance will differ over various time periods. Please remember that performance results can never be guaranteed and historical performance is not indicative of future performance.* **Your portfolio will be managed subject to certain holding limitations.** These are limitations on the minimum and maximum percentage investment in each asset class or because of early withdrawal penalties.

Investment performance will be monitored and reported to you on a monthly basis by Fidelity Investments. The investment program will be reviewed at least quarterly by Seastrunk Financial to make sure that it continues to achieve your stated objectives. Since this investment program is long-term in nature, the periodic adjustments made to your investment program should be small.

The percentage weighting to each investment class within the portfolio will vary. The percentage weighting within each asset class will be allowed to vary within a reasonable range of +/- 5% to 10% depending upon market conditions. *When rebalancing is required, investment yield and net cash inflows will be used to meet the strategic asset allocation targets. If cash flow is not sufficient to meet the target allocation for an asset class, Seastrunk Financial will decide whether to effect transactions in order to rebalance the asset allocation. Occasionally entire asset classes will be removed from the portfolio based on current market conditions and perceived risk.*

Investment of the funds shall be limited, in general, to actively managed mutual funds, exchange traded funds ETF's (enhanced, active, and passive), individual stocks, bonds, and money market investment funds which may invest in the following categories:

Your Account Will Consist Of As Many As 20 Asset Classes, Including:

- | | |
|--|--|
| 1. Short-Term U.S. Government Bills and Notes | 11. Mid-Cap Growth U.S. Stocks |
| 2. Intermediate-Term U.S. Government Notes & Bonds | 12. Small-Cap Value U.S. Stocks |
| 3. Long-Term U.S. Government Bonds | 13. Small-Cap Growth U.S. Stocks |
| 4. Short-Term Corporate Bonds | 14. International Value Stocks |
| 5. Intermediate-Term Corporate Bonds | 15. International Growth Stocks |
| 6. Long-Term Corporate Bonds | 16. International Emerging Market Stocks |
| 7. International Bonds | 17. Real Estate |
| 8. Large-Cap Value U.S. Stocks | 18. Natural Resources |
| 9. Large-Cap Growth U.S. Stocks | 19. Cash Reserves |
| 10. Mid-Cap Value U.S. Stocks | 20. Bear market funds |

Categories Of Investments That Will Not Be Eligible For Investment:

1. Short Sales.
2. Margin purchase or other use of lending or borrowing.
3. Private placements.
4. Security loans.
5. Warrants.

Do Not Sell List: List any securities you wish to hold.

_____	_____
_____	_____
_____	_____

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Investment products we use to implement your investment program shall be subject to selection criteria. At a minimum, the investment product must be registered, have sufficient historical performance, provide timely compliant quarterly performance, provide necessary details about the firm (personnel, clients, fees, etc.), and strictly adhere to a clearly articulated investment philosophy. Each investment product will be monitored for adherence to your investment policy guidelines, major changes in the product, and comparative performance with similar investment products.

YOUR DUTIES AND RESPONSIBILITIES

Please remember that you have the ultimate responsibility for the investment of your own assets. You acknowledge that it is your responsibility to review confirmations and periodic account statements upon receipt and to notify SEASTRUNK FINANCIAL of any questions or concerns.

We will assist you in making appropriate asset allocation decisions based on your particular needs, objectives, and risk profile, implementing such decisions, reporting portfolio performance to you as well as rebalancing and managing the tax efficiency of the portfolio, as necessary.

Conrad E. Seastrunk, CFP® will be your Investment Advisor Representative and shall act as the investment advisor to you, the Investor, pursuant to the Investment Advisory Agreement between you and SEASTRUNK FINANCIAL.

You, the Investor, should provide the Advisor with all relevant information on your financial condition, net worth, and risk tolerances. **You must promptly notify** SEASTRUNK FINANCIAL of any changes to this information. Failure to disclose all such relevant information will limit our ability to provide prudent investment advice. Your duties, rights, and responsibilities are set forth in the Investor's Investment Advisory Agreement with the Advisor and are not altered in any way by this Investment Policy Statement.

ACCEPTANCE AND ADOPTION:

I (we) have reviewed, approved and adopted this Investment Policy Statement for the investment program.

Print Client Name(s): _____

Print Client Name(s): _____

Client's Signature _____

Client's Signature _____

Date ____/____/____

Description of Account(s) under management:
