

BRIGHT FUTURES WEALTH MANAGEMENT, LLC



Investment Policy Statement

Introduction:

The purpose of this Investment Policy Statement (IPS) is to establish guidelines for the investment portfolios of Bright Futures Wealth Management, LLC. (BFWM). This IPS also incorporates accountability standards that will be used for monitoring the portfolios' investment programs and reviewing the recommendations of the Investment Policy Committee (IPC) members.

Role of the Investment Policy Committee

The IPC acts in a research and development capacity. The IPC is accountable to Bright Futures Wealth Management, LLC for overseeing the investment allocations of the portfolios. Seven of the IPC members have voting rights on the composition of the portfolios.

- A. This IPS sets forth the investment objectives and investment guidelines that govern the activities of the IPC. These guidelines also extend to other parties with whom the IPC may have delegated investment management responsibility for portfolio allocations.
- B. The investment policies are formulated to create unique portfolios. These policies take into account the financial needs and individual risk tolerances of our clients. It falls upon the Investment Advisor Representative (IAR) and their client to decide which portfolio is most suitable for the client. The possibility exists that an individual portfolio or a blend of portfolios may or may not be suitable for some clients.
- C. Policies contained in this IPS are intended to provide guidelines for the selection of the portfolios' investments. They are managed in accordance with the short-term and long-term financial goals that the IPC has selected for each portfolio. These policies are intended to provide for sufficient investment flexibility in the face of changes in capital market conditions and/or in the financial circumstances of the client.
- D. The IPC will review this IPS at least once per year. Changes to this IPS can be made only by agreement of a majority of the IPC voting members. Written confirmation of the changes will be provided to all IPC members, any parties hired on behalf of the IPC and to any other parties if requested by them.

Investment Objectives and Time Horizons

BF 1 Income & Capital Preservation • Current Income • Capital Preservation • Minimum costs • Time Horizon: 1+ years	BF 9 ETF Growth Plus • Growth • Minimum costs • Time Horizon: 5+ years
BF 3 Income & Capital Appreciation • Moderate Conservative Growth • Minimum costs • Time Horizon: 3+ years	BF 9 Equity Growth Plus • Growth • Minimum costs • Time Horizon: 5+ years
BF 6 ETF Balanced Plus • Moderate Growth • Minimum costs • Time Horizon: 5+ years	BF 10 Concentrated Equity • Growth • Minimum costs • Time Horizon: 5+ years
BF 6 Equity Balanced Plus • Moderate Growth • Minimum costs • Time Horizon: 5+ years	

Portfolio Investment Policies

Asset Allocation Policy

- A. The IPC recognizes that there will be a strategic allocation of portfolio assets across broadly defined financial asset and sub-asset categories. The portfolios will have varying degrees of risk, return and correlation to suitable indexes. These will be significant factors of long-term investment returns and stability of the asset value of each portfolio.
- B. The IPC expects that actual returns and volatility of the total returns may vary from expectations and return objectives over short periods of time. The IPC retains flexibility with respect to making periodic changes to the portfolios' asset allocation. It expects to make changes in the event of material changes to the assumptions of underlying capital markets as they effect asset classes in which the portfolio invests.
- C. The IPC may use temporary investments. These can be used in response to adverse market, economic, political or other conditions. Without limitation, the IPC may invest 100% of its total

assets in high-quality short-term debt securities and money market instruments. These short-term debt securities and money market instruments may include: shares of money market mutual funds, commercial paper, certificates of deposit, bankers' acceptances, U.S. Government securities and repurchase agreements. The IPC may also use temporary investments in order to be in a defensive position. It recognizes that by using temporary investments, the opportunity to achieve its long-term investment objective may be affected. In accordance with its policies, the portfolios may also invest a substantial portion of their assets in such instruments at any time in order to maintain liquidity for pending purchases of investments.

- D. Outlined below are the long-term strategic asset allocation guidelines which have been determined by the IPC to be appropriate. These are based on the portfolio's long-term and short-term constraints and objectives. Under normal circumstances, portfolio assets will be allocated across broad asset and sub-asset classes in accordance with the following guidelines:

Investment Guidelines

ALLOCATIONS TABLE	BF 1	BF 3	BF 6	BF 9	BF 10
US Equities	0-20 %	0-20 %	0-40 %	0-65 %	0-100 %
International Equities	0-05 %	0-11 %	0-18 %	0-20 %	0-40 %
Long Term Bonds	0-10 %	0-10 %	0-05%	0-05 %	0-05 %
Multiple Strategy Bonds	0-10 %	0-10 %	0-10 %	0-10 %	0-10 %
Intermediate Term Bonds	0-30 %	0-30 %	0-10 %	0-10 %	0-10 %
Short Term Bonds	0-40 %	0-25 %	0-20 %	0-20 %	0-15 %
Real Estate	0-10 %	0-10 %	0-10 %	0-10 %	0-15 %
Emerging Markets	0-05 %	0-20 %	0-10 %	0-10 %	0-20 %
Small/ Mid Cap Equities	0-05%	0-10 %	0-10 %	0-10%	0-20%
Structured Notes	0-50%	0-50%	0-50%	0-50%	0-50%
Other/Specialty	0-20%	0-20%	0-20%	0-20%	0-20%
Cash/Money Market/CD	0-20%	0-20%	0-20%	0-20%	0-20%
Total:	100%	100%	100%	100%	100%

Diversification Policy

Diversification across and within asset classes is the primary means by which the IPC attempts to avoid undue risk of large losses over long periods of time. The IPC will attempt to protect the portfolios against unfavorable outcomes within an asset class. The IPC will take reasonable precautions to avoid excessive investment concentrations. Specifically, the following guidelines will be in place:

- A. Except for fixed income investments explicitly guaranteed by the U.S. government, no single investment security shall represent more than 10% of the total assets of the portfolio.

- B. With the exception of passively managed investment vehicles seeking to match the returns on a broadly diversified market index (ETF), no single investment pool or investment company (mutual fund) shall comprise more than 40% of the total assets of the portfolio.

Rebalancing

It is expected that the portfolio's actual asset allocation will vary from its target asset allocation as a result of the varying periodic returns earned on its investments in different asset and sub-asset classes. The portfolios can be rebalanced to their original target asset allocation by using the following procedures;

- A. The IPC can use incoming cash flow (contributions) or outgoing money movements (distributions) of the portfolio to help realign the current weightings closer to the target weightings for the portfolio.
- B. The IPC will review the portfolios quarterly to determine if there has been any deviation from the target weightings. During each quarterly review, the following guidelines will be applied:
 - a. If any asset class within the portfolio is 5 percent +/- from its target weighting, the portfolio can be rebalanced at the discretion of the IPC.
 - b. If any fund within the portfolio has increased or decreased by greater than 5 percent +/- of its target weighting, the fund can be rebalanced at the discretion of the IPC.

Other Investment Policies

The IPC allows the IARs to use their discretion within a clients' portfolio to add or remove investments. It is not the responsibility of the IPC for any of its recommendations that are not properly executed by the IAR. The IPC is prohibited from:

- A. Purchasing securities on margin or executing short sales.
- B. Pledging securities, except for loans of securities that are fully collateralized.
- C. Purchasing or selling derivative securities for speculation or leverage.
- D. Engaging in investment strategies that have the potential to increase the risk of loss beyond a level that is reasonably expected, given the objectives of the portfolio.

Monitoring Portfolio Investments and Performance

The IPC will continuously monitor the portfolio's investment performance compared to the portfolio's stated investment objectives and suitable index. On a quarterly basis the IPC will formally evaluate the portfolios and the performance of its underlying investments.

- A. The performance of professional representatives hired on behalf of the portfolio will be judged against the following standards:
 - a. A market-based index appropriately selected or tailored to the managers' agreed upon investment objective and the normal investment characteristics of the manager's portfolio.
 - b. The performance of other professional representatives having similar investment objectives.
- B. At a minimum, the IPC will have weekly meetings to review price movements of securities and capital market conditions. Meetings may be held more often as needed.

- C. In keeping with the portfolio's overall long-term financial objective, the IPC will evaluate the portfolios and their performance over a suitable long-term investment horizon. This will generally occur across full market cycles or on a rolling five-year basis.
- D. Investment reports shall be provided by the IPC on a calendar quarterly basis.
- E. Each IAR of BFWM is welcome to attend the weekly IPC meetings.

General and Miscellaneous Provisions

No document, written communication or verbal conversation shall supersede the policies or required forms of BFWM.

It is the responsibility of the IAR to identify client suitability and goals. In addition, the IAR is to communicate investment risks to clients.



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