

Investment Policy and Risk Tolerance Discussion Guide & Questionnaire



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Client Name

Co-Client Name

Advisor Name

Date (mm/dd/yy)

December 29, 2016



Documents We Will Need From You

If we do not already have them, we will need the following from you:

Federal Tax Return

- Most recent

Investment Statements (Your most recent copy)

- Investment Brokerage Accounts
- Investment Accounts
- Stock Option Grants
- Company Stock
- Employee Stock Purchase or ESOP
- Mutual Funds
- Bank Accounts
- Money Market Accounts
- Partnerships (K-1 report, if you don't have anything else)
- Others

Retirement Account Statements

- IRA
- Keogh
- SEP
- 401(k)
- 403(b)
- Other Company Retirement Accounts
 - Profit Sharing Plan
 - Money Purchase Plan
 - Defined Benefit Plan

College Funding Account Statements

- UTMA
- 529 State College Savings
- Coverdell Plan

Personal Client Information

Client

First Name: _____

Last Name: _____

Gender: _____ Date of Birth: _____

Social Security Number: _____

Home Address: _____

City: _____ State: _____ Zip: _____

Home Phone #: _____

Home Fax #: _____

Work Phone #: _____

Work Fax #: _____

Cell Phone #: _____

Email: _____

Name of Employer: _____

Employer's Address: _____

Occupation: _____

Marital Status: (Married) or (Single)

Annual Income: _____

Net Worth: _____

Co-Client

First Name: _____

Last Name: _____

Gender: _____ Date of Birth: _____

Social Security Number: _____

Home Address: _____

City: _____ State: _____ Zip: _____

Home Phone #: _____

Home Fax #: _____

Work Phone #: _____

Work Fax #: _____

Cell Phone #: _____

Email: _____

Name of Employer: _____

Employer's Address: _____

Occupation: _____

Marital Status: (Married) or (Single)

Annual Income: _____

Net Worth: _____

Name of Child or Dependent	Gender	School Grade (if any)	Age	Child's Parent Both/Father/Mother	Date of Birth
				B F M	
				B F M	
				B F M	
				B F M	

Portfolio Size: \$ _____

Business Information (if applicable)

To help determine which type of managed account is best suited to your organization, please provide the following information (estimates):

1. Type of account:

- | | | |
|---|---|-------------------------------------|
| <input type="checkbox"/> Profit Sharing | <input type="checkbox"/> Jointly Trusteed Pension | <input type="checkbox"/> Endowment |
| <input type="checkbox"/> Money Purchase | <input type="checkbox"/> Public Employee Pension | <input type="checkbox"/> Foundation |
| <input type="checkbox"/> Defined Benefit | <input type="checkbox"/> Operating Fund | <input type="checkbox"/> 401-k |
| <input type="checkbox"/> Defined Contribution | <input type="checkbox"/> Other _____ | |

2. Are these accounts taxable? Tax-exempt?

3. Account controlled by:

- | | |
|--|---|
| <input type="checkbox"/> Board of Trustees | <input type="checkbox"/> Investment Committee |
| <input type="checkbox"/> Corporate Trustee | <input type="checkbox"/> Other _____ |

4. Account funded by:

- | | |
|---|--|
| <input type="checkbox"/> Company contributions only | <input type="checkbox"/> Employee contributions only |
| <input type="checkbox"/> Company & Employee contributions | <input type="checkbox"/> Other _____ |

5. If an ERISA plan, please supply the following information regarding its principal participants:

NAME	AGE	ANTICIPATED RETIREMENT DATE	% OF PLAN ASSETS
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

6. What is the approximate total of assets you have to invest, and how is it currently allocated among the following asset classes?

- | | |
|-------------|----------|
| Cash | \$ _____ |
| CDs | \$ _____ |
| Stocks | \$ _____ |
| Bonds | \$ _____ |
| Real Estate | \$ _____ |
| Other | \$ _____ |

TOTAL ASSETS \$ _____ % to be invested _____

Current Advisor Information

Adviser	Duplicate Copy? ¹	Name	Address	Phone
CPA	<input type="checkbox"/> Quarterly Invoice <input type="checkbox"/> General Correspondence <input type="checkbox"/> Quarterly Reports <input type="checkbox"/> Year-End Tax Projection/ Post Year-End Tax Reports			
Attorney	<input type="checkbox"/> Quarterly Invoice <input type="checkbox"/> General Correspondence <input type="checkbox"/> Quarterly Reports <input type="checkbox"/> Year-End Tax Projection/ Post Year-End Tax Reports			
Trustee	<input type="checkbox"/> Quarterly Invoice <input type="checkbox"/> General Correspondence <input type="checkbox"/> Quarterly Reports <input type="checkbox"/> Year-End Tax Projection/ Post Year-End Tax Reports			
Financial Planner	<input type="checkbox"/> Quarterly Invoice <input type="checkbox"/> General Correspondence <input type="checkbox"/> Quarterly Reports <input type="checkbox"/> Year-End Tax Projection/ Post Year-End Tax Reports			

¹ Do you want us to send a copy of the following items to this advisor?

Background Information

What is your total household Annual Income and Tax Bracket?

	Household Income	Tax Bracket
Last Year	\$ _____	_____ %
Expected this year	\$ _____	_____ %
Expected next year	\$ _____	_____ %

How much do you expect your income to change in the future? _____

How much did you save (or withdraw) during the years identified in each of the following?

	Household Taxable Accounts	Client Retirement Accounts	Co-Client Retirement Accounts
Last Year	\$ _____	\$ _____	\$ _____
Expected this year	\$ _____	\$ _____	\$ _____
Expected next year	\$ _____	\$ _____	\$ _____

How do you expect your savings/withdraw pattern to change in the future? _____

What is the approximate value of the assets in the investment portfolio you are considering having us manage? \$ _____

What percentage of your total investments does this portfolio represent? _____ %

Your Investment Objectives

1. Please describe your investment goals/objectives?

2. Are you satisfied with the way in which you are accomplishing your investment goals?

Yes No

Please explain _____

3. What is your primary objective for this investment portfolio? (check one)

- To assure the safety of my principal.
- To generate income. If so, how much will you need annually? \$_____
- To achieve a particular investment goal. If so, what goal(s)? _____

- To accumulate assets for retirement.
- Other. Please explain _____

4. Prioritizing Objectives

Most of us have several objectives relating to our investments. Please choose among the following objectives, assigning them points (the more points assigned, the more important you think the priority is). The points should total 100.

Safety/Capital Preservation	____ Points
Capital Appreciation	____ Points
Liquidity	____ Points
Inflation Protections	____ Points
Current Income	____ Points
Tax Shelter	____ Points
Total	100

5. Do you expect to have a need for income from this portfolio within five years?

Yes No

If yes, when will the income or withdrawal be needed? In _____ years

6. Will significant deposits or withdrawals be made over the next five years?

- Yes No

Significant Deposits or Withdrawals

Description <i>(e.g., Wedding)</i>	Owner <i>(For whom the expense is incurred)</i>	Amount	Approximate Transaction Date	Funding Assets <i>(Asset(s) used to fund this expense)</i>

7. Return Targets

Given the fact that over the long run (from 1927 to 2000), U.S. stocks have generated historical returns of about 10-13%, U.S. bonds have returned 5-6%, money markets have returned 3-4% and U.S. inflation has been approximately 3%, what do you expect the total return of your investment portfolio to be over the long-term? (check one)

- 3-5% 10-11%
 6-7% 12-14%
 8-9% more than 15%

8. What is your investment Time Horizon for this portfolio?

Investment Time Horizon refers to the number of years you expect the portfolio to be invested before you make substantial withdrawals from the portfolio. Alternatively, how long will the objectives stated for this portfolio continue without substantial modification?

Please mark your choice:

- < 3 years 3-5 years 5-10 years > 10 years

9. Do you have any “socially responsible” concerns or issues that you would like to see manifested in your portfolio? If so, please describe _____

10. What tax considerations would you like us to keep in mind in managing your portfolio?

- If possible, I would like to reduce the current level of tax I pay.
 I would like to better control my future taxable distributions and income.
 I have unused tax losses available.
 Tax management of my investment portfolio is not a concern.

Your Tolerance for Risk

- 1. In how many years do you estimate that you will begin to need the money you are investing?**
 - Immediately.
 - Within the next 3 Years.
 - From 3 to 7 Years.
 - From 7 to 12 Years.
 - Longer than 12 Years.

- 2. Once you begin making withdrawals, over how many years do you expect to draw down assets from this portfolio?**
 - Five to ten years.
 - Less than five years.
 - Lump sum.
 - More than ten years.

- 3. If you will be adding to your portfolio, what percentage of your current portfolio's value will you expect to add annually over the next five years?**
 - None.
 - I am not sure.
 - 1 to 2%
 - 3 to 5%
 - 6 to 10%
 - 10% or greater.

- 4. Do you generally find yourself more comfortable investing in things that have done well the last few years?**
 - Not sure/depends.
 - No.
 - Yes.

- 5. If a unique circumstance were to require an amount of capital equal to at least one-fourth the value of this portfolio, where would you obtain the money?**
 - All from this portfolio.
 - The majority from this portfolio.
 - From other savings/investments.
 - I cannot envision a circumstance occurring that would require that much capital.
 - Less than half from this portfolio, and the remainder from other savings and investments.

- 6. If you use withdrawals from your portfolio for living expenses, what lifestyle changes (if any) would you make if your portfolio declined substantially?**
 - Not applicable, I am not making any withdrawals from this portfolio.
 - Would cut spending sharply.
 - Would keep spending the same but would cut withdrawals from this portfolio and use other assets to fund spending in the meantime.
 - Reduce spending slightly.
 - No changes—would continue to spend the same amount.
 - I cannot allow my portfolio to decline substantially.

7. When you review your portfolio, do you focus more on the individual positions or the overall portfolio?

- I am only concerned with the overall portfolio performance.
- While overall portfolio performance is important, I tend to focus on the performance of individual positions in the portfolio.

8. You are given a choice between two portfolios. The total values of BOTH portfolios fluctuate by roughly the SAME amount, but the fluctuations in value of the individual positions is much wider. Which portfolio would you be most comfortable with?

- A portfolio with an annualized return of 10% where the returns of the individual holdings range from 0% to 15%.
- A portfolio with a slightly higher annualized return of 11% but where the returns of the individual holdings range from a 10% loss to a 20% gain.

9. Which is closest to the largest percentage amount you ever lost on a single investment?

- Never lost money.
- 25%
- 50%
- 75%
- 100%

10. Which of the following statements best describes what you did during the most recent investment losses you suffered?

- Bought more.
- Sold quickly to avoid further losses.
- Continued to hold the investment.
- Held too long then sold close to the bottom.
- Not applicable.

11. Which best describes how you felt about steep losses you experienced?

- High levels of anxiety and/or frustration.
- Desire to find another high-risk investment to make up the loss.
- Acceptance that losses are part of investing and that the risk I took was reasonable relative to the potential gain.
- Denial. I was upset but tried not to look at the value, and hoped that eventually it would come back.
- Initial frustration followed by acceptance.
- Not applicable.

12. Many investors experienced steep losses in the bear market that began in the fall of 2008. Did this experience impact your willingness to accept risk?

- I am more concerned with risk as a result, and inclined to invest more conservatively.
- I believe bear markets create good longer-term opportunities and am willing to invest/take on more risk at such times.
- My willingness to take on risk is no different today than it was prior to the 2008 bear market.

13. Consider two investments. An expert, whom you trust, tells you they are equally risky. If one of those investments is more difficult to understand, are you likely to view it as riskier?

- Yes.
- No.

14. Which of the following best describes your expectations for performance?

- My performance should at least equal the stock market.
- I am willing to accept a little lower return than the stock market in exchange for less volatility.
- I don't care what the stock market does as long as I can beat inflation at low risk.
- My level of return doesn't matter as long as I don't lose money over any more than a few months.
- I want to beat the stock market and am willing to assume above-average risk in pursuit of capital growth.

15. Investments generate returns in different ways. Which of the following more closely describes your view?

- Dividend yields and interest is better suited for meeting living expenses.
- Overall return is my primary concern; it doesn't matter where it comes from or how it is employed to meet any cash flow needs I may have.

16. How would you most likely react to losses in your portfolio?

- I am not sure how I would react.
- During difficult periods I have a harder time sticking to my guns and feel better taking a temporary defensive position until things improve.
- As long as the losses are in the range of what I knew was possible, I feel it is important to have the stomach to stay the course and that my long-term success will probably be compromised if I don't.

17. Describe the kind of risk with which you are comfortable:

- I could handle being down over a three-year period, but not longer.
- I could handle a one-year loss, but do not want to pursue a strategy that could result in longer periods of loss.
- I could handle losses over one or two quarters, but would not be comfortable subjecting myself to longer down periods.
- I don't want to lose any money ever. I could handle only a very small loss over a few months at most.
- I could accept being down over longer than three years if my long-term return potential was above average.

18. In terms of magnitude, indicate the level of the likely worst-case return you could accept in pursuit of above-average returns?

- Zero return over one year.
- 5% loss over one year.
- 10% loss over one year.
- 15% loss over one year.
- 20% loss over one year.

19. Variation

After observing the yearly volatility in each of the following hypothetical portfolios, with which would you feel most comfortable?

	Year 1	Year 2	Year 3	Year 4	Year 5	Average Annual Return
<input type="checkbox"/> A.	5%	5%	5%	5%	5%	5%
<input type="checkbox"/> B.	4%	7%	8%	2%	9%	6%
<input type="checkbox"/> C.	-5%	21%	8%	2%	9%	7%
<input type="checkbox"/> D.	9%	-11%	26%	3%	18%	9%
<input type="checkbox"/> E.	14%	-21%	40%	-4%	31%	12%

20. Investment Constraints

Are there any securities types or classes that you **do not** want to have in your portfolio or that you would like to impose limits upon? If so, please check the appropriate items below so that we can discuss your concerns further:

Asset Classes

- Cash and cash equivalents
- Fixed Income – Domestic Bonds
- Fixed Income – Non-U.S. Bonds
- Equities – U.S.
- Equities – Non-U.S.
- Equities – Emerging Markets
- Equities – REITs
- Equipment Leasing
- Hedge Funds

Security Types

- Mutual Funds – Stocks, Bonds, Money Market Funds
- Individual Stocks, as long as they are traded on the New York, American or NASDAQ Stock Exchanges
- Individual Bonds, as long as they are traded on a major U.S. exchange
- Closed-end funds
- Unit Investment Trusts
- WEBS
- Covered Call Options
- Deferred Annuities issued by an insurance company with a Best rating of A+ or better
- Investments in Limited Partnerships
- Bank certificates of deposit

Asset Classes and/or Security Types

- Precious metals
- Venture Capital
- Short sales
- Purchases of Letter Stock, Private Placements, or direct payments.
- Leveraged Transactions.
- Commodities Transactions.
- Puts, calls, straddles, or other option strategies, except as permitted above.
- Purchases of real estate, with the exception of REITs

21. Liquidity

When cash (money market funds, bank CD's, etc.) is kept as part of a portfolio, some people want or need a specific portion to remain as cash, so it can be easily called upon. As part of this investment portfolio you wish to maintain:

- No minimum liquidity needs (cash is handled separately).
- A minimum of _____% of total investments in cash/cash equivalents.
- At least \$_____ in cash/cash equivalents.

For how long will these needs apply? _____

Up to what percent can this portfolio be invested in long term, illiquid investments (in other words ones that could not be quickly turned into cash except at a large sacrifice)?

- 0%
- 10%
- 20%
- 30%
- 40%

22. Frequency of Meetings

How frequently would you like to meet with us to discuss your investments?

_____ Quarterly _____ Semi-annually _____ Annually

The Analysis and Recommendations we will develop for you are specifically tailored to your situation and their appropriateness is dependent upon the accuracy of the information you provide in this questionnaire.

Signatures:

Client

Date

Co-client

Date