

Client Name/s: _____ Advisor Name: _____

Dollar amount of initial investment: _____

Please select ONE answer to each of the following questions.

SECTION 1: FINANCIALS TOTAL

1. What is your investment objective?

- | | | | |
|---|--|--|--------------------------|
| <input type="checkbox"/> Preserve Principal (0) | <input type="checkbox"/> Income and Growth (3) | <input type="checkbox"/> Aggressive Growth (5) | <input type="checkbox"/> |
| <input type="checkbox"/> Income (1) | <input type="checkbox"/> Growth (4) | | |

2. What is your current household income?

- | | | | |
|--|--|--|--------------------------|
| <input type="checkbox"/> Under \$25,000 | <input type="checkbox"/> \$50,000 - \$99,999 | <input type="checkbox"/> \$250,000 - \$500,000 | <input type="checkbox"/> |
| <input type="checkbox"/> \$25,000 - \$49,999 | <input type="checkbox"/> \$100,000 - \$249,999 | <input type="checkbox"/> Over \$500,000 | |

3. What is your approximate net worth (excluding your principal residence)?

- | | | | |
|--|--------------------------------------|--------------------------------------|--------------------------|
| <input type="checkbox"/> Less than \$50K | <input type="checkbox"/> \$250K-500K | <input type="checkbox"/> \$1.0M-1.5M | <input type="checkbox"/> |
| <input type="checkbox"/> \$50K-100K | <input type="checkbox"/> \$500K-750K | <input type="checkbox"/> \$1.5M-2.0M | |
| <input type="checkbox"/> \$100K-250K | <input type="checkbox"/> \$750K-1.0M | <input type="checkbox"/> \$2.0M + | |

4. What is your federal income tax bracket?

- | | | | |
|------------------------------|------------------------------|--------------------------------|--------------------------|
| <input type="checkbox"/> 10% | <input type="checkbox"/> 28% | <input type="checkbox"/> 39.6% | <input type="checkbox"/> |
| <input type="checkbox"/> 15% | <input type="checkbox"/> 33% | | |
| <input type="checkbox"/> 25% | <input type="checkbox"/> 35% | | |

5. What is your investment experience?

- | | | |
|--|--|--------------------------|
| <input type="checkbox"/> None | <input type="checkbox"/> Moderate investment experience | <input type="checkbox"/> |
| <input type="checkbox"/> Limited investment experience | <input type="checkbox"/> Extensive investment experience | |

SECTION TOTAL

SECTION 2: TIME HORIZON

1. When do you expect to begin withdrawing money on a regular basis from your investment accounts?

- | | | | |
|---|---|---|--------------------------|
| <input type="checkbox"/> Less than 1 year (1) | <input type="checkbox"/> 4-6 years (4) | <input type="checkbox"/> More than 10 years (8) | <input type="checkbox"/> |
| <input type="checkbox"/> 1-3 years (2) | <input type="checkbox"/> 7-10 years (6) | | |

2. For how many years will you be making the withdrawals?

- | | | |
|--|---|--------------------------|
| <input type="checkbox"/> 1-3 years (1) | <input type="checkbox"/> 7-10 years (3) | <input type="checkbox"/> |
| <input type="checkbox"/> 4-6 years (2) | <input type="checkbox"/> More than 10 years (4) | |

SECTION TOTAL

SECTION 3: YOUR RISK TOLERANCE			TOTAL															
<p>1. Indicate the response that you feel best describes your risk tolerance.</p> <p> <input type="checkbox"/> Conservative (0) <input type="checkbox"/> Moderate (4) <input type="checkbox"/> Aggressive (8) <input type="checkbox"/> Moderately Conservative (2) <input type="checkbox"/> Moderately Aggressive (6) </p>			<input type="checkbox"/>															
<p>2. What is your annual investment return expectation relative to inflation?</p> <p> <input type="checkbox"/> Satisfied with investments keeping pace with inflation. (0) <input type="checkbox"/> Like investments to moderately outpace inflation and am willing to accept some long term risk to achieve this goal (2) </p> <p> <input type="checkbox"/> Prefer investments to significantly outpace inflation and am willing to accept moderate long-term risks to achieve this goal (4) </p> <p> <input type="checkbox"/> Desire investments to achieve highest performance possible and am willing to accept substantial long term risk to achieve this goal (6) </p>			<input type="checkbox"/>															
<p>3. How strongly do you agree or disagree with the following statement: "I am willing to lose larger sums of money in the short term if I can enjoy potentially higher returns in the long term?"</p> <p> <input type="checkbox"/> Strongly agree (5) <input type="checkbox"/> Disagree (1) <input type="checkbox"/> Agree (3) <input type="checkbox"/> Strongly disagree (0) </p>			<input type="checkbox"/>															
<p>4. How much do you rely on income from your investments?</p> <p> <input type="checkbox"/> Heavily (0) <input type="checkbox"/> Somewhat (2) <input type="checkbox"/> Moderately (1) <input type="checkbox"/> Not at all (3) </p>			<input type="checkbox"/>															
<p>5. Investment decisions involve a trade-off between risk and return. Risk is any possibility of loss to your portfolio value. Return is the amount earned or profit on an investment. Generally, investments with the highest potential for gains carry the greatest risk of loss.</p> <p>Which hypothetical portfolio are you most comfortable with, considering the possible outcomes of \$100,000 invested for 5 years:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 35%; text-align: center;">Worst Case</th> <th style="width: 35%; text-align: center;">Best Case</th> </tr> </thead> <tbody> <tr> <td><input type="checkbox"/></td> <td>Portfolio 1: \$50,000</td> <td>\$300,000 (6)</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Portfolio 2: \$75,000</td> <td>\$250,000 (4)</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Portfolio 3: \$100,000</td> <td>\$200,000 (2)</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Portfolio 4: \$110,000</td> <td>\$150,000 (0)</td> </tr> </tbody> </table>				Worst Case	Best Case	<input type="checkbox"/>	Portfolio 1: \$50,000	\$300,000 (6)	<input type="checkbox"/>	Portfolio 2: \$75,000	\$250,000 (4)	<input type="checkbox"/>	Portfolio 3: \$100,000	\$200,000 (2)	<input type="checkbox"/>	Portfolio 4: \$110,000	\$150,000 (0)	<input type="checkbox"/>
	Worst Case	Best Case																
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<input type="checkbox"/>	Portfolio 3: \$100,000	\$200,000 (2)																
<input type="checkbox"/>	Portfolio 4: \$110,000	\$150,000 (0)																
<p>6. Which statement best describes your investment goals?</p> <p> <input type="checkbox"/> Protect the value of my account. In order to minimize the chance of loss, I am willing to accept the lower long-term returns provided by conservative investments. (1) </p> <p> <input type="checkbox"/> Keep risk to a minimum while trying to achieve slightly higher returns than the returns provided by investments that are more conservative. (2) </p> <p> <input type="checkbox"/> Balance moderate levels of risk with moderate levels of returns. (3) </p> <p> <input type="checkbox"/> Maximize long-term investment returns. I am willing to accept large and sometimes dramatic fluctuations in the value of my investments. (4) </p>			<input type="checkbox"/>															

SECTION 3: YOUR RISK TOLERANCE (CONTINUED)

TOTAL

7. Historically, markets have experienced downturns, both short-term and prolonged, followed by market recoveries. Suppose you owned a well-diversified portfolio that fell by 20% (i.e. \$100,000 initial investment would now be worth \$80,000) over a short period, consistent with the overall market. Assuming you still have 10 years until you begin withdrawals, how would you react?

- I would not change my portfolio (6)
- I would wait at least 3 months before changing to options that are more conservative (2)
- I would wait at least 1 year before changing to options that are more conservative (4)
- I would immediately change to options that are more conservative (0)

8. Which of the following statements best describes your attitude towards long-term investing?

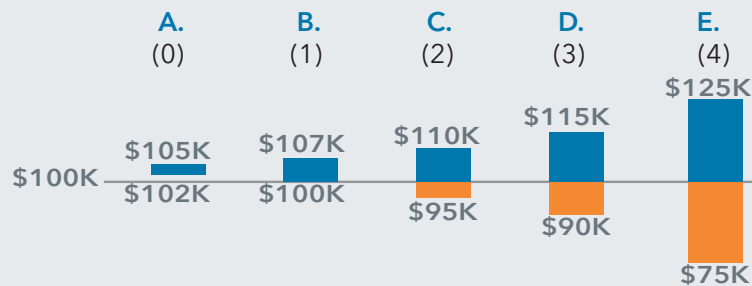
- I am willing to accept the lower returns associated with conservative investments that have minimal chance for loss of principal (1)
- In order to pursue moderately high returns, I am willing to accept significant fluctuations in the value of my investments (5)
- In order to pursue moderate returns, I am willing to accept moderate fluctuations in the value of my investments (3)
- In seeking maximum returns, I am willing to accept large fluctuations in the value of my investments and substantial risk of loss to principal (7)

9. If a unique circumstance were to require an amount of capital equal to at least one-fourth the value of your portfolio, where would you obtain the money?

- All from this portfolio (0)
- Less than half for this portfolio, and the remainder from other savings and investments (2)
- The majority from this portfolio (1)
- From other savings/investments (4)

10. Which hypothetical portfolio are you most comfortable with, considering the possible range of returns, for \$100,000 invested, over a one-year period?

The percentages for each portfolio reflect the maximum amount that each portfolio may gain or lose in this hypothetical scenario. Note that the portfolio with the highest potential gain also has the largest potential loss.



11. Describe the kind of risk you are comfortable with:

- I could handle being down over a three-year period, but not longer. (3)
- I could handle a one-year loss, but do not want to pursue a strategy that could result in longer periods of loss. (2)
- I could handle losses over one or two quarters, but would not be comfortable subjecting myself to longer down periods. (1)
- I don't want to lose any money ever. I could handle only a very small loss over a few months at most. (0)
- I could accept being down over longer than three years if my long-term return potential was above average. (4)

SECTION TOTAL

TOTAL ALL SECTIONS

Conservative Choices		Moderate Choices		Growth Choices	
BCM INDIVIDUAL BOND PORTFOLIO	Min. 5K	CANTERBURY THERMOSTAT SMA	Min. 25K	HORIZON CHRISTIAN VALUES SMA	Min. 50K
BCM MARKET-LINKED CDs	1K	CMG OPPORTUNISTIC ALL ASSET SMA	50K	HORIZON SOCIALLY RESPONSIBLE SMA	50K
BCM STRUCTURED NOTES	1K	DONOGHUE PWR DVDND INDEX SMA	25K	MS AGGRESSIVE GROWTH (Model 5)	50K
BCM MUNICIPAL BONDS (Model 6)*	25K	DONOGHUE PWR DVDND INDEX FUND	2K	MS AGGGROWTH ETF (Model 5 ETF)	5K
BTS BOND ASSET ALLOCATION SMA	5K	DONOGHUE PWR INCOME FUND	2K	MS DIVIDEND SELECT STOCK SMA	50K
MS CONSERVATIVE ETF (Model 1 ETF)	5K	F-SQUARED ALPHA SECTOR PREM SMA	25K	MS GROWTH (Model 4)	50K
MS RETIREMENT ULTRA-SHORT RANGE	50K	MS ABSOLUTE RETURN	50K	MS GROWTH ETF (Model 4 ETF)	5K
MS RETIREMENT SHORT RANGE	50K	MS GLOBAL ALLOCATION	35K	MS HARE SELECT STOCK SMA	50K
MS RETIREMENT MID RANGE	35K	MS INCOME & GROWTH (Model 2)	50K	MS REAL RETURN	20K
MS RETIREMENT LONG RANGE	50K	MS INCOME & GRW ETF (Model 2 ETF)	5K	MS TORTOISE SELECT STOCK SMA	50K
OCEANPARK HIGH YIELD BOND SMA	25K	MS MODERATE GROWTH (Model 3)	50K	MS WIDE MOAT STOCK SMA	50K
ZEGA HIPOS INCOME SMA	25K	MS MOD. GROWTH ETF (Model 3 ETF)	5K	ZEGA HIPOS AGG GROWTH SMA	10K
		SMARToption CLASSIC SMA	95K		
		SMARToption SELECT SMA	95K		
		SWAN MUTUAL FUND (SDRAX)	1K		
		VAN HULZEN COVERED CALL SMA	150K		
		VAN HULZEN COVERED CALL ETF SMA	50K		
		ZEGA HIPOS MOD. GROWTH SMA	25K		

■ Model names in blue indicate Income models
 * Should be used in a Non Qualified Account
 SMAs need to be held in a separate account

SCORING

SCORE 4-17: Portfolio Allocation 1



SCORE 18-31: Portfolio Allocation 2



SCORE 32-45: Portfolio Allocation 3



SCORE 46-59: Portfolio Allocation 4



SCORE 60+: Portfolio Allocation 5



CLIENT ACKNOWLEDGEMENT

I understand that the above-referenced Portfolio Allocations are suggestions only and act as a guide to building an overall financial solution. I recognize that there are other factors to consider besides my score on this questionnaire when making portfolio decisions.

I understand that my responses to the risk profile questionnaire provided by my investment advisor representative indicates that I am most suited for Portfolio Allocation # _____

I disagree with this assessment and would like to invest in Portfolio Allocation # _____

My reasoning for disagreeing with this assessment is: _____

Please provide any additional details for your decision (if needed): _____

Client's Signature Date

Client's Signature Date

Investment Consultant's Signature Date

Approved By Brookstone Capital Management Date

