

Investment Objectives and Risk Tolerance

All investors have goals that help guide their investment decisions. Investment goals typically have different time horizons and different income and growth needs. Generally, investment goals are on a spectrum, with “Income” investors typically holding the smallest percentage of higher risk investments, followed by “Growth and Income” investors holding some higher risk investments, and finally “Growth” investors holding a significant portion of their portfolio in higher risk investments. In addition, investors have different risk tolerances, independent of their income and growth needs. Risk tolerance is the amount of risk or loss an investor is willing and able to accept in order to achieve his/her financial goals and is measured on a continuum that increases from “Conservative” to “Moderate” to “Aggressive,” and finally “Trading/Speculation.” In determining an investment objective, it is important for you to assess your risk tolerance and your need for income and growth.

By aligning the risk tolerances with the investment needs, the Introducing Firm offers clients 10 different investment objectives from which to choose. While all investments involve some degree of risk, including the potential for loss of principal, some investments involve more risk than others. For example, higher risk investments may have the potential for higher returns, but also have the potential for greater losses. Please carefully review the descriptions below in each Investment Objective and select the one that most closely describes your risk tolerance, investment needs, and investment preference.

INCOME: Portfolios emphasize current income with minimal consideration for capital appreciation and usually have less exposure to more volatile growth assets.

Conservative Income – Conservative Income investors generally assume lower risk, but may still experience losses or have lower expected income returns.

Moderate Income – Moderate Income investors are willing to accept a modest level of risk that may result in increased losses in exchange for the potential to receive modest income returns.

Aggressive Income – Aggressive Income investors seek a higher level of returns and are willing to accept a higher level of risk that may result in greater losses.

GROWTH & INCOME: Portfolios emphasize a blend of current income and capital appreciation and usually have some exposure to more volatile growth assets.

Conservative Growth & Income – Conservative Growth and Income investors generally assume a lower amount of risk, but may still experience losses or have lower expected returns.

Moderate Growth & Income – Moderate Growth and Income investors are willing to accept a modest level of risk that may result in increased losses in exchange for the potential to receive modest returns.

Aggressive Growth & Income – Aggressive Growth and Income investors seek a higher level of returns and are willing to accept a higher level of risk that may result in greater losses.

GROWTH: Portfolios emphasize capital appreciation with minimal consideration for current income and usually have significant exposure to more volatile growth assets.

Conservative Growth – Conservative Growth investors generally assume a lower amount of risk, but may still experience increased losses or have lower expected growth returns.

Moderate Growth – Moderate Growth investors are willing to accept a modest level of risk that may result in significant losses in exchange for the potential to receive higher returns.

Aggressive Growth – Aggressive Growth investors seek a higher level of returns and are willing to accept a high level of risk that may result in more significant losses.

Trading & Speculation: Trading and Speculation investors seek out maximum return through a broad range of investment strategies, which generally involve a high level of risk, including the potential for unlimited loss of investment capital.