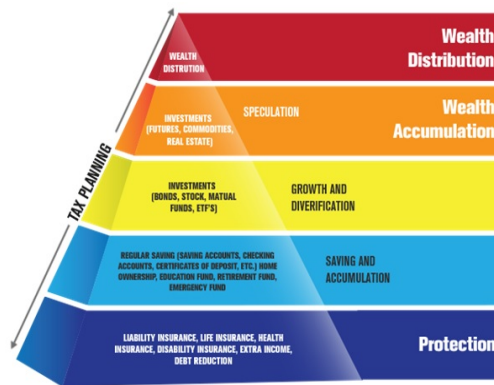


## **INVESTMENT POLICY STATEMENT**

A-Advantage Tax and Financial Services, as a Registered Investment Advisor, finds it to your and our advantage to **ALWAYS** make sure that you, the investor, must ultimately live with your accumulated wealth. And to **UNDERSTAND** the seriousness and potential repercussions of your and our investment decisions.

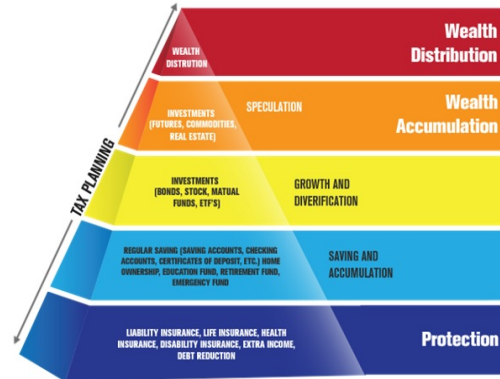
**WE ALWAYS WANT YOU TO BE INFORMED OF WHAT INVESTING IS AND WHY IT IS DONE.** We want to emphasize that investing occurs every day. When we invest our time, money, or other things that we hold dear, we always risk losing it forever.

**THAT IS WHY** we start large and work small with this **INVESTMENT POLICY STATEMENT**. The idea of investing your money to have something more in the future is the most basic concept that can be understood. We will address investing in four levels:



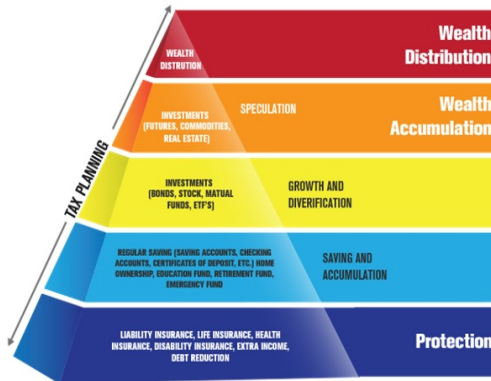
### **LEVEL I (the protection level)**

**INVESTING YOUR MONEY FOR SAFETY AND SAVINGS** is the first level. It does require you to address how much of your investment wealth, speaking of dollars, is truly important for you **TO NEVER LOSE, TO EARN FIXED, KNOWN RATES OF RETURN, AND TO ONLY BE SUBJECT TO TAX EROSION AND INFLATION EROSION**. The first section of this **INVESTMENT POLICY STATEMENT** hammers out solid answers to these issues. Please be advised that **INVESTING FOR SAFETY CAN TAKE THE FORM OF UNUSUAL ASSETS AND STRATEGIES**. Also be advised that our general recommendations will always be developed around **SOUND FINANCIAL PLANNING PRINCIPLES** accepted by those who study and practice in this field.



**LEVEL II (the growth level)**

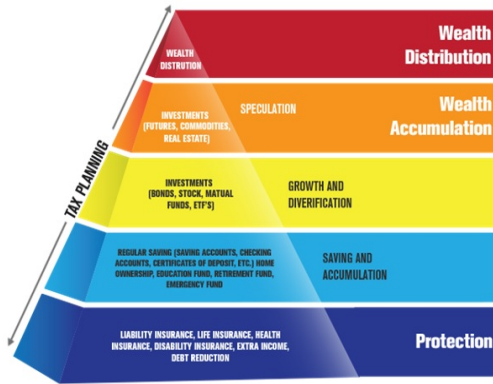
**INVESTING FOR LONG TERM GOALS, I.E. RETIREMENT, COLLEGE SAVINGS, LEGACY TRANSFERS, ETC.** This is the next level of investing. It is traditionally done with specific investment products that can go up in value, down in value, and stay at the same value for extended periods of time. These products may or may not have liquidity consequences to them. These products may or may not have sales expenses related to them. Finally these products can never be considered **AS SAFE AS LEVEL ONE INVESTMENTS**. While this description may cause concern for some people, this type of investing, is generally recognized as the types of investment products recommended by a scrupulous and ethically honest adviser, which has, in the past, rewarded long term investors with gains that make them a historically popular and viable choice for setting aside dollars for the above stated purposes. **NO GUARANTEES CAN EVER BE MADE AS TO THE ABILITY OF THESE PRODUCTS TO HELP YOU REACH YOUR LONG-TERM FINANCIAL GOALS.**



**LEVEL III (the high growth high risk level)**

Remember: risk is defined as the uncertainty of loss. The next and most exciting investment product/strategy involves **TRADING**. As much as the prior two programs are implied to build on each other, really trading is what stimulates the investment concept and makes it work for all levels of investing.

Historically traders have always bought or sold something for a price that will allow them to profit. Hopefully selling or buying it back for that profit. This is nothing new and will continue as long as one man has a need and another has the product. **WHEN WE ADDRESS THE CONCEPT OF INVESTING BY TRADING WE TRULY WANT YOU TO ACCEPT THE DOLLAR CONSEQUENCES OF THE INVESTMENT PRODUCT GOING UP IN VALUE, OR GOING DOWN IN VALUE.** Although we think we know about trading, it is really up to you to make the final decision as to when to buy and sell a given investment security. In short, we truly need to introduce you as to how and why to **TRADE**. Once you have a feel for the tools we use to trade you can you be set free to buy and sell on your own behalf. We will always give subjective advice on the trading process. And hopefully it will reward you with profitable trades. **BUT TRADING DOES NOT MAKE YOUR LONG-TERM FINANCIAL GOALS EASIER TO ATTAIN. IN FACT, IT PROBABLY MAKES THEM HARDER TO ATTAIN DUE TO THE WORK INVOLVED.**



**LEVEL IV (the speculation/gambling level)**

Products and opportunities found at this level are only available to the most sophisticated and most wealthy people. Generally these products/services involve opportunities with very limited liquidity, very significant investment minimums, and require multiple levels of suitability tests. Although there are publicly traded products that fit in this criteria they are typically not recommended by us.

**CONCLUSION**

As a trader of stocks, bonds, mutual funds, gold, land, options, ETF’s, postage stamps, precious materials, items found on ebay, old cars, or parts of old cars, it still requires you to KNOW YOUR MARKET and KNOW YOUR LIMITS. And that is the purpose of developing an INVESTMENT POLICY STATEMENT.

With the above broad definitions being stated, we will use the following questionnaire to drill down and see what really makes you tick as an investor. This will assist us in preparing your Asset Allocation Program.

I HAVE READ THE ABOVE INFORMATION AND HAVE A GENERAL SENSE OF THE CONCEPTS INVOLVED.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**LEVEL 1 INVESTMENT CRITERIA (Please circle your response where appropriate):**

I know the difference between a checking account, a savings account, a money market account, and a certificate of deposit.

Yes No

I currently own one or more of the above referenced accounts.

Yes No

Not only do I own them, but I can tell you within a few dollars (combined) how much I have in each type of account.

Yes No

The amounts and types of accounts I have as of this date are:

Checking account(s) with a dollar value of \_\_\_\_\_  
 Savings account(s) with a dollar value of \_\_\_\_\_  
 Money market account(s) with a dollar value of \_\_\_\_\_  
 Certificate of deposit(s) with a dollar value of \_\_\_\_\_

In the event of a work or emergency related catastrophe I need \$ \_\_\_\_\_ to survive on. This is approximately \_\_\_\_\_ months of my living expenses.

I have that amount of money in the above types of accounts.

Yes No

I recognize a need to save for emergencies or other things.

Yes No

I consistently put money aside in the above referenced accounts.

Yes No

I am properly insured against a loss of life, health, or working catastrophe.

Yes No

**LEVEL II INVESTMENT CRITERIA**

I have set aside the above reference savings dollars and am now interested and/or doing Level II investing.

Yes No

I have been involved in level II investing for \_\_\_\_\_ years

**LEVEL II INVESTMENT CRITERIA**-continued

I currently know what the following investments are:

US Government Bonds (any type)	Yes	No
Mutual Funds	Yes	No
Stocks	Yes	No
Bonds	Yes	No

If Yes, I own the following investments and they have approximate values of:

US Government Bonds (any type)	_____
Mutual Funds	_____
Stocks	_____
Bonds	_____

I am familiar with investment time horizons for my long-term financial commitments.

Yes	No
-----	----

I know when I want to retire,

Yes	No	n/a-retired
-----	----	-------------

And I know how long I want my money to last(or how long until I die).

Yes	No
-----	----

OR conversely I am retired and I know how long I want my money to last.

Yes	No
-----	----

I am familiar with terms like capital gains, dividends, operating expenses and commissions.

Yes	No
-----	----

I understand that there is always a cost to investing my money.

Yes	No
-----	----

I have used systematic investment programs and know how to keep track of my money.

Yes	No
-----	----

I know how to compare my wealth growth over long time frames in percentage terms.

Yes	No
-----	----

I need \_\_\_\_\_ dollars in \_\_\_\_\_ years to retire successfully.

I know that I will get a pension when I retire/I am currently getting a pension.

Yes	No
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**LEVEL III INVESTMENT CRITERIA**

I understand the term risk as it relates to my LEVEL II AND LEVEL III investments.

Yes No

I have taken an investment class.

Yes No

I consider myself an experienced investor.

Yes No

I have made or lost \$1000.00's of dollars trading stocks or other investments.

Yes No

I have measured my investment returns in percentages or dollars over long periods of time.

Yes No

If the stock market were to be affected by a major catastrophic event, such as a terrorist attack, a natural disaster, or some other unforeseen event I would:

- Sell at my first opportunity \_\_\_\_\_
- Wait a day or so and then buy \_\_\_\_\_
- Sit back and realize that the market always recovers \_\_\_\_\_
- Contact my Registered Investment Adviser/broker \_\_\_\_\_
- Do something else \_\_\_\_\_

I know what margin is. Yes No

I have used or am not afraid to use margin for investing or trading purposes.

Yes No

I expect to start spending my investment portfolio within \_\_\_\_\_ years.

I want to give money to someone after I die.

Yes No

I am familiar with internet investment information sources.

Yes No

I spend \_\_\_\_\_ hours per week reviewing my financial situation.

I am interested in understanding sophisticated investment strategies, such as options.

Yes No



**LEVEL III TRADING CRITERIA-continued**

Successful traders realize that there are many ways to make money trading. Whether the market goes up, or down, a trader is willing to trade it with the complete understanding that the trading capital is at risk of loss EVERY TRADE.

WE WANT TO HELP YOU to be a successful trader. With that in mind let's build your trading parameters.

The amount of money I want to trade with is: \_\_\_\_\_

The amount of money I am willing to lose on any trade is: \_\_\_\_\_

The amount of money I am willing to make on any trade is: \_\_\_\_\_

I want to use fundamental analysis of stocks based on the following:

Sales Growth	How Much	
Earnings Growth	How Much	
Industry Groups:	1)	2) 3)
Other fundamental trading parameters:		

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I want to use technical indicators to help me engineer my trades. This would include:

Moving averages  
Momentum indicators  
Weekly/daily or other trend lines  
Other technical trading parameters:

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