



RICHARDS
FINANCIAL SERVICES, INC.

Investment Policy Statement

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Investment Advisory Services are offered through S&A Financial Services, Inc. a registered investment adviser.

Date _____

Investor _____

Advisor _____

Investment Policy Statement

The following Investment Policy Statement (IPS) is designed to capture an initial picture and evaluation of your current financial situation including your investment portfolio and assets. From this and other information obtained through our interviews and meetings, Advisor will provide guidance and make recommendations to assist you in deciding what changes, if any, may be needed regarding your assets, allocation of assets, and investment portfolio(s).

This IPS will serve as a “document of understanding” between us. This document will need to be updated periodically in order to remain relevant. This document will cover the following information:

1. Detail and define the Client’s current financial situation.
2. Gather Client’s investment profile information including risk/reward tolerances, goals and expectations.
3. Define the duties and responsibilities of the Client, the Advisor, and the Custodian.
4. State, in writing, the Client’s investment goals, objectives and constraints.
5. Describe proposed investment strategies and styles to be used by Advisor.
6. Establish guidelines for portfolio rebalancing if applicable.

Duties of the Client

1. Provide the Advisor with all requested current financial and/or other information to the best of your ability. The Advisor will use this information to develop this IPS and the investment recommendations or strategy used for the Client’s portfolios.
2. Update the Advisor with any change to the requested information that occurs in the future.
3. Advisor cannot be held liable for any inaccurate information provided by Client.

Duties of the Advisor

Refer to Investment Management Agreement.

Duties of the Custodian

1. A Custodian will be chosen that meets the needs of the Advisor and the Client and that meets the Advisors “best execution” standards.
2. The Custodian, not the Advisor, will maintain constructive custody of the Client’s assets and provide various services and reporting to both the Client and the Advisor.

Client Profile Information

1. Please indicate your Net Worth (assets minus liabilities equal net worth)
 - ☐ \$0 - \$10,000
 - ☐ \$10,001 - \$50,000
 - ☐ \$50,001 - \$250,000
 - ☐ \$250,001 - \$500,000
 - ☐ \$500,001 – Plus
2. Please estimate your Liquid Net Worth (exclusive of residence, furnishings and personal automobiles)
 - ☐ \$0 - \$10,000
 - ☐ \$10,001 - \$50,000
 - ☐ \$50,001 - \$250,000
 - ☐ \$250,001 - \$500,000
 - ☐ \$500,001 – Plus
3. Your approximate Annual Income from all sources is:
 - ☐ \$0 - \$10,000
 - ☐ \$10,001 - \$50,000
 - ☐ \$50,001 - \$250,000
 - ☐ \$250,001 - \$500,000
 - ☐ \$500,001 – Plus

Client Investment Objectives

Income Needs

- ☐ You currently have no income needs from this investment portfolio.
- ☐ You will need to begin monthly withdrawals of \$_____ in _____ years.
- ☐ You are currently withdrawing \$_____ monthly income from your \$_____ investment portfolio which represents a _____% annualized withdraw rate.
- ☐ At this withdrawal rate, your portfolio has a high risk of being depleted prior to life expectancy. We recommend you reconsider your withdrawal rate and objectives for this portfolio.

Returns over Inflation Objective

To gauge anticipated rates of return, many investors observe investment performance in relation to inflation. The Consumer Price Index (CPI) measures the change in prices of a fixed basket of goods. Please indicate your targeted long-term average annual rate of return relative to inflation:

- | | | |
|--|----------|------------------------|
| <input type="checkbox"/> Match inflation | 2 – 4% | Conservative |
| <input type="checkbox"/> Inflation + 2% | 4 – 6% | Conservative Balanced |
| <input type="checkbox"/> Inflation + 4% | 6 – 8% | Balanced |
| <input type="checkbox"/> Inflation + 6% | 8 – 10% | Equity Tilted Balanced |
| <input type="checkbox"/> Inflation + 8% | 10 – 12% | Growth |


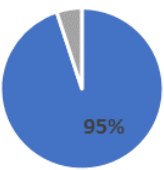

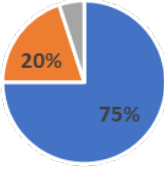

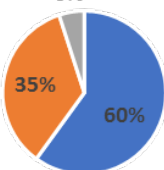

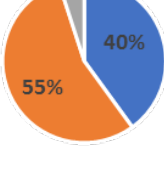

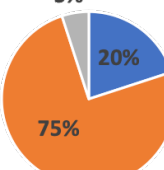
Your Investment Time Horizon

1. Your current age is:
 - ☐ Less than 45
 - ☐ 45-55
 - ☐ 56-65
 - ☐ 66-75
 - ☐ Older than 75
2. When do you expect to start drawing income from your investments?
 - ☐ Not for at least 20 years
 - ☐ In 10 to 20 years
 - ☐ In 5 to 10 years
 - ☐ Not now, but within 5 years
 - ☐ Immediately

Risk Tolerance

1. I would describe my knowledge of investments as:
 - ☐ None
 - ☐ Limited
 - ☐ Good
 - ☐ Extensive
2. How much do you have in stable, emergency funds? \$_____ Family annual income \$_____
3. Which of the following statements would most concern you regarding your long-term objectives?
 - ☐ My primary concern is to minimize having losses in any year.
 - ☐ While I am sensitive to short-term loss, my primary concern is long-term performance.
 - ☐ My primary concern is I won't have the necessary wealth to meet my long-term financial needs.
4. Which of the following statements best describes your feelings about investing?
 - ☐ I prefer conservative investments which will minimize the chances of losing any principal in a given year. I realize this may limit my portfolio's long-term growth.
 - ☐ I am comfortable with a moderate amount of risk and am willing to tolerate periodic market downturns in order to increase chances of future growth.
 - ☐ I seek high future growth and am not concerned about short-term fluctuations in value.
 - ☐ I am willing to incur significant short-term losses in order to increase long-term gains.
5. You have just heard on the news that the stock market fell by 10% today. Your reaction is to:
 - ☐ Consider reducing the allocation of my portfolio that is invested in stocks.
 - ☐ Be very concerned and continue to monitor the market.
 - ☐ Not to worry because the market is likely to go up again in the future.
6. Which of the following best describes your attitude about investing in bonds versus stocks?
 - ☐ I prefer to keep my portfolio value stable with a higher allocation to bonds.
 - ☐ I seek a higher allocation to stocks knowing that my portfolio may fluctuate in value.
 - ☐ I seek a high return and I am not concerned with the volatility of my portfolio value.
7. Which of the following best describes how you evaluate the performance of your investments?
 - ☐ The past twelve months are the most important to me.
 - ☐ The past three-year average is the best way to measure investment performance.
 - ☐ The past five-year average is the best way to measure investment performance.

Asset Allocation Models

Target Long-Term Equity Allocation	Approximate Equity Allocation Range	Description
Growth 95% Equity 	65% to 95%  ■ Stocks ■ Bonds ■ Cash	<p>Seeks high long-term growth of assets without concern for short-term losses. This portfolio is, as a rule, a fully invested global stock portfolio. Consequently, the ups and downs of its returns will be as wide as the equity market. Along with higher risk we expect higher long-term returns. Appropriate for investors with a long-time horizon (in excess of 7-10 years) with no concerns about short-term risk.</p>
Equity Tilted Balanced 75% Equity 	55% to 85%  ■ Stocks ■ Bonds ■ Cash	<p>Places emphasis on capital growth with only moderate concern about short-term fluctuations in value. This is a more aggressive portfolio with a 75% allocation in equities. This portfolio is appropriate for investors who are willing to accept higher short-term risk in exchange for the likelihood of above-average long-term returns, and who have a time horizon in excess of five years.</p>
Balanced 60% Equity 	45% to 70%  ■ Stocks ■ Bonds ■ Cash	<p>Seeks the preservation of capital with some tolerance for short-term fluctuations in value to seek moderate growth. This design has a 60% exposure to equities while remaining relatively conservative. We will tend to err on the side of conservatism in managing this portfolio. Appropriate for investors who want to participate in the equity markets but are still somewhat uncomfortable with short-term risk and who have a time horizon in excess of three years.</p>
Conservative Balanced 40% Equity 	35% to 50%  ■ Stocks ■ Bonds ■ Cash	<p>Seeks the preservation of capital with slight tolerance for losses and fluctuations. To limit risk in this portfolio, our target allocation for equities is 40% and we tend to err on the side of conservatism. Most appropriate for investors who are uncomfortable with short-term risk and value short-term capital preservation over higher long-term returns. The appropriate time horizon for this portfolio is more than two years.</p>
Conservative 20% Equity 	5% to 30%  ■ Stocks ■ Bonds ■ Cash	<p>Seeks preservation of capital with an even lesser exposure to the equity marketplace. The allocation to bond funds would be in duration of less than five years with an emphasis on debt obligations of less than two years. This portfolio would be appropriate for those individuals seeking short-term liquidity.</p>

Performance Monitoring

Portfolio appraisals and performance reports will be supplied to you quarterly.

Approval

I (we) have completed the above questionnaire and approve the selected Asset Allocation Model.

Client Signature Date

Client Signature Date

Advisor Signature Date