



**STRATEGIQ**<sup>®</sup>  
FINANCIAL GROUP, LLC

# RISK CERTIFICATION

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Investment advisory services are offered by StrategIQ<sup>®</sup> Financial Group, LLC (“StrategIQ<sup>®</sup>”), an investment adviser (RIA) registered with the Securities and Exchange Commission (SEC).  
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(Any capitalized terms in this document that are not defined herein have the meaning set forth in the applicable StrategIQ client's Investment Advisory Agreement.)

## General Information

StrategIQ's mission is to provide outstanding investment advisory services to its clients and this starts with learning **lots of relevant information about them**. Based on the information received from each client, StrategIQ is able to develop a customized investment strategy with respect to such client's Assets Under Management (and, if any, Assets Under Advisement).

Generally, the more information a client communicates to his or her StrategIQ advisor about relevant facts, the better such StrategIQ advisor will be able to develop a precise investment strategy for such client. Therefore, StrategIQ encourages clients to be as comprehensive and detailed as possible in their communications of relevant facts to StrategIQ. While all relevant information is welcomed, StrategIQ's initial primary focus is to determine each client's:

- Overall Risk Tolerance Group,
- Overall Risk of Loss Percentage, and
- Overall Risk Capacity

## Overall Risk Tolerance Group and Overall Risk of Loss - Explained

Overall Risk Tolerance and Overall Risk of Loss Percentage are interrelated concepts based on a client's emotions. They are assessments of a client's general attitude or willingness to take risk without panicking (based on the generally accepted correlation between risk potential and return potential). How risky or volatile an investment portfolio does the client want to maintain?

## Overall Risk Capacity - Explained

Overall Risk Capacity is a more tangible concept. It assesses the client's financial ability to have "something bad" happen in the portfolio without ruining the client's goals (meaning, that the client still has time to recover). This assessment relies on an analysis of a complex and unstable multi-dimensional array of factors, which often compete with each other. Frequently, more of one requires less of another, meaning that a client must make trade-off decisions among these various factors. Below is a non-exhaustive list of some of the factors that clients should consider in the determination of their Overall Risk Capacity:

- Asset Base (How many assets does the client already have and will receive from sources other than his or her business or employer?)
- Income (How much income does the client earn now and is likely to earn in the future?)
- Spending (What are the client's objectives and needs? What is the client's lifestyle and spending level?)
- Savings (How much does the client want to save?)
- Timing (How old is the client? What is the client's life expectancy? When does the client want savings and spending to occur?)
- Investment Experience (How broad and deep is the client's investment management experience?)
- Legacy (What assets does the client want to transfer to his or her heirs or charities?)
- Surety (How certain does the client want to be that the choices made with respect to the prior competing factors add up or work together?)

Overall Risk Capacity is an assessment that StrategIQ advisors often include as part of their development of a financial plan for a client, sometimes using sophisticated modeling software that is able effectively to analyze the numerous and sometimes competing relevant variables applicable to a client.

There is no particular formula on how StrategIQ weighs all relevant information in its possession relating to a client when developing or selecting overall or account-specific investment strategies for such client. Each StrategIQ advisor weighs all such relevant information (including applicable Overall Risk Tolerance Group, Overall Risk of Loss Percentage, Overall Risk Capacity and other information received or produced in the course of financial planning), on a case-by-case basis, in light of the specifics applicable to such client.

### **Determination of the Overall Risk Tolerance Group and Overall Risk of Loss applicable to each Client**

Each StrategIQ client is required to identify which one of the **five** Overall Risk Tolerance Groups (conservative, moderately conservative, moderate, moderately aggressive or aggressive) is applicable to such client. Each StrategIQ client also is required to identify the Overall Risk of Loss applicable to such client. In order to assist StrategIQ clients in their determination of their respective applicable Overall Risk Tolerance Group and Overall Risk of Loss, StrategIQ offers, and its clients are encouraged to complete, a Risk Tolerance Questionnaire (“**Questionnaire**”). The Questionnaire, consisting of 10 questions and corresponding multiple choice answers, is a simplified model that assigns numerical scores to a several variables (your responses to the Questionnaire’s questions) and inserts those scores into a mathematical formula.

### **Overall vs. Account-Specific Risk**

In addition to the Overall Risk Tolerance Group (which generally is applicable, in the aggregate, to all Accounts), each Account is assigned to one of five possible Account Risk Levels: conservative, moderately conservative, moderate, moderately aggressive or aggressive. It is possible for the Account Risk Level of one or more Accounts of a client to be different from the Overall Risk Tolerance Group applicable to such client, as one or more Accounts often are established or held to address specific objectives, or are subject to Overall Risk Capacity considerations, that, individually, may require or may make advisable more or less risky positions than those that would be consistent with the Overall Risk Tolerance Group applicable to such client. Because the Account Risk Level of each individual Account of a client takes precedence over the Overall Risk Tolerance Group applicable to such client, the average Account Risk Level of all of the Accounts of such client, prorated based on such client’s Assets Under Management (and, if any, Assets Under Advisement), may not be consistent with the Overall Risk Tolerance Group or Overall Risk of Loss Percentage applicable to such client.

### **Changes Affecting Risk**

The Overall Risk Tolerance Group or Overall Risk of Loss Percentage applicable to a client, or the Account Risk Level applicable to a client’s Account, or the client’s Overall Risk Capacity, are not static. They can, and frequently do, change over time. If a client believes, at any time, that his or her Overall Risk Tolerance Group, Overall Risk of Loss Percentage, or Account Risk Level with respect to any of such client’s Accounts (as then known to StrategIQ) no longer may be accurate, or that any of the factors that were relied upon in assessing such client’s Overall Risk Capacity may have changed, such client should immediately contact, and discuss such potential or actual inaccuracy or change with, his or her StrategIQ advisor.

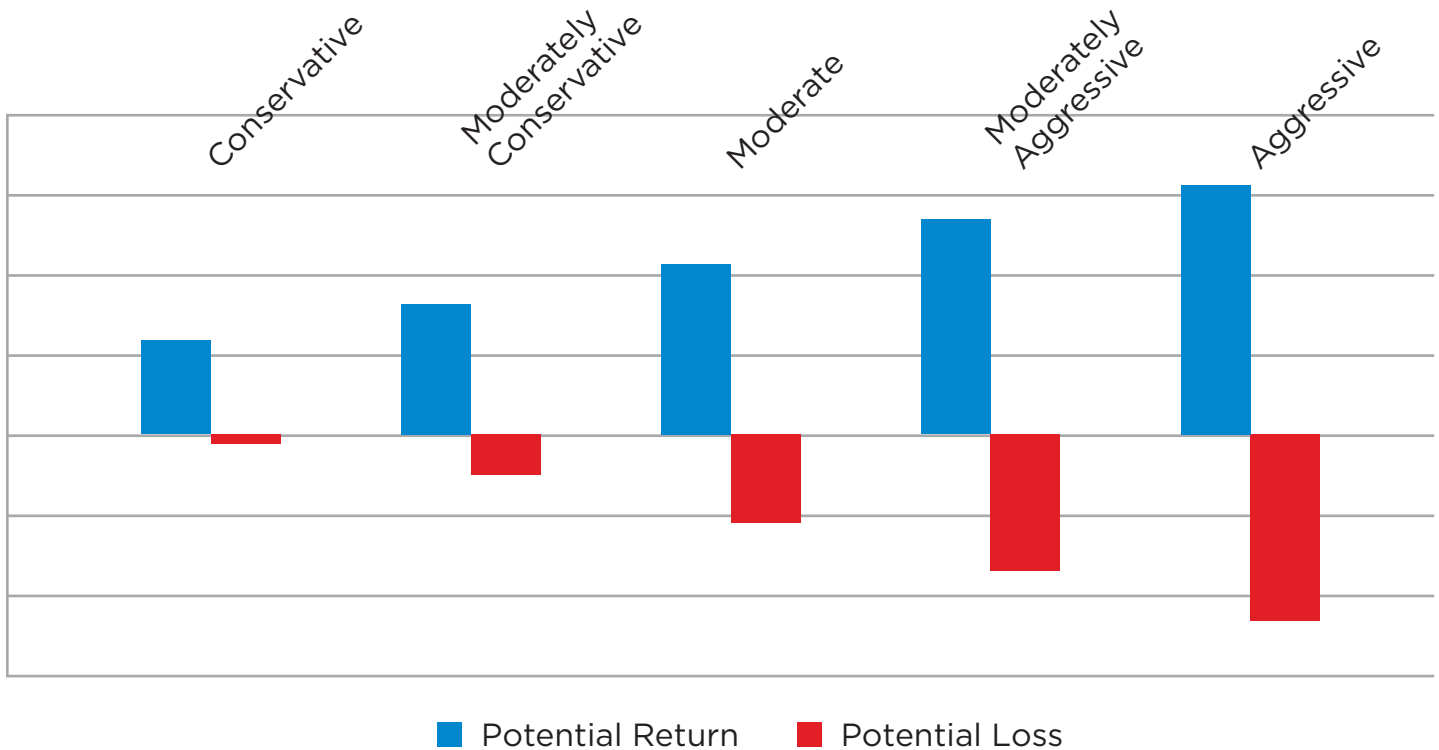
### Client Group or Represented Person Related Matters

If a client and another person, such as a spouse, have signed one investment advisory agreement with StrategIQ, both persons are considered a Client Group. The Certification includes four acknowledgments at its beginning (numbered 1-4) that address Client Group related issues.

If a person is completing this Certification on behalf of a StrategIQ client that such person represents, for example, in such person's capacity as Trustee, Power of Attorney, Attorney in Fact or Legal Agent/Guardian, the first four acknowledgments of the Certification also address such situation.

### General Information, Risk - Return Correlation and Additional Factors

The table below generally shows the correlation between risk potential and return potential for each Overall Risk Tolerance Group.



This graph is used for illustrative purposes only and does not reflect future values or performance of any investments.

I understand that StrategIQ encourages all of its clients to complete a Questionnaire. I have decided not to complete such Questionnaire and instead am identifying in this document the Overall Risk Tolerance Group and Overall Risk Of Loss Percentage applicable to me (and/or if so set forth below, my Client Group or represented Person).

1. By writing/typing my name in the space provided below, I agree that I am the individual that is completing this Risk Tolerance Certification (“**Certification**”). Please only write/type your name below (even if you are completing this Certification with another member of your Client Group, such as your spouse, or on behalf of your Client Group, or on behalf of another Person that you represent as Trustee, Power of Attorney, Attorney in Fact, Legal Agent/Guardian, or other).

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NAME

2. By writing/typing in the spaces provided below the names of the other members of my Client Group with whom I am jointly completing this Certification, (or the names of the other representatives acting on behalf of another Person), I agree that this Certification is our joint Certification. (StrategIQ Financial Group, LLC generally recommends that only one Risk Tolerance Certification be completed per Client Group or represented Person.)

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NAME

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NAME

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NAME

3. I agree that, if I am the only member of my Client Group completing this Certification (or the only representative acting on behalf of another Person), such completed Certification will be deemed the completed Certification of my Client Group (or such represented Person), regardless of whether I completed this Certification jointly with any other members of my Client Group (or any other representatives of such represented Person) and the Overall Risk Tolerance Group and Overall Risk Of Loss Percentage applicable to all Accounts of my Client Group (or represented Person) will be based on the score of this completed Certification.
4. I agree that, if, one or more other member/s of my Client Group completes one or more Certifications with respect to my Client Group (or one or more of the other representatives of such represented Person completes one or more Certifications with respect to such represented Person), and the Overall Risk Tolerance Group is different than the current one, no changes to the current Overall Risk Tolerance Group applicable to the Client Group or to any of member of the Client Group will be implemented until all members of the Client Group agree with the advisor how best to address this difference at the Client Group level or at the level of each member of the Client Group.

I hereby certify that the following shall be applicable to me (and/or, if applicable according to items 1 - 4 of the previous page, my Client Group or represented Person):

Overall Risk Tolerance Group: \_\_\_\_\_

Overall Risk of Loss Percentage: \_\_\_\_\_%

\_\_\_\_\_  
**NAME 1** (Print Name)

\_\_\_\_\_  
**SIGNATURE**

\_\_\_\_\_  
**DATE SIGNED**

**Title/Role of Signatory:**

- Individual Client    Trustee    Power of Attorney    Attorney in Fact    Legal Agent/Guardian  
 Other \_\_\_\_\_

\_\_\_\_\_  
**NAME 2** (Print Name)

\_\_\_\_\_  
**SIGNATURE**

\_\_\_\_\_  
**DATE SIGNED**

**Title/Role of Signatory:**

- Individual Client    Trustee    Power of Attorney    Attorney in Fact    Legal Agent/Guardian  
 Other \_\_\_\_\_

**Investment Advisor Acknowledgment:**

\_\_\_\_\_  
**NAME OF INVESTMENT ADVISOR**

\_\_\_\_\_  
**SIGNATURE**

\_\_\_\_\_  
**DATE SIGNED**