

Investment Policy Statement

Smith Investment Policy Statement

Smith 2014

Prepared on November 25, 2013



Prepared for

SMITH, JOHN & JANE

Prepared by

Mary D Kirtland, CFP®
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Client Information

Client Profile

Name JOHN SMITH
 Birth Date 1/1/1953
 Relationship Primary Member
 Gender Male
 State of Residence

Members

Name JANE SMITH
 Birth Date 1/1/1952
 Relationship Spouse
 Gender Female
 State of Residence

Investment Evaluation & Selection

In addition to the asset allocation discussed previously, the preferences listed below have been used to select securities to fulfill your investment plan:

Current Accounts

Account Name	Owner	Account Type	Value (USD)
Smith & Assoc. Defined Benefit Plan	JOHN SMITH	Defined Benefit Plan	454,050.40
John's IRA	JOHN SMITH	Traditional Rollover IRA	758,277.01
Jane's IRA	JANE SMITH	Traditional IRA	467,449.68
Joint Account	JOHN SMITH-JANE SMITH	Joint (JTWROS)	1,114,300.57
Total			2,794,077.67

Current Allocation

Asset Class	Current %	Tax-Advantaged %	Taxable %
US Large Cap	27.55	12.97	14.58
US Mid/Small Cap	10.26	4.91	5.36
Non-US Stock	8.34	4.28	4.06
Bonds	40.17	29.44	10.72
Cash	12.68	8.04	4.64
Real Estate	0.70	0.33	0.37
Commodities	0.31	0.15	0.16

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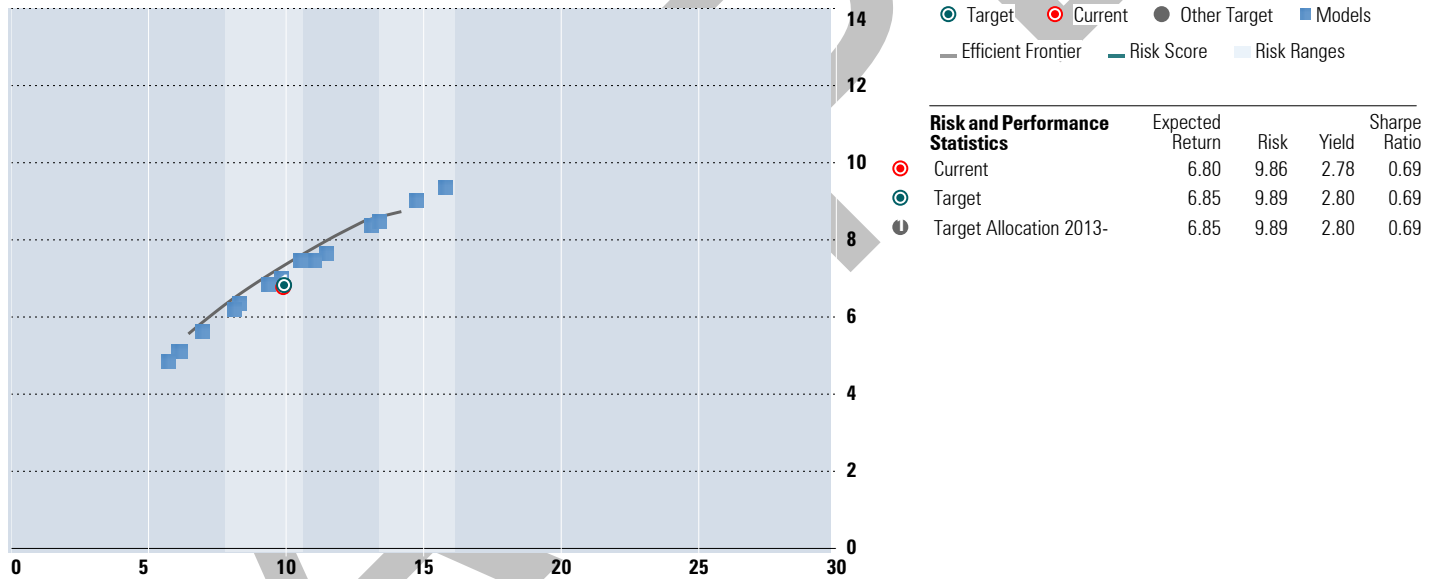
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Optimization Constraints

Asset Name	Minimum Holding	Maximum Holding
Individual		
US Large Cap	15.00	45.00
US Mid/Small Cap	5.00	20.00
Non-US Stock	5.00	20.00
Bonds	30.00	65.00
Cash	0.00	15.00
Real Estate	0.00	8.00
Commodities	0.00	8.00
Group		
U.S Equity	0.00	100.00

Efficient Frontier

Expected Return vs Standard Deviation/Risk



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Current vs. Target Allocation

Current	Target	Asset Allocation	Current	Target	+/- %
		Asset Weight (%)			
		■ US Large Cap	27.55	28.00	0.45
		■ US Mid/Small Cap	10.26	10.00	-0.26
		■ Non-US Stock	8.34	8.00	-0.34
		■ Bonds	40.17	41.00	0.83
		■ Cash	12.68	11.00	-1.68
		■ Real Estate	0.70	1.00	0.30
		■ Commodities	0.31	1.00	0.69
Standard Deviation			9.86	9.89	0.03
Expected Return			6.80	6.85	0.05
Yield			2.78	2.80	0.02
Sharpe Ratio			0.69	0.69	0.00

Monitoring Your Progress

This investment recommendation is based on your current situation, your resources, and your goals. In addition, it is based on our current expectations of the behavior of asset classes included in your asset allocation. Your situation and goals will change over time, as will reasonable performance projections. Other securities may become more appropriate for you over time. Your portfolio should be re-evaluated at least annually to ensure that you are making solid progress toward your goals. In the meantime, please make every effort to update your advisor when substantial changes in your goals or situation take place.

The performance of the securities selected for your portfolio will be monitored on an ongoing basis. Periods of underperformance are not unusual or alarming for an individual security or an asset class as a whole. Our intent in monitoring performance is to ensure that 1) you continue to be on track to achieve your goals, 2) over a reasonable period your investments produce acceptable return in relation to risk, 3) securities contribute to the portfolio as anticipated, and 4) the portfolio continues to feature an acceptable level of risk. If we have concerns about the performance of your securities, we'll contact you to discuss these concerns and necessary changes. Likewise, if you have concerns about the performance of your portfolio, please let us know.

At times, out performance of some securities and underperformance of others may result in the need to rebalance your portfolio to maintain a comfortable level of risk. We anticipate that this may need to be done at least annually.

Agreement

I have reviewed and agree with the tenets of this Investment Policy Statement. I will notify Mary Kirtland of any changes to my information, risk tolerance, goals, or investments. This policy will be reviewed annually.

JOHN SMITH _____ Date

JANE SMITH _____ Date

Mary Kirtland _____ Date

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Legal & Regulatory

The information contained in this report is not guaranteed to be accurate, complete or timely. Neither your advisor nor anyone who helped your advisor create or populate this report, including, but not limited to, any software or information provider, shall be liable for any damages or losses related to your use of the information contained in it.

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