

River Oak Partners LLC

Client Investment Policy Statement



Prepared for:

Prepared by:

Kirk Paulsen

River Oak Partners

06/08/2016

1552 Capel St

Mt Pleasant

SC 29466

(843) 793-0398

kpaulsen@moneyconcepts.com

Introduction

The purpose of an investment policy statement is to:

Establish objectives for structuring an investment proposal suitable to the long-term needs and risk tolerance of the Client.

Formulate policies for selecting appropriate and suitable investments within the framework of that structure.

Establish prudent procedures for monitoring and evaluating the performance of investments within the proposal and for addressing changes in policy.

This document identifies information that was gathered from the Client for purposes of formulating an investment proposal. The information sought from the Client addresses the Client's intentions and goals, and financial constraints that may impact the proposal. In addition, it identifies a target asset allocation of investment types and weightings that the investment proposal will endeavor to apply to meet the Client's long-term objectives. Finally, it proposes an agenda for reconsidering the overall structure for the plan, as well as security implementation decisions.

The investment policy statement is intended to communicate a philosophical approach to investing decisions. It is not, nor is it intended to be, a contract. It does not address legal responsibilities of either the Advisor or the Client, nor has it been reviewed or approved by an attorney. There is no guarantee that the goals identified in the investment policy statement will be achieved under the investment proposal prescribed. Morningstar is not part of this relationship.

Investment Philosophy

We use a principles-based investment philosophy. We focus on tried and true principles, diversification, long term goal-oriented investing, risk management, fee management and tax mitigation. We work closely with clients to develop a goal oriented financial plan. This helps clients and advisors maintain a long-term view, targeting successful outcomes.

Principled Approach

Long Term Goal Oriented Investing – There are countless studies suggesting how individual investor behavior gets in the way of achieving successful performance. It is often referred to as performance chasing, market timing etc. Basically, investors get into and out of markets at the wrong times. Either through chasing the latest hot investment or jumping out of markets during market sell offs. We focus on eliminating this kind of behavior using three strategies.

1. Portfolio Diversification – Designing a well-diversified portfolio can reduce volatility, reducing investor anxiety during market fluctuations.
2. State of the Art Risk Assessment – Using quantitative risk assessment tools, allows us to pinpoint an investors risk tolerance. Once a risk number is established, we can design individualized portfolios that match an investors risk tolerance. This helps to better manage client expectations.
3. The Financial Plan – Developing a detailed financial plan enables clients to invest with goals in mind. This reduces the tendency to measure short-term performance based on a snapshot in time and focus more on achieving long-term goals identified within the plan.

Portfolio Management – We aim to reduce investment costs, using portfolios designed around a mix of low-cost ETF's and Mutual Funds. We only pay the higher cost of active management where we feel it is warranted. Individual portfolios are designed around each plans specific risk profile. Portfolios are built using both quantitative and qualitative screens. We screen and monitor, historical performance, costs, fund management, modern portfolio theory metrics and independent third-party ratings and rankings. Once a portfolio is implemented, it is actively monitored, to insure conformity to the investment policy statement. Each financial plan and portfolio are built upon an investment policy statement, so each client fully understands the process.

Tax Mitigation - Taxes can be a significant headwind to investor performance. While we do not offer specific tax advice, we work with clients and their other advisors to minimize tax burdens.

Values Based Investing or Socially Responsible Investing

For those clients that have an interest doing more with the money they invest, we can include an ESG (Environmental, Social and Governance) overlay to the same principled investment approach discussed above.

Everyone's values and ideas about socially and environmentally sound investing in companies following good governance practices are different. To accomplish a consistent and cost-effective process for building and monitoring investments within our portfolios, we use outside 3rd party analysis to score the various investments used to build diversified portfolios. While no process can be perfect and serve every one's interests, we feel this offers the best and most cost-effective way to manage both our principled investment philosophy and serve clients interests.

Morningstar, a leading independent investment research company provides much of the research and data used in our analysis. "The Morningstar Sustainability Rating™ for funds, allows investors to evaluate how well the companies in a fund's portfolio are managing the environmental, social, and governance -or ESG- factors relevant to their industries. It makes it possible to find sustainable funds even if they aren't specifically marketing themselves as products that support a socially responsible investing approach".

While we do not use Morningstar Sustainability Rating™ ratings in our primary investment process, it is always a factor in the more subjective analysis that goes into selecting all portfolio constituents. If it is a primary concern to you, please note it below and we will weight it as a significant factor in your portfolio construction process. I would like to include "sustainability ratings" as a factor in my portfolio construction.

I would like to use "sustainability ratings" as a factor in my portfolio construction

I would like to find out more about "ESG" investing – watch video

To view IPS Holdings for ESG Portfolios (subject to change), request the supplemental page.

Client Objectives

The Client's needs and constraints are critical factors in developing an appropriate long-term investment approach. It is our goal to have a good understanding of your purpose in engaging our services, your financial goals, your tolerance for risk, and the level of assets to be applied in the proposal. We also strive to understand your need for liquidity, including the possibility that you may require access to invested assets over time. Finally, because investment decisions should take tax considerations into account, we seek information on tax constraints.

The information below summarizes our understanding of your goals and current financial situation that will be considered in the investment proposal.

What is your goal for this investment?

Assuming normal market conditions, what would you expect from this investment over time?

Suppose the stock market performs unusually poorly over the next decade. What would you expect from this investment?

Which of these statements best describes your attitude about the next 3 years' performance of this investment?

Which of these statements best describes your attitude about the next 3 months' performance of this investment?

What is your current age?

When do you expect to start drawing income?

Risk Tolerance:

Portfolio Equity/Bonds	Risk #	Std Dev
Very Conservative 30/70	35-50	6-9
Conservative 40/60	50-60	7-10
Moderate Cons 50/50	60-65	8-12
Moderate 60/40	65-70	9-14
Aggressive 70/30	70-80	11-15
Very Aggressive 80/20	80-90	12-17

Risk Score:

Tax Bracket:

IPS Holdings – Subject to Change

Name	Identifier	Morningstar Category	Analyst Rating	Quant Rating	MS Rating
AMG Yacktman I	YACKX	US Fund Large Value	-	-	4
BlackRock 20/80 Target Allocation Instl	BICPX	US Fund Allocation--15% to 30%	-	Gold	5
BlackRock 40/60 Target Allocation Instl	BIMPX	US Fund Allocation--30% to 50%	-	Gold	5
BlackRock 60/40 Target Allocation Instl	BIGPX	US Fund Allocation--50% to 70%	-	Gold	4
BlackRock 80/20 Target Allocation Instl	BIAPX	US Fund Allocation--70% to 85%	-	Gold	5
BlackRock Advantage Small Cap Core Instl	BDSIX	US Fund Small Blend	-	Silver	3
BlackRock Commodity Strategies Instl	BICSX	US Fund Commodities Broad	Silver	Silver	4
BlackRock Mid-Cap Growth Equity Instl	CMGIX	US Fund Mid-Cap Growth	Silver	-	4
BlackRock Multi-Asset Income Instl	BIICX	US Fund Allocation--30% to 50%	Gold	-	3
BlackRock Technology Opportunities Instl	BGSIX	US Fund Technology	Gold	-	4
BlackRock Total Return Instl	MAHQX	US Fund Intermediate Core-Plus	Gold	-	4
Dodge & Cox Global Stock I	DODWX	US Fund Global Large-Stock Value	Neutral	-	4
Eventide Gilead I	ETILX	US Fund Mid-Cap Growth	-	-	4
Fidelity Advisor@ Global Equity Inc I	FBUSX	US Fund Global Large-Stock Blend	Bronze	-	5
Fidelity Advisor@ Intl Capital App I	FCPIX	US Fund Foreign Large Growth	Silver	-	4
Fidelity Advisor@ Real Estate Income I	FRIRX	US Fund Real Estate	Bronze	-	4
Fidelity Emerging Markets	FEMKX	US Fund Diversified Emerging Mkts	-	-	5
First Trust Merger Arbitrage Cl I	VARBX	US Fund Event Driven	Silver	-	4
JPMorgan Core Plus Bond I	HLIPX	US Fund Intermediate Core-Plus	Silver	-	4
JPMorgan Emerging Markets Equity I	JEMSX	US Fund Diversified Emerging Mkts	-	-	4
JPMorgan Equity Premium Income I	JEPIX	US Fund Derivative Income	Silver	-	5
JPMorgan Hedged Equity 2 I	JHQDX	US Fund Options Trading	Silver	-	-
JPMorgan Hedged Equity 3 I	JHQTX	US Fund Options Trading	Silver	-	-
JPMorgan Hedged Equity I	JHEQX	US Fund Options Trading	Neutral	-	5
JPMorgan Income I	JMSIX	US Fund Multisector Bond	Silver	-	4
JPMorgan International Hedged Equity I	JIHIX	US Fund Options Trading	-	-	1
JPMorgan Short Duration Core Plus I	JSDSX	US Fund Short-Term Bond	-	-	4
JPMorgan Small Cap Blend I	JDSCX	US Fund Small Growth	Bronze	Silver	4
Janus Henderson Global Equity Income I	HFQIX	US Fund Foreign Large Value	Bronze	-	5
MFS Conservative Allocation I	MACIX	US Fund Allocation--30% to 50%	-	-	4
MFS Global Growth I	MWOIX	US Fund Global Large-Stock Growth	Bronze	-	5
MFS Growth Allocation A	MAGWX	US Fund Allocation--70% to 85%	Silver	-	4
MFS Growth I	MFEIX	US Fund Large Growth	Silver	-	4
MFS International Intrinsic Value I	MINIX	US Fund Foreign Large Growth	Bronze	-	5
Neuberger Berman Real Estate I	NBRIX	US Fund Real Estate	Silver	-	5
PGIM Global Total Return Z	PZTRX	US Fund Global Bond	Neutral	-	3
PIMCO All Asset I2	PALPX	US Fund Tactical Allocation	Gold	Bronze	3
PIMCO Global Bond Opps (USD-Hdg) Instl	PGBIX	US Fund Global Bond-USD Hedged	Silver	-	5
PIMCO Income I2	PONPX	US Fund Multisector Bond	Gold	-	5
T. Rowe Price QM US Small-Cap Gr Eq I	TQAIX	US Fund Small Growth	Bronze	-	3
T. Rowe Price Spectrum Income	RPSIX	US Fund Multisector Bond	Gold	-	3
T. Rowe Price Spectrum Mod Gr Allc	TRSGX	US Fund Allocation--70% to 85%	-	-	4
TCW Short Term Bond I	TGSMX	US Fund Ultrashort Bond	-	Bronze	3
Thornburg Limited Term Income Instl	THIIX	US Fund Short-Term Bond	Gold	-	5
Fidelity@ Total Bond ETF	FBND	US Fund Intermediate Core-Plus	-	Neutral	4
First Trust Capital Strength ETF	FTCS	US Fund Large Blend	-	Bronze	4
First Trust Rising Dividend Achiev ETF	RDVY	US Fund Large Value	Neutral	Silver	4
First Trust Senior Loan ETF	FTSL	US Fund Bank Loan	-	Bronze	4
JPMorgan Core Plus Bond ETF	JCPB	US Fund Intermediate Core-Plus	-	-	4
JPMorgan Divers Ret US Mid Cp Eq ETF	JPME	US Fund Mid-Cap Blend	-	Neutral	4
JPMorgan Divers Ret US Small Cap Eq ETF	JPSE	US Fund Small Blend	-	Neutral	5
JPMorgan Diversified Return EMkts Eq ETF	JPEM	US Fund Diversified Emerging Mkts	-	Bronze	4
JPMorgan Equity Premium Income ETF	JEPI	US Fund Derivative Income	-	Bronze	-
JPMorgan Income ETF	JPIE	US Fund Multisector Bond	-	Gold	-
JPMorgan Nasdaq Equity Premium Inc ETF	JEPQ	US Fund Derivative Income	-	Silver	-
JPMorgan Short Duration Core Plus ETF	JSCP	US Fund Short-Term Bond	-	-	-
JPMorgan US Aggregate Bond ETF	JAGG	US Fund Intermediate Core Bond	-	-	3
JPMorgan Ultra-Short Income ETF	JPST	US Fund Ultrashort Bond	-	-	5
Pacer Benchmark Data&Infras RE SCTR ETF	SRVR	US Fund Real Estate	-	-	5
Pacer Lunt Large Cap Alternator ETF	ALTL	US Fund Large Value	-	-	-
SPDR@ Portfolio Intmdt Term Trs ETF	SPTI	US Fund Intermediate Government	-	Silver	4
iShares Core 1-5 Year USD Bond ETF	ISTB	US Fund Short-Term Bond	-	-	3
iShares Core Aggressive Allocation ETF	AOA	US Fund Global Allocation	-	-	5
iShares Core Dividend Growth ETF	DGRO	US Fund Large Value	Silver	-	5
iShares Core MSCI EAFE ETF	IEFA	US Fund Foreign Large Blend	Gold	Silver	3
iShares Core MSCI Total Intl Stk ETF	IXUS	US Fund Foreign Large Blend	Gold	-	3
iShares Core S&P 500 ETF	IVV	US Fund Large Blend	Gold	0	4
iShares Core S&P Total US Stock Mkt ETF	ITOT	US Fund Large Blend	Gold	0	3
iShares Core US Aggregate Bond ETF	AGG	US Fund Intermediate Core Bond	-	-	3
iShares Global Tech ETF	IXN	US Fund Technology	Silver	0	4
iShares MSCI EAFE Min Vol Factor ETF	EFAV	US Fund Foreign Large Blend	-	-	3
iShares MSCI USA Mid-Cap Multifactor ETF	MIDF	US Fund Mid-Cap Blend	Silver	0	4
iShares MSCI USA Min Vol Factor ETF	USMV	US Fund Large Blend	Silver	-	3
iShares MSCI USA Quality Factor ETF	QUAL	US Fund Large Blend	-	0	3
iShares Short Maturity Bond ETF	NEAR	US Fund Ultrashort Bond	-	0	4
Cash-0.050%	Cash:0.050%	-	0	0	-

Morningstar Ratings	Gold	Silver	Bronze
---------------------	------	--------	--------

Portfolio Design Criteria - General Fund selection parameters

Perf Rank in Category 3 yr	Top 25%
Perf Rank in Category 5 yr	Top 25%
Alpha Rank in Category 3 yr	Top 25%
Sortino Rank in Category	Top 25%
Expense	Bottom 50%
Bear Mkt Rank %	Top 50%
Morningstar Rating	3+ Stars
Investments limited to 15% in any fund	Less than 5 yr history
Investments limited to 10% in any fund	Less than 3 yr history
Minimum fund allocation 3%	
Morningstar Management Stewardship	Compensation, Ownership, Stewardship

Portfolio Monitoring

The investment proposal developed is intended to reflect a long-term approach, potentially lasting until goals are achieved. However, your financial situation and goals may change, producing a need to reconsider this plan. At the same time, financial markets are unpredictable in the short-term, producing temptation to recklessly deviate from a solid long-term plan. The goal of setting a portfolio monitoring agenda is to create flexibility for revising a strategy when needed, while providing structure to discourage overreaction to normal short-term market events.

Perf Rank in Category 3 yr	Top 50%
Perf Rank in Category 5 yr	Top 50%
Alpha Rank in Category 3 yr	Top 50%
Sortino Rank in Category 3 yr	Top 50%
Expense	Bottom 50%
Bear Mkt Rank	Top 50%
Morningstar Rating	3+ Stars
Investments limited to 15% in any fund	Less than 5 yr history
Investments limited to 10% in any fund	Less than 3 yr history
Minimum fund allocation 3% ex cash	
Review Morningstar Management Stewardship	Compensation, Ownership, Stewardship
Review Alpha / Fee Measures less than 0	

Asset Allocation

Asset allocation is to be revisited annually or when one of the following criteria occurs:

- When allocation falls out of defined range
- When client objectives or circumstances change
- When significant assets are added/removed from the plan

Fund Review

Fund selection will be revisited annually or when one of the following criteria occurs:

- When a fund does not meet category levels for 1, 3 & 5 yr periods with a neg alpha / feeratio and Bear Mkt Rank % falls to bottom 2 quartiles
 - When a fund's Morningstar star rating is lowered below defined criteria levels
 - When a fund experiences a significant management, style, or category change
-

Portfolio Selection and Monitoring Factors

Performance Rank in Category – Performance is used to directly measure funds and monitored to ensure consistency within each category vs peers.

Alpha Rank in Category – Alpha can be used to measure the value added or subtracted by a portfolio manager.

Sortino Rank in Category – Sortino is an improved measure of risk adjusted returns vs Sharpe ratio.

Expenses – Lower costs diminish the hurdles to achieving investment results.

Bear Mkt Rank % - Downside resilience is a key to strong results via better risk characteristics.

Morningstar Ratings – Independent 3rd party research and rankings help in validating and monitoring our investment process.

Investment Guard Rails – Limiting portfolio investments helps with risk controls and diversification.

Management and Stewardship – We believe when managers interests are aligned with investors it leads to better outcomes.

ETF Selection

Because ETF development is new, with evolving strategies, our screening process for portfolio inclusion and monitoring will not adhere to the same strict guidelines as funds.

Our current ETF selection and evaluation process will follow the same principled investment ideas stated in the IPS but will not have the same quantitative metrics for selection and monitoring. Instead we will rely on subjective analysis to weigh the benefits of ETFs within our portfolios. We will use ETFs in our portfolios where we deem appropriate, to effectively target asset classes, returns and manage risk profiles, to help clients achieve outcomes.

Client Acceptance Page

I have read the Investment Policy Statement and affirm that it accurately reflects my personal needs and constraints and reflects an investment philosophy with which I feel comfortable.

Client Name _____

Client Signature _____

Date _____

Client Name _____

Client Signature _____

Date _____

Advisor Signature _____

Date _____



All Securities Through Money Concepts Capital Corp., Member FINRA/SIPC
Registered Investment Adviser with the SEC.
River Oak Partners LLC is independently owned and is not affiliated with Money Concepts Capital Corp.