

INVESTMENT OBJECTIVES AND RISK TOLERANCE QUESTIONNAIRE

The purpose of this questionnaire is to elicit information from you to assist in identifying your investment objectives and risk parameters. Please complete the following questions as they apply specifically to the assets being invested in the Trust for which you are co-trustee.

Circle the number next to your answer for each question and determine the Total Score. The Total Score will correspond to a suggested asset allocation investment strategy.

Your requirement for investment income is:

1. Extremely Important – This Trust needs income to meet daily expenses.
2. Important – I require investment income for this Trust to maintain the needs of the beneficiary.
3. Somewhat Important – Investment income allows me as co-trustee to afford additional items for the Trust beneficiary.
4. Somewhat Unimportant – Investment income offers additional liquidity (cash or equivalents), though this Trust doesn't require the funds.
5. Unimportant – My investment strategy is for long-term growth, and this Trust has no need for additional income at this time.

The goal of your investment strategy is to:

1. Maintain full liquidity (cash or equivalents) without having to keep pace with inflation
2. To keep the assets safe, but I as co-trustee wish to keep pace with the inflation rate
3. Receive a moderate return over the rate of inflation
4. Receive a greater than average return to continuously grow the assets in this Trust
5. Increase wealth in this Trust by receiving significantly greater than average returns

Please choose one of the following which best describes your investment objective:

1. Cash or cash equivalent assets that seek conservation of principal and liquidity, income may vary
2. Diversified fixed income securities to provide income with low volatility
3. Assets that seek to provide a greater level of income
4. Assets that seek income and some capital appreciation
5. Assets that provide income and capital appreciation, moderate volatility should be expected

Current income needed from this portfolio:

1. Over 6%
2. 4-6%
3. 1-3%
4. None

Please rate your tolerance as co-trustee to investment risk:

1. Being the lowest
- 2.
3. Moderate
- 4.
5. Being the highest

When you learn the value of the investments in this Trust dropped 30%, you would be inclined to:

1. Sell Immediately
2. Sell if it drops further
3. Wait until the value returns and then sell
4. Continue to hold for a long time
5. Buy more

If you were to invest \$100,000 as co-trustee over a five-year period, which of the following best/worst case scenarios would you be willing to accept (best/worst):

1. \$110,000 / \$100,000
2. \$120,000 / \$98,000
3. \$180,000 / \$70,000
4. \$250,000 / \$50,000
5. \$450,000 / \$20,000

Allowing a longer time period for meeting the investment goals for this Trust makes it more probable you will achieve those goals as co-trustee. The longer the time horizon, the more the volatility of the portfolio decreases. Given this, what investment time horizon is most appropriate for these assets?

1. 1-3 years
2. 3-5 years
3. 5-10 years
4. 10 years or more

Total Score _____

If your Total Score is:

You might invest in one of the following:

Below 9

WA Income Focused Allocation

Between 9 and 16

WA Conservative Allocation or
Vanguard LifeStrategy – Income

Between 17 and 24

WA Balanced Allocation or
Vanguard LifeStrategy Conservative Growth

Between 25 and 32

WA Growth Focused Allocation

Between 33 and 38

WA Pure Growth Allocation

Co-Trustee Acknowledgement

The co-trustee acknowledges that the use of this questionnaire is only a tool to assist in the investment allocation decision.

The co-trustee agrees that the information accurately represents his/her investment goals and objectives and attitude towards the investment risk. The information given by the co-trustee does not constitute a guarantee with respect to realizing the co-trustee's goals and objectives, and is to be used only as a guide to assist in the determination of an investment strategy consistent with the co-trustee's risk tolerance and objectives as identified in the Investment Objectives and Risk Tolerance Questionnaire. All investments are subject to risk and can lose value. Neither Warren Averett Asset Management nor The Alabama Family Trust assumes any liability for investment decisions made by co-trustees based on the results of the Investment Objectives and Risk Tolerance Questionnaire Total Score.

In the event that there has been a change in the co-trustee's risk tolerance or investment objective, he/she is encouraged to complete a new Investment Objectives and Risk Tolerance Questionnaire and advise Alabama Family Trust immediately.

Co-Trustee Signature _____

Date _____