Your financial house
perfectly in order.

# Welcome!

We want to welcome you into our client community.  We are privileged and honored to serve and work with you to help you achieve your goals.  To help us as we begin, we ask that you complete the following attached fillable PDF forms:

- **CP Advisors, Inc. New Client Form**
- **Client Profile and Suitability Questionnaire**
- **Client Risk Questionnaire**

We have also attached a copy of **What We Do for Our Clients** that you may find helpful in understanding our services and the value we provide.  If you have any questions as you complete these forms, please do not hesitate to call us at 910-298-4856 or email us at cpa@albertsonjones.com.

Thank you again.

CP Advisors, Inc.



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PO Box 1200, 120 East Main Street | Beulaville, NC 28518

# CP Advisors, Inc.

## What We Do for Our Clients

The major services we provide are: the creation and strategic maintenance of formal goals-focused financial and estate plans, investment planning, behavioral management and modification, and investment selection.

We believe there are **Six Variables**, made up of **Three Principles** and **Three Practices**, that we can control that have the most pronounced effect on our clients' long-term real-life returns. Adhering to these principles and implementing these practices can help us bridge the significant gap between investment returns and investor returns.

The **Three Principles** are:

1. **Faith in the Future**. We can't know exactly how things are going to turn out all right; we just believe that things are going to turn out all right.
2. **Patience**. We can't know when it's going to turn out all right; we just believe that it's going to turn all right.
3. **Discipline**. We don't care what's working right now. We care about what's always worked and we are just going to keep doing what's always worked.

The **Three Practices** are:

1. **Asset Allocation**. No less than 90% of a portfolio's long-term return is determined by its strategic target asset allocation; no more than 10% of the long-term return is derived by timing, selection, and everything else.
2. **Diversification**. We will never own enough of any one thing to be able to make a killing in it; we will never own enough of any one thing to be able to get killed by it.
3. **Rebalancing**. Realigning the portfolio on a regular basis back to its strategic long-term asset allocation, thereby, selling a portion of what has been overperforming and buying what has been underperforming.

**Behavioral Counseling - Preventing Disaster: The Eight Great Behavioral Mistakes**

1. **Overdiversification** – normally arising from not having a disciplined portfolio strategy
2. **Underdiversification** – the fatal narrowing of the portfolio down to one or two ideas
3. **Euphoria** – the complete loss of an adult sense of danger. Your primary concern is that somebody, somewhere owns investments that are going up more than yours.
4. **Panic** – follows periods of Euphoria -the feeling the world is going to end and this time is different.
5. **Leverage** – borrowing money to buy investments. Normally occurs when an investor is blinded by Euphoria and/or Underdiversification.
6. **Speculating when you still think you are investing**. Never speculate with core capital.
7. **Investing for current yield instead of for total return**. In an efficient market, investments with the highest current yield have the lowest total return.
8. **Letting your cost basis dictate your investment decisions**. Your investments do not know what you paid for them and would not perform differently if they did.

**Other Services**: There are a host of other services and value we provide. Some of these are: cost-effective implementation of the investment strategy, determining where assets should be located, account withdrawal order for client spending, and managing required minimum distributions.

# CP Advisors, Inc.
# New Client Form

## PERSONAL INFORMATION

| | Account Owner 1 | Account Owner 2 |
|---|---|---|
| First Name | | |
| Middle Name | | |
| Last Name and Suffix | | |
| Home Street Address | | |
| City, State and Zip Code | | |
| Mailing Address | | |
| City, State and Zip Code | | |
| Social Security Number | | |
| Home Phone Number | | |
| Date of Birth | | |
| Driver's License # & State | | |
| License Expiration Date | | |
| License Issue Date | | |
| E-mail Address | | |
| Employer Name | | |
| Occupation/Position | | |
| Street Address | | |
| City, State and Zip Code | | |
| Business Phone Number | | |

## Primary Beneficiary Information for Retirement Accounts (if other than spouse)

| | | |
|---|---|---|
| Name | | |
| Home Street Address | | |
| City, State and Zip Code | | |
| Social Security Number | | |
| Home Phone Number | | |
| Relationship | | |
| Date of Birth | | |
| Percentage | | |

## Contingent Beneficiary Information for Retirement Accounts

| | | |
|---|---|---|
| Name | | |
| Home Street Address | | |
| City, State and Zip Code | | |
| Social Security Number | | |
| Home Phone Number | | |
| Relationship | | |
| Date of Birth | | |
| Percentage | | |

## CP Advisors, Inc.

Client Risk Profile and Suitability Questionnaire for: ____________________________________________

We manage investments for our clients by maintaining a long-term focus on establishing investment goals, assessing risk tolerance, and long-term performance of the portfolio, which is expressed in terms of meeting those goals within that risk tolerance. The information that you provide will help us in fulfilling your goals and expectations.

**Please choose only one response to each question.**

1. Considering your ability and willingness to assume risk, you would rate yourself as:

   ○ Moderately Conservative - *willing to take some risk to seek enhanced returns; reduced exposure of principal to loss or fluctuation is very important.*

   ○ Moderate - *willing to assume an average amount of market risk and volatility or loss of principal to seek higher returns.*

   ○ Moderately Aggressive - *willing to assume an above average amount of risk and volatility or loss of principal is to seek higher returns.*

   ○ Aggressive - *willing to sustain substantial volatility or loss of principal and assume a high level of risk in pursuing higher returns.*

2. Which of the following aims best describes your investment objective for this portfolio:

   ○ Current Income

   ○ Combination of Income and Growth

   ○ Growth over the Long Term

   ○ Other: Please explain: ____________________________________________

3. What is the expected period of time you plan to invest to achieve your financial goal(s):

   ○ 1-2 years

   ○ 3-5 years

   ○ 6-10 years

   ○ 11-20 years

   ○ Over 20 years

4. What is your primary financial goal?

- ○ Retirement
- ○ Current Income
- ○ Education
- ○ Long-term wealth accumulation
- ○ Other: Please explain: ______________________________________________

5. What is your best estimate of your annual income from all sources?

- ○ $25,000 – $50,000
- ○ $50,001 – $100,000
- ○ $100,001 – $250,000
- ○ $250,001 – $500,000
- ○ Over $500,000

6. What is your best estimate of your net worth (excluding your residence)?

- ○ $50,000 - $200,000
- ○ $200,000 - $500,000
- ○ $500,000 – $1,000,000
- ○ $1,000,000 - $3,000,000
- ○ Over $3,000,000

7. What % of your investable assets will/does our firm manage now? _____

8. Do you have any specific withdrawals planned from this portfolio?

   Monthly $___________ Quarterly $_____________ Annually $______________

9. How would you describe your knowledge of investments?

- ○ None
- ○ Limited
- ○ Good
- ○ Extensive

10. In the past, have you managed your investments or have you employed brokers, financial advisors or other agents to help you?

- ◯ I have managed my own investments.
- ◯ I have employed brokers, financial advisors or other agents to assist me.

11. Please list any personal preference or restrictions that you may have on the portfolio. (e.g. always keep $5,000 in cash, etc.)

_______________________________________________

NOTES:

We make investment decisions based on long-term expectations (3-5 years +). **Please notify us of any short-term cash needs that you may have or plans to add to your portfolio.** Your money is always available to you; we simply would like to minimize the disruption to and tax effects on the portfolio if we need to liquidate securities for withdrawals. We also need to plan for additions to the portfolio so we can invest appropriately.

This document will be updated at review meetings, and anytime there is a change in client circumstances**. It is vital that you notify us immediately of any significant change in your financial circumstances or investment objectives.**

| | |
|---|---|
| Client Signature | Date |
| Client Signature | Date |
| Portfolio Manager Signature | Date |
| Officer Signature | Date |

Client ID *(advisor use)*

Clear Form

# Risk Questionnaire

1. **In how many years do you estimate that you will begin to need the money you are investing?**
   - Immediately.
   - Within the next three years.
   - From three to seven years.
   - From seven to 12 years.
   - Longer than 12 years.
2. **Once you begin making withdrawals, over how many years do you expect to draw down assets from this portfolio?**
   - Five to 10 years.
   - Less than five years.
   - Lump sum.
   - More than 10 years.
3. **If you will be adding to your portfolio, what percentage of your current portfolio's value will you expect to add annually over the next five years?**
   - I am not sure.
   - None.
   - 1% to 2%.
   - 3% to 5%.
   - 6% to 10%.
   - 10% or greater.
4. **Do you generally find yourself more comfortable investing in things that have done well the last few years?**
   - Not sure/depends.
   - No.
   - Yes.

5. **If a unique circumstance were to require an amount of capital equal to at least one-fourth the value of this portfolio, where would you obtain the money?**

   - ◯ All from this portfolio.
   - ◯ The majority from this portfolio.
   - ◯ From other savings and investments.
   - ◯ I cannot envision a circumstance occurring that would require that much capital.
   - ◯ Less than half from this portfolio, and the remainder from other savings and investments.

6. **If you use withdrawals from your portfolio for living expenses, what lifestyle changes (if any) would you make if your portfolio declined substantially?**

   - ◯ Not applicable, I am not making any withdrawals from this portfolio.
   - ◯ Would cut spending sharply.
   - ◯ Would keep spending the same but would cut withdrawals from this portfolio and use other assets to fund spending in the meantime.
   - ◯ Reduce spending slightly.
   - ◯ No changes—would continue to spend the same amount.
   - ◯ I cannot allow my portfolio to decline substantially.

7. **When you review your portfolio, do you focus more on the individual positions or the overall portfolio?**

   - ◯ I am only concerned with the overall portfolio performance.
   - ◯ While overall portfolio performance is important, I tend to focus on the performance of individual positions in the portfolio.

8. **You are given a choice between two portfolios. The total values of BOTH portfolios fluctuate by roughly the SAME amount, but the fluctuations in value of the individual positions are much wider. Which portfolio would you be most comfortable with?**

   - ◯ A portfolio with an annualized return of 10% where the returns of the individual holdings range from 0% to 15%.
   - ◯ A portfolio with a slightly higher annualized return of 11% but where the returns of the individual holdings range from a 10% loss to a 20% gain.

**9. Which is closest to the largest percentage amount you ever lost on a single investment?**

- ◯ Never lost money.
- ◯ 25%.
- ◯ 50%.
- ◯ 75%.
- ◯ 100%.

**10. Which of the following statements best describes what you did during the most recent investment losses you suffered?**

- ◯ Bought more.
- ◯ Sold quickly to avoid further losses.
- ◯ Continued to hold the investment.
- ◯ Held too long then sold close to the bottom.
- ◯ Not applicable.

**11. Which best describes how you felt about steep losses you experienced?**

- ◯ Not applicable.
- ◯ Initial frustration followed by acceptance.
- ◯ Denial. I was upset but tried not to look at the value, and hoped that eventually it would come back.
- ◯ High levels of anxiety and/or frustration.
- ◯ Desire to find another high-risk investment to make up the loss.
- ◯ Acceptance that losses are part of investing and that the risk I took was reasonable relative to the potential gain.

**12. Many investors experienced steep losses in the bear market that began in the fall of 2008. Did this experience impact your willingness to accept risk?**

- ◯ I am more concerned with risk as a result and inclined to invest more conservatively.
- ◯ I believe bear markets create good longer-term opportunities and am willing to take on more risk at such times.
- ◯ My willingness to take on risk is no different today than it was prior to the bear market.

**13. Consider two investments. An expert, whom you trust, tells you they are equally risky. If one of those investments is more difficult to understand, are you likely to view it as riskier?**

- ◯ Yes.
- ◯ No.

**14. Which of the following best describes your expectations for performance?**

- ◯ My performance should at least equal the stock market.
- ◯ I am willing to accept a little lower return than the stock market in exchange for a little greater safety.
- ◯ I don't care what the stock market does as long as I can beat inflation at low risk.
- ◯ My level of return doesn't matter as long as I don't lose money over any more than a few months.
- ◯ I want to beat the stock market and am willing to assume above-average risk in pursuit of capital growth.

**15. Investments generate returns in different ways. Which of the following more closely describes your view?**

- ◯ Dividend yields and interest is better suited for meeting living expenses.
- ◯ Overall return is my primary concern; it doesn't matter where it comes from or how it is employed to meet any cash flow needs I may have.

**16. How would you most likely react to losses in your portfolio?**

- ◯ As long as the losses are in the range of what I knew was possible, I feel it is important to have the stomach to stay the course and that my long-term success will probably be compromised if I don't.
- ◯ I am not sure how I would react.
- ◯ During difficult periods I have a harder time sticking to my guns and feel safer taking a temporary defensive position until things improve.

**17. Describe the kind of risk with which you are comfortable:**

- ◯ I could handle being down over a three-year period, but not longer.
- ◯ I could handle a one-year loss, but do not want to pursue a strategy that could result in longer periods of loss.
- ◯ I could handle losses over one or two quarters, but would not be comfortable subjecting myself to longer down periods.
- ◯ I don't want to lose any money ever. I could handle only a very small loss over a few months at most.
- ◯ I could accept being down over longer than three years if my long-term return potential was above average.

**18. In terms of magnitude, indicate the level of the likely worst-case return you could accept in pursuit of above-average returns.**

- ◯ Zero return over one year.
- ◯ 5% loss over one year.
- ◯ 10% loss over one year.
- ◯ 15% loss over one year.
- ◯ 20% loss over one year.

QUESTIONNAIRE INCOMPLETE

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*Code (advisor use)*

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