

Investment Policy Statement

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Your Investment Policy Statement is a summary of your current situation, your requirements and goals, and your recommended general investment strategy. Going forward, it will serve as a guide to your investment plan, governing how, why, and where your money is invested. Consider it a living document; this policy will adjust over time as your financial goals and investments evolve.

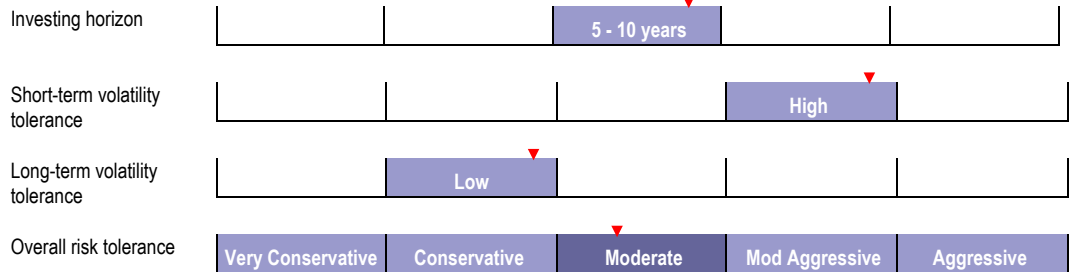
Statement of Objectives

Risk Tolerance

Investing involves an element of risk, whether that risk is loss of dollars invested or erosion of the value of your wealth due to inflation. In constructing your investment plan, we considered your willingness to tolerate investment risk by focusing on your investing time horizon, your comfort with short-term market variability, and your willingness to tolerate long-term market instability.

Your risk profile is summarized as follows:

Risk Profile



Constraints

Current Investments

Your investment plan is based on the following accounts, balances, and annual investments:

Account Name	Owner	Balance \$	Annual Investment \$
401(k)	Charles Smith	200,523.91	13,250.00
Cash Account	Charles Smith	109,827.00	5,000.00
IRA	Charles Smith	12,154.12	3,000.00
	Total	322,505.03	21,250.00

Income Needs & Time Horizon

Your financial goals are defined in terms of the money that you will need at specific times in the future. The frequency, amount, and timing of the cash flows that you will need for each goal are indicated in the table below.

Goal Name	Need \$	Frequency	Start Date	End Date
Retirement for Charles	100,000.00	Annual	2027	

Taxes

When investment recommendations are implemented in your taxable accounts, there may be tax costs. The impact of taxation will be considered in constructing your investment recommendations. The following tables summarize the tax status of each account and your tax rates, now and after you retire.

Owner	Taxable Accounts	Tax Deferred Accounts
Charles Smith	Cash Account	
Charles Smith		401(k)
Charles Smith		IRA

	Current Tax Rates %	Taxes During Retirement %
Federal Rate	28	15
Capital Gains Rate	20	10
State Rate	3	3
Municipal Rate		

Legal & Regulatory

- No specific legal or regulatory conditions apply, beyond the normal considerations

Unique Needs & Circumstances

- No special needs to consider for these accounts

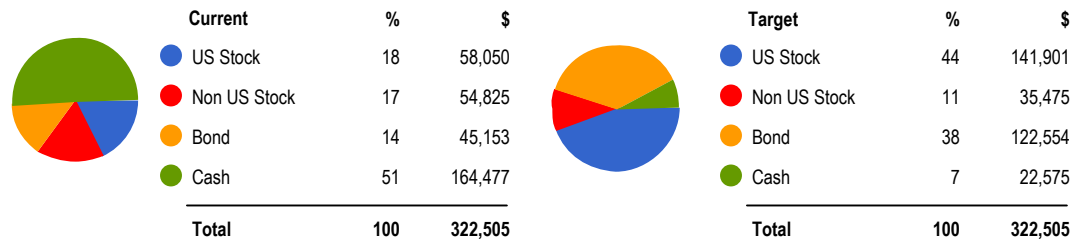
Asset Allocation

We believe that asset allocation — the overall mix of asset types within your portfolio — is an important determinant in your portfolio's behavior. Before building your portfolio, we structure an asset allocation foundation to address your goals and tolerance for risk.

Recommended Asset Allocation

The following side-by-side comparison of your current and recommended asset allocation highlights our proposed changes. Your current asset allocation is conservative. A conservative asset mix is best suited for investors who are reluctant to risk short-term losses or who will need to pay for financial goals in the near term, but who still seek modest capital appreciation.

Your recommended allocation is balanced. A balanced asset mix strikes a middle-of-the road path between stocks and fixed-income investments. It's appropriate for investors who seek growth in their investments but still desire a cushion against excessive market fluctuations.



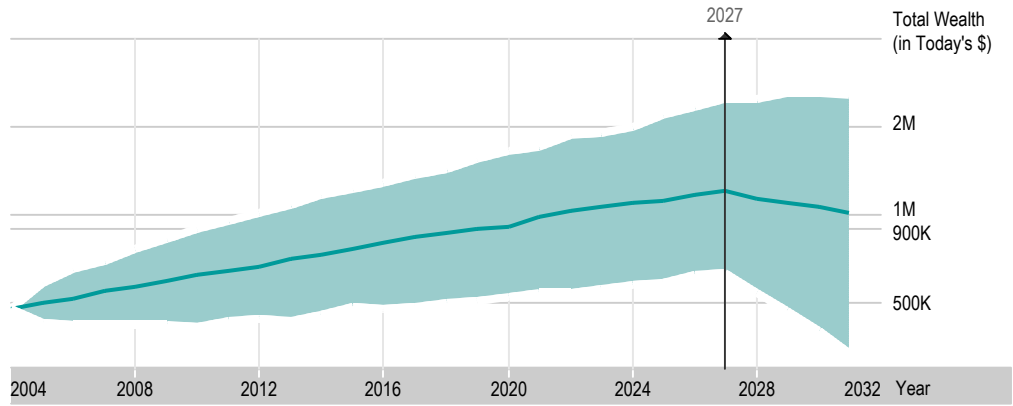
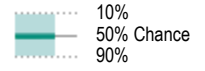
Probability of Achieving Goals

We project that you have an 83.1% chance of reaching your goals. This estimate is based on your current wealth, your planned contributions to your accounts, the risk and return projections for your asset allocation, and the cash flows we have estimated you receive from your investments. Our analysis applied an enhanced Monte Carlo simulation to more than 1,000 possible scenarios.

The following chart represents a range of possible results in the growth of your wealth over time. The starting dates at which cash will be withdrawn for various goals are noted in the graph. The bottom wealth line drawn in the graph represents the value of your investments assuming a long-term bear market. We anticipate that 90% of the time, you should have at least this level of wealth. The top wealth line drawn in the graph assumes the equally unlikely case of the market performing better than expected for the long term; there is only a 10% chance of having at least this amount over time. The middle line shows the average result—there is a 50% chance of achieving at least this level of wealth.

Wealth Forecast:

Probability of Meeting Goal: 83.1%



Goal Name	Need	Frequency \$	Start Date	End Date
Retirement for Charles	100000.00	Annual	2027	

Investment Evaluation & Selection Criteria

In addition to the asset allocation discussed previously, the following preferences will be used when selecting securities to fulfill your investment plan:

- Whenever possible, give preference to "socially conscious" mutual funds
- Seek to minimize investment expenses, both in terms of mutual fund expenses and the costs associated with the trading of securities
- Favor fund managers with long tenures with their respective funds

Limitations on Investment Holdings

- Avoid stocks of tobacco companies (and mutual funds with heavy tobacco investments)

Monitoring Your Progress

This investment policy statement 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, outperformance 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.

Advisor Compensation

We think it is important for you to understand how we are compensated for our work with you.

John Klute/Klute Financial Planning is compensated by a fee based on the total value of the accounts we manage for you, which is equal to 1.00% of your total account balances. This fee is assessed quarterly. You are NOT charged commissions for any of the transaction we make on your behalf, with the exception of trades for individual stocks, closed-end funds, or ETFs. In such cases, we will strive to execute all trades in such a way as to minimize the commission costs to you.

Agreement

I have reviewed this Investment Policy Statement and I agree with its tenets. I agree to notify you of any changes to my information, risk tolerance, long-term financial goals, or investment details. This policy will be reviewed annually.

Client Signature

Date

Advisor Signature

Date