

INVESTMENT OBJECTIVE DEFINITIONS

A Preservation of Capital + Conservative	E Capital Appreciation/Growth + Conservative
B Preservation of Capital + Moderate	F Capital Appreciation/Growth + Moderate
C Income + Conservative	G Capital Appreciation/Growth + Aggressive
D Income + Moderate	H Speculation + Aggressive

Preservation of Capital

This objective indicates that the customer values being able to receive the return of principal over potential income or capital appreciation. The customer needs to understand that with this investment objective the customer is taking opportunity risks. Over the long term, rates of return are expected to be significantly below general market returns in either the equity or fixed income markets. Appropriate investments include money market funds, redeemable CD's, U.S. Treasury Securities, Agency Securities, high quality Notes or Bonds with maturities that match the time the money will be needed.

Income

The customer seeks a regular and consistent return on investments in the form of interest and dividend payments, with a secondary need to preserve the amount of principal invested. The customer needs to understand the risk of loss of principal, particularly if the investment must be liquidated upon short notice. The risk is less than the general market risk but greater than the risk of customers whose objective is preservation of capital. The customer also has the opportunity risk in that the customer should expect long term returns lower than those in the equities market. Appropriate investments include money market funds, mortgage backed and asset backed securities, investment grade bonds, preferred stocks, high quality equities with a proven history of dividends, short term and intermediate bond funds, income funds, value and income funds and small positions in growth funds.

Capital Appreciation/Growth

This objective is for the client who wants to grow his investment portfolio over a period of five to ten years. The client needs to understand that there is risk of loss of principal due to market fluctuation, as well as market appreciation. This customer should be able to accept, financially and emotionally, short term drops in the value of positions while looking for long-term gains. Appropriate investments include equities in all sectors, covered call writing programs, covered put writing programs, some call purchases, long term growth funds, growth funds and variable annuities.

Speculation

This client seeks and wants realized gains on short-term movements in the securities prices. This client has a very high tolerance for risk. This type of client will "trade" often, even buying and selling in the same day. These types of investors are often considered to be "day traders" (there are rules which qualify one as a day trader). The speculative investor needs to understand that there is a significant risk of loss of principal over the trading horizon and needs to be able to accept this, both financially and emotionally. The client needs to be willing to spend the time to actively monitor his positions, in regular conversations with their Investment Consultant. Appropriate investments include buying and shorting of equities, buying and selling call and put options and the purchase and sale on margin of long-term bonds.

Risk Tolerances

Conservative

Generally reflects an investor who has a low tolerance for risk. Preservation of capital is often a major consideration. Such an investor is willing to limit or forego capital appreciation opportunities or higher income returns in order to protect his or her investment capital.

Moderate

Generally reflects an investor who has the financial resources and investment experience to accept a modest amount of risk in order to achieve capital appreciation or higher income returns. Such an investor can accept some loss of capital in seeking to meet his or her investment goal.

Aggressive

Generally reflects an investor who sees the most capital appreciation or a higher income return and who is financially able and willing to risk losing a substantial portion of investment capital to achieve his or her objectives. The aggressive investor may seek to maximize his or her total return through a broad range of investments and strategies that may include purchasing low-priced, low-rated, or volatile securities, using a high degree of leverage, or engaging in a high level of activity. Knowledge of investment and strategies and investment experience are important considerations.