

Investment Policy Statement

Conservative Growth Sample Client and Partner

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What Is an Investment Policy Statement?

An investment policy describes an acceptable investment philosophy, and sets out investment management procedures and long term goals.

The Need for a Written Policy



We find the process of developing written investment policies to be very useful, and make use of written policies for all investment management clients.

A written investment policy allows our clients to clearly establish the prudence and diversification standards they want us to maintain. The net effect of the written policy is to increase the likelihood that the plan will be able to meet your financial needs, through the development of specific objectives.

Steps to Take to Establish an Investment Policy



1. Assess your financial situation—identify your goals and your needs
2. Determine your tolerance for risk and your time horizon
3. Set long term investment objectives
4. Identify any restrictions on the portfolio and its assets
5. Determine the asset classes and mix appropriate (the “Asset Allocation”) to maximize the likelihood of achieving the investment objectives at the lowest level of risk
6. Determine the investment methodology to be used with regards to investment (manager) selection, re-balancing, buy-sell disciplines, portfolio reviews and reporting, etc.
7. Implement the decisions

Investment Manager Performance Evaluation



Deciding when to replace a portfolio manager is often subjective as much as objective. Just because a manager’s performance declines for a year or two is not a valid reason for replacement. This document lays out the procedures to be followed in order to create a system for making such decisions.

Measuring the time-weighted return on investments is not enough; the ***inherent risk*** of each investment portfolio should also be considered. A portfolio that slightly under-performs the S&P 500, but carries only half the overall risk, is superior on a risk-adjusted basis to a portfolio that slightly outperforms the S&P 500 but carries a full component of market risk.



The purpose of this Investment Policy Statement (IPS) is to establish a clear understanding between you and **Lasecke Weil Wealth Advisory Group, LLC** (“**LW**”) as to the investment objectives and policies applicable to your investment portfolio. This IPS will:

- establish reasonable expectations, objectives, and guidelines for the investment of the Portfolio’s assets
- set forth an investment structure detailing permitted asset classes and expected allocation among asset classes
- encourage effective communication between you and **LW**.
- create the framework for a well diversified asset mix that can be expected to generate acceptable long term returns at a suitable level of risk.

This IPS is not a contract. Legal counsel has not reviewed this IPS. This IPS is intended to be a summary of an investment philosophy, and the procedures that provide guidance for you and **LW**. The policies described in this IPS should be dynamic. These policies should reflect your current status and philosophy regarding the investment of the Portfolio. These policies will be reviewed and revised periodically to ensure they adequately reflect any changes related to the Portfolio, to you or the capital markets.

It is understood that there can be no guarantee about the attainment of the goals or investment objectives outlined herein.

OVERVIEW COMMENTARY



Account Information



Account Name	Market Value
Brokerage - Taxable Accounts	
Retirement Accounts – Non-Taxable	

Total Account Value **358,500**

Economic Outlook



Sample Client and partner feel confident about the long-term strength of the U.S. economy, and moderately confident about the European economy; they are concerned about the return of inflation in the future.

INVESTMENT OBJECTIVES

The specific objectives for these assets shall be to achieve an average annual rate of return (over a period of X years) of the Consumer Price Index plus 4% for the aggregate investments under this Investment Policy Statement.

TIME HORIZON

For planning purposes, the time horizon for these investments is to be in excess of five years. Capital values do fluctuate over shorter periods and you should recognize that the possibility of capital loss does exist. However, historical asset class return data suggest that the risk of principal loss over a holding period of at least three to five years can be minimized with the long-term investment mix employed under this Investment Policy Statement.

TAX POLICY

The assets covered by this IPS are held in both tax-sensitive and non-tax-sensitive accounts. Therefore, in tax-sensitive accounts, greater weighting will be given to income tax considerations before committing to the sale of assets with low cost bases. In those instances where the portfolios need to be re-balanced to bring them into line with the asset allocation model, the first adjustments will be made in the non-taxable or tax-deferred accounts. To the extent that there are remaining adjustments to be made in taxable accounts, those assets with the highest relative cost basis will be sold first.

In no event will income tax considerations be the overriding determinant.

RISK TOLERANCE

Investment theory and historical capital market return data suggest that, over long periods of time, there is a relationship between the level of risk assumed and the level of return that can be expected in an investment program. In general, higher risk (e.g. volatility of return) is associated with higher return.

Given this relationship between risk and return, a fundamental step in determining the investment policy for the Portfolio is the determination of an appropriate risk tolerance. There are two primary factors that affect the Investor's risk tolerance:

- ◆ Financial ability to accept risk within the investment program, and;
- ◆ Willingness to accept return volatility.

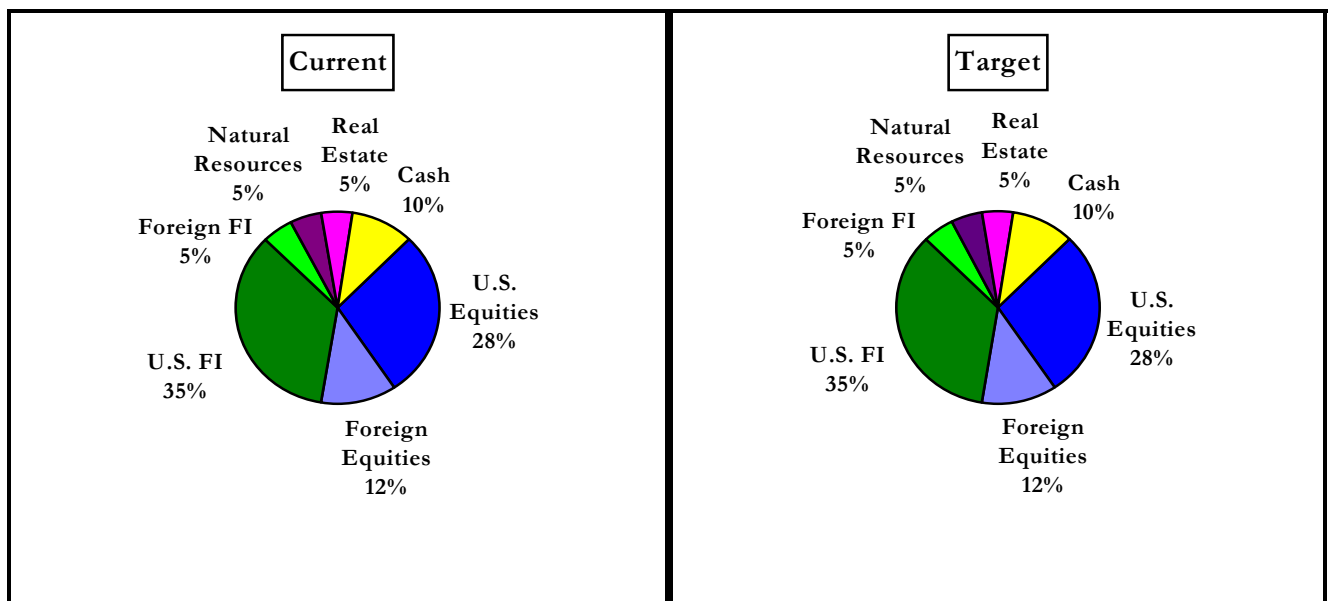
Taking these two factors into account, you rate your risk tolerance as low to moderate. You recognize that higher returns involve some volatility and have indicated a willingness to tolerate declines in the value of this portfolio of between 5% and 15% in a given year. You would accept losses as often as X out of ten years to achieve higher returns.

ASSET ALLOCATION



Academic research suggests that the decision to allocate total assets among various asset classes will far outweigh security selection and other decisions that impact portfolio performance. After reviewing the long-term performance and risk characteristics of various asset classes and balancing the risk and rewards of market behavior, the following asset classes were selected to achieve the objectives of your Portfolio.

Conservative Growth Portfolio					
	Range:	Between	And	Current	Target
U.S. Equities		15%	25%		28%
Foreign Equities		0%	10%		12%
U.S. Fixed Income		40%	50%		35%
Foreign Fixed Income		0%	10%		5%
Natural Resources		0%	10%		5%
Real Estate		0%	10%		5%
Cash Equivalents		5%	20%		10%



It should be recognized that the Portfolio will invest in mutual funds, and that the actual weightings of these mutual funds can and will vary.

Updated Allocations



From time to time, it may be desirable to amend the basic allocation policy or calculations. When such changes are made, updates will be attached to this Investment Policy Statement as an *Appendix* and will be considered part of this Investment Policy Statement.

Re-balancing Procedures



From time to time, market conditions may cause the Portfolio's investment in various asset classes to vary from the established allocation. To remain consistent with the asset allocation guidelines established by this Investment Policy Statement, every X months LW shall review the portfolio and each asset class in which the Portfolio is invested. If the actual weighting differs from the target weighting by 400 basis points or more from the recommended weighting (e.g., from a recommended 10% to less than 6% or more than 14% of total assets) LW shall rebalance the portfolio back to the recommended weighting.

Adjustment in the Target Allocation



Every X months LW will review the target allocations as respects the range in each asset class and the recommended weighting.

FREQUENCY OF REVIEW



You recognize that all investments go through cycles and, therefore, there will be periods of time in which the investment objectives are not met or when specific managers fail to meet their expected performance targets. Recognizing that no manager is perfect all the time and that good years help to make up for bad ones, you acknowledge the principle that managers must be given an opportunity to make up for poor periods. Unless there are extenuating circumstances, patience will often prove appropriate when performance has been disappointing.

On an overall portfolio basis, you have established a goal of achieving the stated investment return objectives over a X-year period of time. A shorter time frame would contradict the principle that managers should generally be given the opportunity to overcome poor performance with subsequent excellent performance.

LIQUIDITY



You have determined that sufficient dependable income and liquidity are available from other sources that you do not need to maintain cash balances among these assets, except as may be dictated for investment or operational reasons.

MARKETABILITY OF ASSETS



Due to your relatively long-term investment horizon, you have determined that up to X% of the assets under this Investment Policy Statement can be invested in illiquid, long-term investments. Such investments may include, but shall not be limited to, deferred annuities, real estate investment trusts, limited partnerships and bank certificates of deposit with extended maturities.

DIVERSIFICATION



Investment of your funds shall be limited to individual marketable securities or packaged products (for example, mutual funds or unit investment trusts) in the following categories:

Permitted Asset Classes



1. U. S. Equities
2. Foreign Equities
3. U.S. Fixed Income
4. Foreign Fixed Income
5. Natural Resources
6. Real Estate
7. Cash and Cash Equivalents

Permitted Security Types



1. Mutual Funds—Stocks, Bonds, Money Market Funds
2. Individual Stocks, as long as they are traded on the New York, American - NASDAQ markets
3. Individual Bonds, as long as they are rated BAA or better
4. Sale of covered call options
5. Closed-end funds
6. Unit Investment Trusts
7. Deferred Annuities issued by an insurance company with a Best rating of A or better
8. Real Estate Investment Trusts and Limited Partnerships
9. Bank certificates of deposit

Prohibited Asset Classes and/or Security Types



1. Precious metals
2. Venture Capital
3. Short sales
4. Purchases of Letter Stock, Private Placements, or direct payments.
5. Leveraged Transactions.
6. Commodities Transactions.

7. Puts, calls, straddles, or other option strategies, except as permitted above.
8. Direct purchases of real estate.

Minimum Number of Investment Categories



The minimum number of investment categories for this portfolio may not be less than 5.

SELECTION/RETENTION CRITERIA FOR INVESTMENTS



Investment Management Selection



Investment managers (including mutual funds, money managers and limited partnership sponsors) shall be chosen using the following criteria:

- Past performance, considered relative to other investments having the same investment objective. Consideration shall be given to both performance rankings over various time frames and consistency of performance.
- Costs relative to other funds with like objectives and investment styles.
- Size of the proposed mutual fund.
- Length of time the fund has been in existence and length of time it has been under the direction of the current manager(s) and whether or not there have been material changes in the manager's organization and personnel.
- The historical volatility and downside risk of each proposed investment.
- How well each proposed investment complements other assets in the portfolio.
- The current economic environment.
- The likelihood of future investment success, relative to other opportunities.

Cash Equivalent Vehicles



All cash equivalent investments shall be pooled investment vehicles, such as money market funds, where the fund's share price is intended to remain constant and the fund's yield is comparable with the current risk-free rate of return. Also permitted in this category shall be United States agency-guaranteed bank certificates of deposit (purchased directly from banks or indirectly through brokerage accounts) or short-term U.S. government securities.

Common Stocks



Any selected Common Stock Funds shall be pooled investment vehicles, such as a publicly traded open or closed-end mutual fund, providing daily asset valuations. Such investments may include focus on any size U.S. or Foreign stock.

Bonds and Other Fixed Income Vehicles



Any selected diversified bond fund shall be pooled investment vehicles, such as a publicly traded mutual fund, providing net asset valuations published on a daily basis.

INVESTMENT MONITORING AND CONTROL PROCEDURES



Reports



1. LW shall provide **Sample Client and Partner** with a report each quarter that lists all assets held by **Sample Client and Partner**, values for each asset and all transactions affecting assets within the portfolio, including additions and withdrawals.
2. **Sample Client and Partner** shall receive no less frequently than on a quarterly basis and within 30 days within the end of each such quarter the following management reports:
 - a) Portfolio performance results year to date and from inception of the account
 - b) Performance results of comparative benchmarks for the same periods
 - c) Performance shall be reported on a basis that is in compliance with AIMR standards.
 - d) End of quarter status regarding asset allocation—current versus policy
 - e) Any recommendations for changes to the above

Meetings and Communication Between Investor and Advisor



As a matter of course, LW shall keep **Sample Client and partner** apprised of any material changes in LW's outlook, recommended investment policy, and tactics. In addition, LW shall meet with **Sample Client and partner** no less than annually (preferably semi-annually) to review and explain the Portfolio's investment results and any related issues. LW shall also be available on a reasonable basis for telephone communication when needed.

Any material event that affects the ownership of LW or the management of the Portfolio must be reported immediately to **Sample Client and partner**.

DUTIES AND RESPONSIBILITIES



The Advisor



LW is expected to manage the Portfolio in a manner consistent with this Investment Policy Statement and in accordance with State and Federal law and the Uniform Prudent Investor Act. LW is a Registered Investment Advisor and shall act as the investment advisor to you until you or LW decides otherwise.

LW shall be responsible for:

1. Designing, recommending and implementing an appropriate asset allocation plan consistent with the investment objectives, time horizon, risk profile, guidelines and constraints outlined in this statement.
2. Recommending an appropriate custodian to safeguard Investor's assets.
3. Advising you about the selection of and the allocation to asset categories.
4. Selecting specific assets and investment managers within each asset category.
5. Monitoring the performance of all selected assets.
6. Recommending changes to any of the above.
7. LW is responsible for and empowered to exercise all rights, including voting rights, as are acquired through the purchase of securities, where practical.
8. Periodically reviewing the suitability of the investments for you, being available to meet with you at least twice each year, and being available at such other times within reason at your request.
9. Preparing and presenting appropriate reports.

LW will not take title to any assets. LW shall exercise discretionary control over any of your accounts for which it holds a trading authorization (limited power of attorney).

The Investor



Sample Client and Partner shall be responsible for:

1. The oversight of the Portfolio.
2. Defining the investment objectives and policies of the Portfolio.
3. Directing LW to make changes in investment policy and to oversee and to approve or disapprove LW's recommendations with regards to policy, guidelines, and objectives on a timely basis.
4. **Sample Client and Partner** shall provide LW with all relevant information on **Sample Client and Partner's** financial conditions and risk tolerances and shall notify LW promptly of any changes to this information.
5. **Sample Client and Partner** shall read and understand the information contained in the prospectus and each investment in the Portfolio.



Adopted by the below signed:

Date: _____

Investor: _____
Sample Client

Investor: _____
Partner

LW: _____
Tracy Lasecke, CFP[®]