Investment Policy Statement

for

Mr. and Mrs. Client

Prepared by

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Section 1: Summary

The Investment Policy Statement considers the information you have provided about your present and future financial circumstances. It is to document and ensure the long-term adherence to an investment program. It covers the policies, practices and procedures for managing your investment assets. It is based upon your Asset Allocation Analysis prepared by Grossman Financial Management, dated June 28, 2000.

Plan Title:	Mr. and Mrs. Client
Total Assets:	$1,000,000
Time Horizon:	Up to 40 Years
Total Return Objective:	10% gross pre-tax 9% net pre-tax
Risk Tolerance:	Moderate 9.4% standard deviation

Section 2: Objectives

These are the main objectives of the investment program. The objectives have been developed in conjunction with a review of your financial resources, financial goals, asset allocation, risk tolerance and time horizon.

- To take a reasonable amount of investment risk.
- To maximize return at that risk level.
- To maintain a prudent diversification of the investment assets.
- To have the ability to meet the financial goals when each is expected to occur.
- To minimize potential tax liabilities.
- To maintain a level of cash reserves in order to meet short-term emergency expenditures.
- To periodically monitor and revise the portfolio as required.

Section 3: Time Horizon

This investment program is based on an investment time horizon of at least 10 years. The investment program does not attempt to consider the active management of short-term investment fluctuations. The asset allocation has been developed as a long-term strategy for the management of your investment assets

Section 4: Risk Tolerance

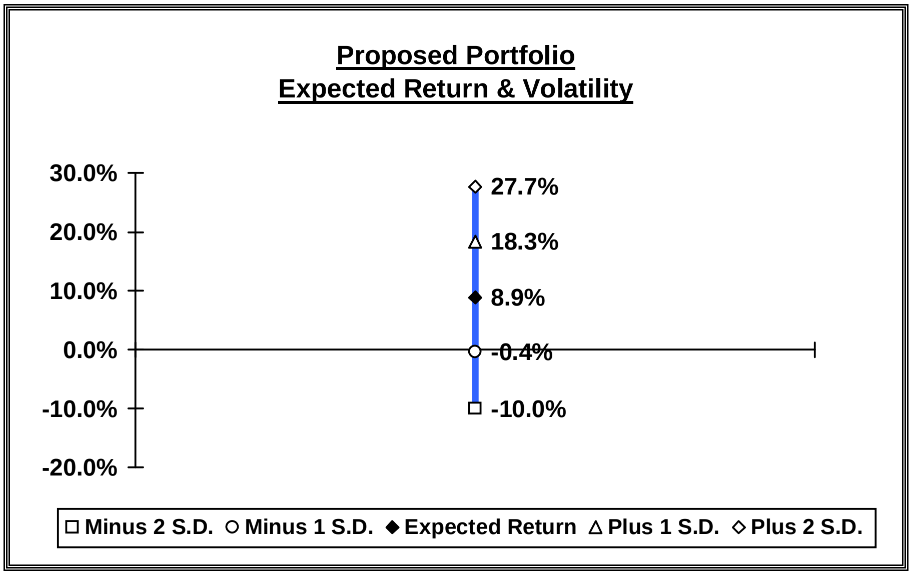
Your ability to tolerate the uncertainties, complexities and volatility inherent in the investment markets has been considered in the development of your investment program. The risk tolerance assessment for your portfolio is shown in the Summary section. This profile was developed through discussion with you of your investment experience, expectations and stated ability to tolerate portfolio value fluctuations. Other factors that influence your risk tolerance assessment are: (1) your age(s); (2) your present financial condition; (3) your financial goals; and (4) your discretionary income and its variability. These factors suggest your ability to accept investment risk in order to meet your long-term financial goals. *You understand that this portfolio is expected at times to experience periods of negative returns.*

Section 5: Expected Performance

The long-term expected rate of return on your portfolio is shown below. It is based on the expected long-term total return for each asset class and its percentage weighting in your portfolio. This is compared against the assumed long-term average rate of inflation (as measured by the Consumer Price Index). The difference between your rate of return and the inflation rate is your real (after-inflation) expected return. Actual performance will vary from these assumed rates. The portfolio return may also be reduced by the deduction of advisory, money management, custodial and transaction fees.

Return Objective:	10% gross pre-tax 9% net pre-tax
Long-term Inflation:	3.0%

The exhibit below graphically depicts the expected annual returns and volatility of the target portfolio. It is expected that annual returns over the long-term will average the “expected return” while falling in any one year within one standard deviation of the expected return 65% of the time and within two standard deviations of the expected return 95% of the time.



Section 6: Holding Limits

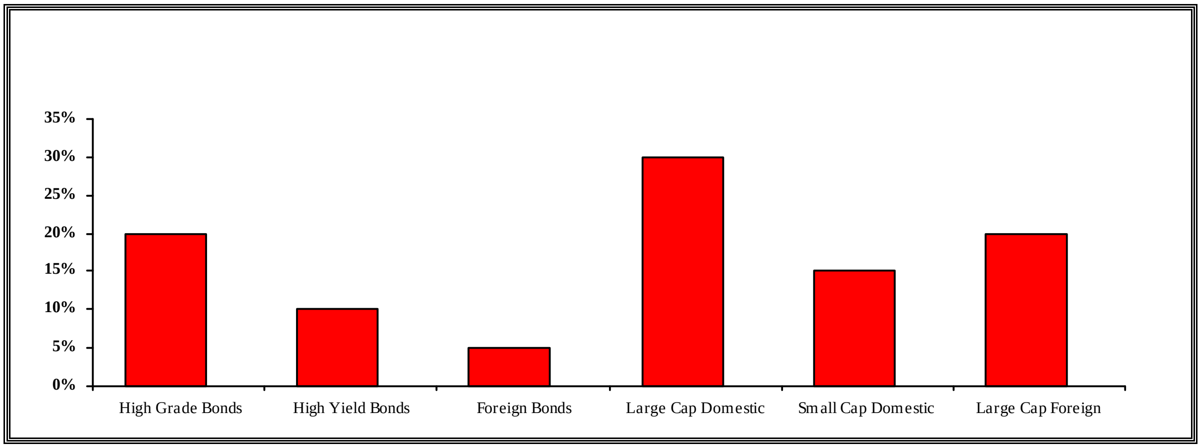
Your portfolio was developed subject to certain holding limitations. These are limitations on the minimum and maximum percentage investment in each asset class.

	Non-Qualified Assets		Qualified Assets	
Asset Class	Min %	Max %	Min %	Max %
Cash	15	100	0	100
Intermediate-term Government Bonds	0	100	0	100
Municipal Bonds	0	100	0	0
Intermediate-term Corporate Bonds	0	100	0	100
International Bonds	0	20	0	20
Large Cap Stocks, Domestic	0	50	0	50
Small Cap Stocks, Domestic	0	30	0	30
Large Cap Stocks, Foreign	0	50	0	50
Small Cap Stocks, Foreign	0	30	0	30

Section 7: Asset Allocation

Based on your financial resources, financial goals, time horizon, tax status, holding limitations, risk tolerance and expected investment performance, a recommended portfolio has been determined and presented in your Asset Allocation Analysis. The portfolio balances risk and reward and attempts to achieve the stated objectives of the investment program. Implementation (and any temporary modifications) of the asset allocation strategy will proceed further to consultations and communications with you. The composite long-term asset allocation strategy for your investment program is as shown:

Proposed Asset Allocation



Section 8: Monitoring and Review

Investment performance will be monitored monthly and reported to you on a semiannual basis. The investment performance of your investment program shall be compared against the appropriate benchmarks, such as financial market indices and the performance of other investment managers. The investment program will be reviewed at least annually to make sure that it continues to achieve your stated objectives.

Section 9: Rebalancing

On any given day, the percentage weighting to each asset class within the investment portfolio will vary around its target because of a variety of factors, such as market conditions, liquidity needs and product availability. The percentage weighting within each asset class will be allowed to vary within a reasonable range of +/- 5% to 10% depending upon market conditions. When rebalancing is required, investment yield and net cash inflows will be used to meet the strategic asset allocation targets. If cash flow is not sufficient to meet the target allocation for an asset class, we will decide whether to effect transactions in order to rebalance the asset allocation.

Section 10: Product Selection Criteria

Investment products/vehicles used to implement the investment program shall be subject to selection criteria. At a minimum, investment products/vehicles must be registered, have sufficient historical performance, provide timely compliant quarterly performance, provide necessary details about the firm (personnel, clients, fees, etc.), be diversified and strictly adhere to a clearly articulated investment philosophy. Each investment product will be monitored for adherence to your investment policy guidelines, major changes in the product, and comparative performance with similar investment products.

Section 11: Communications and Procedures

Your portfolio will be reviewed on a regular basis and any recommendations for asset allocation change will be promptly communicated to you. Similarly, you will be advised prompted of any recommended change of investment product/vehicle. You will be provided administrative support for your investment program and will be provided revised/updated asset allocation recommendations when you indicate that changes in your financial condition have or will occur.

This Investment Policy Statement and the preceding Asset Allocation Analysis are based upon information which you provided and which Grossman Financial Management has not independently verified. You agree to promptly inform Grossman Financial Management of any changes in your financial condition or goals that may affect this plan. You understand that successful investing requires time and you agree to give the investment plan time to work. You also understand that your prompt implementation of investment recommendations is necessary to meet your objectives.

Approval and Adoption

I (we) have reviewed, approved and adopted this Investment Policy Statement for the investment program prepared by Grossman Financial Management.

Investor's Signature	Investor's Name	Date

Investor's Signature	Investor's Name	Date

Advisor's Signature	Advisor's Name	Date