



**Investment Policy Statement for Valued Client**

With the goal of:

**1. Purpose of this statement:**

- a. This statement should serve to articulate the portfolio objectives and investment goals for [redacted], (the "Investor"), including the Investor's tolerance for risk. It also formulates policies to assist [redacted], (the "Advisor") in developing appropriate asset allocation for the Investor's portfolio.
- b. Please be aware that this document is not a contract. Rather, it is intended to provide clear and specific guidance for the Advisor's pursuit of the Investor's financial goals.

**2. Investment Objective:**

- a. The Advisor has used a questionnaire (written or verbal) and/or other such material as the Advisor deemed relevant to formulate the following objective for the Investor: [redacted].
- b. The Investment Objective assumes:
  - i. The indicated risk tolerance for this Investor with respect to the above Investment Objective is [redacted].

**3. Asset Allocation Strategy:**

Equities (to include Mutual Funds/ETFs/Stocks)	%
Fixed Income (to include Mutual Funds/ETF's/Bonds)	%
Income Alternative (to include Mutual Funds/ETF's)	%
Alternative Investments (Private Equity, REITS, etc.)	%
Cash and Short-Term Investments	%
<b>Total</b>	<b>100%</b>

**Equities**

The equity portion of the portfolio will consist of four (4) separate categories as outlined below:

- a. Core Equity Sleeve – [redacted] %  
This is the core sleeve of the equity portfolio can be invested anywhere from 100% of the above listed sleeve percentage to 0% based upon the research available to the Advisor.



2202 Timberloch Place, Suite 100  
The Woodlands, Texas 77380  
(281) 719-5629 p (281) 719-0929 f  
www.sterlingtotalwealthsolutions.com

When fully invested, The Advisor uses institutional shares of Dimensional Fund Advisor (DFA) mutual funds or the Avantis ETF for this sleeve of the portfolio. The Advisor will review and adjust the categories (if warranted) on a scheduled basis based upon the research available to the Advisor. This rebalancing will result in bringing this portion of the portfolio back to its original weighting of the asset classes listed below. When fully invested, the major asset classes shall consist of the following: large cap blend, large cap growth, large cap value, small cap blend, small cap growth, small cap value, real estate, developed international markets, emerging markets. When conditions are less favorable, the Advisor will select bond/fixed income ETF's or short-term cash/cash equivalents to fill this sleeve.

b. Tactical Equity Sleeve - %

This tactical sleeve of the portfolio can be invested anywhere from 100% of the above listed sleeve percentage to 0% based upon the research available to the Advisor. When in all equity mode, the Advisor uses the highest-ranking ETF's of the major asset classes in equal percentages. When conditions are less favorable, the Advisor will select bond/fixed income ETF's or short-term cash/cash equivalents to fill this sleeve. The holdings of this model are reviewed and rebalanced quarterly or when market conditions dictate.

c. Individual Equity Sleeve - %

This sleeve of the portfolio can be invested anywhere from 100% of the above listed sleeve percentage to 0% based upon the research available to the Advisor. When fully invested, this sleeve will consist of the highest rated individual equities in the Russell 100 index based upon a proprietary formula available to the advisor and will be weighted equally across the sleeve. When conditions are less favorable, the Advisor will select bond/fixed income ETF's, short-term cash/cash equivalents or assets determined by the advisor to be appropriate given the current market conditions to fill this sleeve. This sleeve is reviewed and rebalanced monthly or when market conditions dictate.

d. Dividend Portfolio - %

This sleeve of the portfolio can be invested anywhere from 100% of the above listed sleeve percentage to 0% based upon the research available to the Advisor. When fully invested, this sleeve is comprised of companies that have grown their dividends



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consecutively for at a minimum 25 years. Once a company fails to achieve this growth it is removed from the portfolio. When conditions are less favorable, the Advisor will select bond/fixed income ETF's or short-term cash/cash equivalents to fill this sleeve. This portfolio is rebalanced annually or when a company is dropped from or add to the list.

### **Fixed Income/Income Alternative**

- a. Fixed Income Sleeve – [redacted] %

The fixed income portion of the portfolio will be filled with ETF's, individual bonds and/or mutual funds the Advisor approves as appropriate as of the time of investment or rebalancing based upon research available to the Advisor at the time. This portion of the portfolio is reviewed and rebalanced on a quarterly basis. While this sleeve shall always remain invested at the above percentage, when fixed income deteriorates, the Advisor may elect short-term cash/cash equivalents to fill this sleeve.

- b. Equity Income Sleeve - [redacted] %

This portion of the fixed income sleeve will be filled with equity driven ETFs which historically have yielded 2-3% while offering the possibility of growth due to the equity investments themselves. During times of bull markets, or positive equity environments, this portfolio is invested 100% in equity ETFs. During periods of market volatility or bear markets, the Advisor will elect short-term cash/cash equivalents or government backed bond funds which historically perform favorably during these negative times.

### **Alternative Investments**

- a. Alternative Investments - [redacted] %

Depending on the investors risk tolerance, time horizon and need for income, the advisor may introduce alternative investments to the portfolio. These investments may include private REITs, interval funds, oil and gas investments, commodities, private equity, or precious metals. Due to the limited liquidity of these types of investments and the requirements that each separate investment brings, the advisor will always discuss with the investor prior to investing in these types of investments.



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### Cash and short-term investments

- a. Cash and Short-term investments – [REDACTED] %  
The purpose of this portfolio being [REDACTED], the Advisor has determined it appropriate to keep the above percentage of cash on hand to cover asset management fees and required spending as dictated by the client. The exception to this rule shall apply when bond and equity markets are both deemed to be in bear market states, in which case the Advisor may elect to deploy cash in place of the Fixed Income and/or Tactical and Rotating sleeve models. That withstanding, the cash position of this portfolio shall remain with the above percentage allocation.
- b. These proposed asset allocations are subject to revisions, from time to time, as the Advisor deems necessary or appropriate. The Investor understands and agrees that the Advisor will implement these allocations with full discretionary authority without seeking the investor's approval to the reallocations.

Exceptions: \_\_\_\_\_

### 4. Duties and Responsibilities:

- a. *The Advisor*  
The Advisor is responsible for assisting the Investor in making an appropriate strategy based on the goals, needs and risk tolerance of the Investor. The Advisor will periodically review the Investor's goals and strategies to determine suitability based on the information provided by the Investor and other relevant factors.
- b. *The Investor*  
The Investor should provide the Advisor with all relevant information on their desired goals, financial condition, net worth, and risk tolerance. The Investor should notify the Advisor immediately if this information should change. **It remains the responsibility of the Investor to advise the Advisor if there is a change in the Investor's circumstances.**



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**5. Investment Policy Review**

- a. The Advisor and the Investor both agree that they have collaborated to create this Investment Policy Statement. The Investment Policy Statement is not a contract of any kind. It is intended only to be a summary of the agreed-upon investment strategy for the Investor's portfolio.
- b. The Investor has reviewed and approved the Investment Policy Statement and agrees with the statement as outlined in this document. The Investor further agrees that this document shall provide the guidelines under which his/her investment portfolio will be managed by the Advisor.

**6. Important Notice**

- a. This Investment Policy Statement is created at the same time or after the Advisor and the Investor enter into an investment management agreement. This document does not amend or supersede the investment management agreement in any way.
- b. Our investment philosophy does not guarantee the Investor will not experience loss of value in their portfolio. Investing involves risk, including the risk of loss of principal.

NAME: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_ (The Investor)

NAME: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_ (The Advisor)