INVESTMENT POLICY STATEMENT (IPS)
AND INVESTMENT PLAN (IP)
FOR

________________________________ age ___________, occupation: ______________________
________________________________, age ___________, occupation:______________________
Children: _______________, ________________, ________________, _________________
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Prepared by:

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INTRODUCTION My net worth is $ __________________
Investable assets $ _________________
Under Management $ __________________

The purpose of this Investment Policy Statement (IPS) and Investment Plan (IP) is to establish a clear understanding of the policies and procedures applicable for the management of your investment portfolio. Having and using well-defined policies and procedures is critical to making the investment process more disciplined and systematic.
The process of creating an IPS and IP embodies the essence of financial planning:
* Assessing your current situation, setting objectives, and developing a strategy to help meet those objectives.
* Establish reasonable expectations and guidelines for the investment of your portfolio's assets.
* Set forth a program that defines permitted asset classes and styles and the allocation of capital among asset classes and styles.
* Create a framework for selecting suitable investment.
* Consolidate your investments into fewer accounts and holdings to simplify the management of your portfolio.
* Define and implement standards for reviewing your portfolio's performance and for making adjustments in portfolio structure that may be needed as a result of changes in market conditions, interest rates, inflation or in your needs and/or personal circumstances.

This IPS and IP is intended solely as a summary of the investment methodology that provides guidance for you and your advisor and is a working document that should be reviewed whenever your circumstance changes.

INVESTMENT POLICY STATEMENT

PERFORMANCE EXPECTATIONS: My performance goal is _______% per year.

It should be recognized that your investments are in an actively managed portfolio with stocks, ETF’s, futures, foreign exchange, options, annuity sub-accounts, or privately managed accounts and that the actual weightings of these investments can and will vary. As a result, it is expected that your investments may produce returns which are higher or lower than those presented. No guarantees can be given about future performance and this IPS shall not be construed as offering any such guarantee. My financial objective is ____________________________________.

RISK CONSIDERATIONS: Profile: _________ Ability: __________ Willingness: _________________

Business Risk: Having a concentration of investments in a specific industry or a concentrated portfolio may underperform market benchmarks. Under performance has the potential to be eliminated using diversification. Diversification through an asset allocation plan is a useful technique that can help reduce overall portfolio risk and volatility. Diversification neither ensures a profit nor protects against a loss.

Market Risk: Investment theory has established that over long periods of time there is a relationship between the level of risk or volatility assumed and the level of return an investor should expect. In general, higher risk is associated with higher return potential. There is no assurance that assuming higher risk will achieve higher returns. Although proper diversification incorporating asset allocation techniques may reduce risk and volatility, only an ultraconservative portfolio primarily invested in low-yielding instruments can guarantee nominal losses; and even then, it will usually have a negative real return because of inflation. A portfolio using investments such as bonds or stocks, while capable of achieving higher returns, will always have some fluctuation in market value. Recognizing this fact, you have indicated a willingness to tolerate volatility in the value of your portfolio of up to +/- ________% /Standard Deviation on an annual basis and would characterize your market objective as ________________________________.

Liquidity Risk: Non -Publicly trades and real assets will have less liquidity.

Inflation Risk: You understand that one of the greatest long-term risks to your financial security is the loss of purchasing power due to inflation. For planning purposes, you wish to assume an inflation rate of ________% over your investment time horizon.

Interest Rate Risk: The risk that when interest rates go up, the market value of fixed income investments will go down; and that when interest rates go down, income or cash flow may be reduced. You have agreed to an assumption that interest rates are likely to __________________________ over the next 1-2 years.

Reinvestment Risk: The risk that future proceeds will have to be reinvested at a lower potential interest rate.

LIQUIDITY: Cash distribution requirement is: ______________. Short term or long term? Accumulate sufficient resources to support my financial independence defined as $__________of income in today's dollars, net after tax, adjusted for inflation.

LEGAL LIMITATIONS: Are there Legal Limitations such as Trusts, Limited Liability Corporations (LLC's) or Family partnerships? ________________________________

TIME REQUIREMENTS: Date for cash distributions: _____________________.
Begin spending at age _______. Ensure the continuity of your investment program in the event of your death/disability.

TAX CONSIDERATIONS: Maximum efforts shall be made to minimize or defer Portfolio income taxes consistent with prudent economic planning, based on my income marginal tax rate of ________%.

SPECIAL NEEDS: Are there any special needs in your family? Do unusual circumstances require special action? ____

INVESTMENT LIMITATIONS: The following limitations apply to which investment may be used or excluded from use in the portfolio: ____

INVESTMENT PLAN

CAPITAL MARKET EXPECTATIONS: Should be reviewed semi-annually.

ASSET ALLOCATION: My allocation goal is _____% in fixed income, _____% in equities and using 3 or more different market sectors. Academic research suggests the decision to allocate assets among various asset classes outweighs security selection, market timing and other decisions in impacting portfolio volatility. An asset allocation strategy can help you to accomplish two important goals: First, it can help you ride out the ups and downs of the market by diversifying your investments, and second, it lets you adjust your exposure to risk, based on your desired levels of relative fluctuation and potential return on investment. Developing appropriate asset allocations will provide exposure to an appropriate variety of capital markets, industries, and investment styles. Diversification through an asset allocation plan is a useful technique that can help reduce overall portfolio risk and volatility. Diversification neither ensures a profit nor protects against a loss. Reallocation and rebalancing of portfolio should be done a minimum of 2 times in a 12-month period.

ASSET & MANAGER SELECTION CRITERIA: Investment managers, including mutual funds, electronic traded funds (ETF's), variable annuities, private money managers, stocks, bonds, futures, real estate, options and foreign exchange (forX) will be chosen using the following criteria:

* Past performance rankings above the peer group's median relative strength and Alpha. Alpha is often considered to represent the value that a portfolio manager adds to or subtracts from a fund's return relative to the return of the benchmark index. Past performance is no guarantee of future results.
* Historical volatility (e.g., beta and standard deviation) no more than 20% above the peer group average (in most cases a below average risk score will be preferred). Beta is a measure of the volatility of a security or a portfolio in comparison to the market as a whole. Standard deviation is how much the return on an investment is deviating from the expected normal returns
* Internal expenses at or below peer group averages (unless historical returns justify the added cost).
* The investment style includes; growth, value, large cap, small cap, domestic/international, sectors, absolute return, and the discipline of both Active and/or Index management. Small company stocks generally are more volatile than those of large company stocks. Growth stocks are more volatile than value stocks. International investing involves special risks not found in domestic investing, including political and social differences and currency fluctuations due to economic decisions. Emerging markets can be riskier than investing in well-established foreign markets. Sector investing concentrates its investments in one region or industry and may carry greater risk. There should be a low or negative correlation between asset, funds or managers.
* In no case should a position exceed 15% in one stock, 40% in one ETF and 50% in one fund or project of the total portfolio.

EVALUATION OF SUCCESS STUDY: Situation Analysis may be an attachment. The projections or other information generated by simulations regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. They should be used as parameters. NOTE: The market will cycle from highs to lows.

REVIEWING AND REPORTING: You recognize that all investments go through cycles and there will be periods in which investment objectives may not be met and specific managers fail to meet their performance targets. Recognizing that no manager is capable of providing ideal results all the time, you understand managers must be given an opportunity to make up for poor periods, and a manager's performance may deviate from their benchmark for periods owing to unanticipated market movements. When Benchmarks are not met, performance fees will not be paid.

Notwithstanding these considerations, portfolio performance should be evaluated on a market cycle basis to determine whether actual results conform to the guidelines set forth in this IP. Each investment's total return and relative risk should be compared to the average returns for equivalent pooled investment vehicles sharing the same investment objective for the previous cycle. In addition, each investment should be compared against the benchmark corresponding to its asset class or style, the 90-day T-Bill and the S&P500 index.

The performance of an unmanaged index is not indicative of the performance of any particular investment. The performance of an index assumes no transaction costs, taxes, management fees or other expenses. Past performance is no guarantee of future results. In the event any fund under performs the median of its respective peer group for a period of time, or under performs its benchmarks for a period of time, the selected fund should be placed "under review". The Advisor will determine if it should be removed.

Funds should also be evaluated with respect to consistency, growth of assets under management, and material changes to the investment management organization, personnel, or philosophy.

REBALANCING PROCEDURES: From time to time, market conditions may cause the portfolio's investments to draw down from established value. To maintain consistent marketing objectives when accounts drawdown, it may require reallocation of positions to adjust for changing risk. Continuous reallocation to avoid substantial market drawdowns may be necessary.

FEES: Fee Schedule for Asset Management: **Management fee**: _________ **Financial Planning fee**: _________

Assets Under Mgmnt at TDA	Maximum Annual Fee	Quarterly Fee	Advisor and Client Initial
$10,000 – $25,000	1.60%	.40%	
$25,000 – $100,000	1.50%	.375%	
$100,001 – $500,000	1.30%	.325%	
$500,001 – $800,000	1.20%	.300%	
$800,001–$1,000,000	1.05%	.263%	
$1,000,001–$1,500,000	0.90%	.225%	
$1,500,001 – 2,100,000	0.80%	.200%	
Over 2,100,001	0.50 -0.70%		

Performance Based Fee's : ($2,000,000 net worth required)

Portfolio	**Annual Fee**	**Performance Fee**	**Advisor & Client Initial**
Aggressive Derivative	0.70%	6% when gross return exceeds 30%	
Aggressive Equity	0.60%	2% when gross return exceeds 14%	
Aggressive Income	0.50%	1% when gross return exceeds 10%	

HOW MUCH RISK TO TAKE/ ASSET ALLOCATION

Check one	Target Range	SD	Allocation Type	Minimum	Cash or Fixed Income	Equities
	3-5%	+/- 8	1. Income	35	35-100%	0-80%
	5-7%	+/- 12	2. Income & Growth	25	25- 70%	30-85%
	7-9%	+/- 16	3. Growth & Income	15	15- 60%	40-90%
	9-12%	+/- 22	4. Growth	5	5- 55%	45-95%
	8-10%	+/- 10	5. Aggressive Income	25	50-100%	0-50%
	13-25%	+/- 24	6. Aggressive Equity	15	10- 80%	0-90%
	26-35%	+/- 30	7. Aggressive Derivative	10	20- 60%	0-80%

DUTIES AND RESPONSIBILITIES: You agree to provide October Effect LTD., a registered investment advisor, with all relevant information on your financial condition, net worth, and risk tolerance and to notify October Effect LTD promptly of any material changes to this information. You should read and understand the information contained in our ADV2 and the prospectus of your mutual funds.

October Effect LTD is responsible for assisting you in making appropriate investment decisions based on your particular needs, objectives, and risk profile while invested in the pools. October Effect LTD will not take title to any assets; it shall exercise discretion in the allocation and investment of your assets.

CHANGES IN OBJECTIVES: In the event your needs, objectives, risk tolerance, or circumstances change, this Investment Plan should be reviewed, and your portfolio adjusted accordingly. Please contact us immediately if changes occur.

Your Advisor is Frank D. Tehel, CLU®, CFP®, CRPC®, EA, MSFS, MSFA: ____

____ ____

signature date spouse signature date