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CLIENT INVESTMENT CRITERIA

for

**PERSONAL ACCOUNTS
INDIVIDUAL TRUSTS
INDIVIDUAL RETIREMENT ACCOUNTS
PERSONAL FOUNDATIONS**

>>> *Confidential Information* <<<

Date Submitted: _____

PART I: DATA SHEET

CLIENT DATA:

Name: _____ Social Security #: _____
 Address: _____
 City, State, Zip _____ Date of Birth: _____
 Home Phone: _____ Work Phone: _____ Ext: _____ Fax: _____
 Annual Income: <in thousands>
 Salaries \$ _____ Investment Income \$ _____ Other Income \$ _____ Total Annual Income \$ _____
 Occupation: _____ Title: _____
 Employer: _____
 Dependents - Age and Relationship: _____

ACCOUNT DATA:

Account title should read (if trust, include names of trustees):

Type of account: Personal Joint IRA Trust Personal Foundation

Amount to be managed at this time: Total \$ _____ Cash \$ _____ Securities \$ _____

If account is to be funded with securities, please include a copy of the statement.

Regular withdrawal \$ _____ Monthly Quarterly Starting withdrawal date: _____

Anticipated contribution \$ _____ When? _____

Other investment advisors currently used: _____

FINANCIAL DATA:

Please list other investments outside this managed account, including partnerships, CD's, stocks, bonds, mutual funds, money market funds, and investment partnerships:

INVESTMENT	VALUE	INVESTMENT	VALUE
	\$		\$
	\$		\$
	\$		\$
	\$		\$

Cash value of life insurance \$ _____ Net worth excluding income \$ _____

Do you anticipate any changes in your overall financial circumstances in the foreseeable future?

When? _____

Any additional considerations that will help us design your investment plan? _____

CLIENT INVESTMENT CRITERIA:

What is the ultimate purpose or need your investment funds are to meet? _____

Approximately when will the funds be needed for that purpose? _____

Are there any intermediate needs that these funds or the earnings on these funds might have to meet?

What do you estimate the amount needed to meet the intermediate needs will be and when might it happen? _____

Annual income needed at retirement in today's dollars \$ _____

Years to anticipated retirement: _____

What will be your sources of income when retired?

Salary	_____ %
Social Security	_____ %
Pension Plan	_____ %
Outside Income	_____ %
IRA or IRA Rollover	_____ %
Income from this account	_____ %
Income from other sources	_____ %

Which of these types of investments (if any) have you had in the past?

<u>FIXED INCOME:</u>	<u>Yes</u>	<u>No</u>	<u>Amount</u>
Certificate of Deposit	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Bonds	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
High Yield Bonds	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Municipal Bonds	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
<u>EQUITIES / STOCK</u>			
Aggressive Growth Equities	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Income Stocks	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Blue Chip Stocks	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Small Company Stocks	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
International Equities	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
<u>MUTUAL FUNDS</u>	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
<u>OTHER</u>	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Investment Real Estate	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Oil / Gas Limited Partnerships	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Arts / Antiquities	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Precious Metals	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Options / Commodities	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____

What are your investment preferences?

	<u>All</u>	<u>Some</u>	<u>None</u>	<u>Don't Know</u>
Large Company Stocks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Small Company Stocks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Growth Stocks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Value Stocks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Foreign Stocks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
U.S. Government Bonds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality Corporate Bonds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lower Quality Corporate Bonds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Municipal Bonds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

PART II: CLIENT INVESTMENT OBJECTIVE QUESTIONNAIRE

The purpose of this questionnaire is to assist you in defining your investment goals by assessing your attitude toward risk and return. There are no right or wrong answers – only answers that reflect your fiscal needs and your psychological attitude toward risk. Each answer has a point value shown in parenthesis. Write down points for each answer, then add up the points for each page. Write that total in the blank at the bottom of each page.

- 1) These funds represent _% of your investment funds and the purpose of the funds you are placing under professional money management is... *(Circle ALL that apply)*
 - a) a source of current income.
 - b) a source of future retirement income.
 - c) a specific future need (such as funding a college education, buying a home, or _____).
 - d) an unspecified future use (such as funding a trust for children or for a charitable foundation).

- 2) How long will these funds be dedicated for the purpose stated in question one? This is the TIME FRAME for the investment portfolio. *(Circle one)*
 - a) Eight or more years (5 points)
 - b) Six to seven years (4 points)
 - c) Four to five years (3 points)
 - d) Two to three years (2 points)
 - e) Under two years (1 point)_____

- 3) How would you describe your outlook for the U.S. economy? *(Circle one)*
 - a) Very positive (5)
 - b) Neutral (3)
 - c) I am undecided (1)
 - d) Very negative (-2)_____

- 4) What is your outlook for inflation? *(Circle one)*
 - a) Remain at about current levels over the next twelve months (2)
 - b) Increase moderately over the next twelve months (0)
 - c) Increase substantially over the next twelve months (-2)_____

- 5) How would you generally categorize your investment objectives? *(Circle one)*
 - a) Maximum capital appreciation, even though the level of risk might be higher and the level of current income might be lower (6)
 - b) Capital appreciation with lower current yield but a view to capital preservation (4)
 - c) A balance between capital appreciation, preservation of capital, and current income (3)
 - d) Preservation of capital and relatively high current income (1)_____

- 6) What are your personal investment parameters? *(Check one in a, one in b, and one in c. Minimum Loss of Value cannot be chosen together with Emphasis on Growth.)*
 - a) Loss of Value: Minimum (1) Moderate (3) Not my first concern (5)
 - b) Dividend Yield: Important (1) Some (3) None (5)
 - c) Growth: Some (1) Moderate (3) Emphasis (5) _____

TOTAL POINTS FOR PAGE: _____

- 7) If you were faced with the following three alternatives, which would you choose?
(Circle one)
- a) High long-term returns even though the returns may vary greatly over the short term (5)
 - b) Consistent short-term returns even though returns over the long term may be lower (1)
 - c) No preference (3) _____
- 8) Which option in both (a) and (b) would make you more upset? (Answer both a and b)
- a) Holding cash/money market funds when the market goes up (5) --OR--
Holding stocks when the market goes down (0)
 - b) Selling a stock and seeing it immediately increase in value (5) --OR--
Buying a stock and having it immediately decrease in value (0) _____
- 9) An increase in investment return is usually associated with higher level of fluctuation in the value of the portfolio over short periods of time. Would you be willing to accept increased fluctuation in an attempt to achieve a higher return? (Circle one)
- a) Yes (5)
 - b) No (-3) _____
- 10) Total return has two components: appreciation and yield. Stocks with the highest appreciation potential often have lower yields. How should your portfolio be invested? (Circle one)
- a) Emphasize appreciation (5)
 - b) Balance between appreciation and yield (3)
 - c) Emphasize yield (1) _____
- 11) If you inherited \$1,000,000 and you invested \$500,000 with an investment manager, assuming there was no need to liquidate, at what loss in value would you fire the manager? (Check the answer which best reflects your attitude)
- a) Loss of \$25,000 – 5% (0)
 - b) Loss of \$50,000 – 10% (1)
 - c) Loss of \$75,000 – 15% (4)
 - d) Loss of \$100,000 – 20% (5)
 - e) Loss of \$125,000 – 25% (8) _____
- 12) Time is a critical element in investment returns. Maximum return is achieved over the full investment cycle. Each investment objective has a different length to its cycle. These cycles vary from 90 days (in the case of 90-day U.S. Treasury Bills) to 10 years (in the case of stocks in some small growth companies). What is your time frame for achieving investment returns? (Check one)
- 90 days (0)
 - One year (1)
 - Three years (2)
 - Five years (3)
 - Seven years (4)
 - Ten years (5) _____

TOTAL POINTS FOR PAGE: _____

- 13) Return expectations are usually based on maintaining the buying power of the funds after inflation. What is your minimum return goal for your entire managed account? (*Circle one*)
- a) At least equal to inflation (0)
 - b) Inflation plus 2½% annually over the investment cycle, with the possibility of a loss of 0% to 6% over a 12-month period (1)
 - c) Inflation plus 4½% annually over the investment cycle, with the possibility of a loss of 5% to 12% over a 12-month period (1)
 - d) Inflation plus 6½% annually over the investment cycle, with the possibility of a loss of 11% to 16% over a 12-month period (3)
 - e) Inflation plus 8% annually over the investment cycle, with the possibility of a loss of 15% to 20% over a 12-month period (4)
 - f) Inflation plus 10% annually over the investment cycle, with the possibility of a loss of 20% to 30% over a 12-month period (5) _____
- 14) Do you anticipate any major expenditures in the next five years that may require liquidation of all or part of your investments? (*Circle one*)
- a) Yes (0)
 - b) No (4) _____

Points from previous page _____

Points from previous page _____

Points from this page _____

TOTAL POINTS FOR QUESTIONNAIRE _____

(Please turn to the last page, Part IV: Investment Profile Descriptions, to determine the Investment Profile Category appropriate for you, based on the point total listed above.)

>> The following three questions concern the guidelines and constraints for your portfolio. <<

- 1) Do you want your investments to only include highly recognized company names? (*Circle one*)
- a) Yes, only recognized companies.
 - b) Yes, only recognized companies for some of my portfolio
 - c) No preference
- 2) What is your preference in regard to the bond quality in your portfolio? (*Circle all that apply*)
- a) U.S. government
 - b) Highly rated corporate bonds
 - c) Highest yielding bonds, regardless of risk
 - d) No preference
- 3) Are there any companies or industries in which you prefer not to be invested?
- Investment restrictions: Companies _____
- Industries _____

PART III: DETERMINATION OF CLIENT INVESTMENT PROFILE CATEGORY

To determine your Investment Profile Category, follow these simple steps.

- 1) What is your INVESTMENT TIME FRAME?
Refer to the answer in question 2 on page 4, which was: ___ years.
- 2) Locate your INVESTMENT TIME FRAME column on the chart below.
- 3) What is your Questionnaire POINT TOTAL?
Refer to the total on page 6, which was: ___ points.
- 4) What is your INVESTMENT PROFILE CATEGORY?
Locate your POINT TOTAL on the chart below.
Follow that line to the right to find your INVESTMENT PROFILE CATEGORY, # _____

INVESTMENT TIME FRAME					
Under 2 years	2-3 years	4-5 years	6-7 years	8+ years	
0-35 points	0-20 points	0-17 points	0-14 points	0-10 points	PROFILE 1
36+ points	21-40 points	18-35 points	15-30 points	11-20 points	PROFILE 2
	41-60 points	36-55 points	31-45 points	21-39 points	PROFILE 3
	61+ points	56-64 points	46-62 points	40-59 points	PROFILE 4
		65+ points	63+ points	60+ points	PROFILE 5

- 5) What is the Profile RISK LEVEL?
Risk is defined as the maximum loss in market value over any consecutive 4-quarter period.
What is the risk percentage range of the Profile Category identified in question 4? _____%

RISK LEVEL	
PROFILE 1:	0% to 6% Risk
PROFILE 2:	5% to 12% Risk
PROFILE 3:	11% to 16% Risk
PROFILE 4:	15% to 20% Risk
PROFILE 5:	20% to 30% Risk

6) After the Investment Profile Category has been determined, read the Profile descriptions on page 8, making sure the description of the Profile Category accurately describes your investment criteria.

- 7) I have answered the Investment Objective Questionnaire and I have reviewed the description of the identified Profile Category. The Profile that best matches my investment criteria is:

1
2
3
4
5
(Circle one)

Signature _____ Date _____

PART IV: INVESTMENT PROFILE DESCRIPTIONS

Investor Profile 1

Risk Target: 0% to 6% loss of market value in any consecutive 4-quarter period.

Return Goal: CPI + 1½% Tax-free, CPI + 2½% Taxable

Time Horizon: 2 to 3 years

Yield Objective: 7-year U.S. government bond yield

In this 100% fixed-income program, accounts are invested in U.S. government bonds, U.S. agency bonds, high-quality corporate bonds, or high-quality tax-free municipal bonds. The portfolio can be 100% taxable bonds, 100% tax-free bonds, or a mixture of both, depending on the investment manager's assessment of the after-tax yield, assuming a 35% tax bracket. The objectives of this portfolio are current yield and safety of principal. Appreciation is not the primary goal. The pre-tax yield target of this profile is to equal the yield of the 7-year Government bond. The return objective is the CPI (Consumer Price Index) + 1½%, as measured over an investment cycle of 2 to 3 years, and CPI + 2½% for taxable fixed income, with a risk goal of 0% to -6% measured over any consecutive 4 quarters.

Investor Profile 2

Risk Target: 5% to 12% loss of market value in any consecutive 4-quarter period.

Return Goal: CPI + 4½%

Time Horizon: 3 to 5 years

Yield Objective: Market + 1%

This investment strategy may be broadly defined as balanced account asset management where an account will always be invested in stocks, bonds, and risk less reserves. A core allocation between stocks and bonds will normally range from 70% stocks and 30% bonds to 40% stocks and 60% bonds. The actual percent invested in all three asset classes will vary, depending on the manager's tactical allocation, which reflects his reaction to current market conditions. Yield of the portfolio (interest and dividends) can be expected to be above the yield of the tock market. The primary objective of the category is preservation of capital with growth at a rate to maintain the buying power of the portfolio. The minimum time frame for the Profile 2 market cycle is 3 to 5 years. The return objective is the CPI (Consumer Price Index) + 4½% with a risk tolerance of -5% to -12% over any consecutive 4 quarters.

Investor Profile 3

Risk Target: 11% to 16% loss of market value in any consecutive 4-quarter period.

Return Goal: CPI + 6½%

Time Horizon: 5 to 6 years

Yield Objective: Market yield or below

Value stocks are the essence of this strategy. Value stocks are normally have lower price earnings ratios and higher dividend yield. A Profile 3 portfolio can be fully invested in stocks. Bonds are seldom used, but if they are, convertible bonds are usually chosen. Yield may be market yield or below the market since dividends of the stocks selected may be the secondary goal of this objective. The Profile 3 minimum time frame is 5 to 6 years, with a return objective of the CPI (Consumer Price Index) + 6½% and a risk tolerance of -11% to -16% over any consecutive 4 quarters.

Investor Profile 4

Risk Target: 15% to 20% loss of market value in any consecutive 4-quarter period.

Return Goal: CPI + 8%

Time Horizon: 7 to 8 years

Yield Objective: Market -1%

Growth, as defined by Charles Geraci, encompasses the word quality. Although growth stock management often implies small company stocks in exotic fields or glamour companies in currently fashionable industries or trends, the managers in the profile invest in the larger, less volatile growth stocks. Stocks of companies are selected based on the return on equity, capital, or investment rather than yield. Yield of the stock may be small or none. A growth company is expected to have increases in earnings, which are greater than the increases in earnings for the overall market. Convertible bonds may occasionally be used as a way to participate in the growth of a company but with less volatility that its stock. The minimum time frame for Profile 4 is 7 to 8 years. The return objective is the CPI (Consumer Price Index) + 8% with a risk tolerance of -15% to -20% over any consecutive 4 quarters.

Investor Profile 5

Risk Target: 20% to 30% loss of market value in any consecutive 4-quarter period.

Return Goal: CPI + 10%

Time Horizon: 8 to 10 years

Yield Objective: None

Profile 5 focuses on more aggressive investment management. Managers in this profile may purchase stocks of small companies with market capitalization of less than \$100 million or young companies. Profile 5 carries the highest potential risk, the longest investment time frame, and the highest potential reward. The maximum loss of value measured over any 4 consecutive quarters can be over 20% (20% to 30%) and the time frame for the full investment cycle is 8 to 10 years with a reward objective of CPI (Consumer Price Index) + 10%.