

Glossary of Terms

United Planners and your financial professional depend upon the accuracy of the information that you provide when making recommendations. To assist you with the definitions of the information located on the Client Agreement, we have provided the glossary below:

- **Income Source**: Is your primary source of income. Examples include employment, social security, or investments.
- **Industry Affiliations**: Financial industry regulations require employees of financial institutions to notify their employer when opening brokerage accounts held away from the employing firm. If you are affiliated with a financial institution, may need to disclose your accounts, and obtain a letter from your employer. Additionally, if you are an officer, director, or large shareholder (10% of outstanding shares) of a publicly traded company, you are required to indicate this on the client agreement.
- **Annual Income**: Includes income from all sources such as employment, alimony, social security, or investments.
- **Net Worth**: Net worth is your assets minus your liabilities. For the purposes of the Client Agreement, assets include stocks, bonds, mutual funds, other securities, bank accounts, and other personal property. Please exclude your primary residence. For liabilities, include any outstanding loans, credit cards balances, taxes, etc.; however, exclude your primary mortgage.
- **Liquid Assets**: Assets that can be quickly and easily converted to cash without incurring a substantial penalty. Products that have a contingent deferred sales charge, surrender charge, or have limited liquidity provisions are not considered liquid. Qualified accounts (such as annuities or retirement plans) that would incur a tax penalty for liquidation (typically for persons under age 59 ½) are also not considered liquid.
- **Risk Tolerance**: Below is a list of the different risk tolerances. Many United Planners financial professionals utilize Nitrogen software that assists in determining the client's risk tolerance by assigning a risk score. Accompanying each definition is a range for the Nitrogen risk score. Please note that bands can overlap.
 - **Conservative (1-30)**: Preservation of my initial principal, with minimal risk; even if that means that I do not generate significant income or returns and may not keep pace with inflation.
 - **Moderately Conservative (15-40)**: Willing to accept low risk to my initial principal, including low volatility, to seek a modest level of portfolio returns.
 - **Moderate (25-60)**: Willing to accept some risk to my initial principal and tolerate some volatility to seek higher returns and understand that I could lose a portion of my initial principal.
 - **Moderately Aggressive (35-80)**: Willing to accept high risk to my initial principal, including high volatility, to seek high returns over time, and understand I could lose a substantial amount of my principal invested.
 - **Aggressive (50-95)**: Willing to accept maximum risk to my initial principal investment to aggressively seek maximum returns, and understand I could lose most, or all, of the money I invest.

- **Investment Objective**: Investment objective can be the overall objective at the client level or specific to an account. Please note that there is a correlation between risk tolerance and investment objective.
 - **Capital Preservation**: Seeking preservation of capital as my primary objective. Market risk (fluctuation of principal) should be minimized, regardless of the effects of inflation.
 - **Income**: Seeking current income as my primary objective. Market risk, while reflecting the desired income stream and your risk tolerance, should be modest.
 - **Growth and Income**: Seeking current income with the opportunity to also experience long-term capital appreciation as my primary objective. I can accept additional fluctuations in my initial investment amount to seek potential appreciation while generating some current income.
 - **Growth**: Seeking long-term capital appreciation of my initial principal investment as my primary objective. I have a long-term time frame and do not need my investments to provide an income stream. Investments that have the potential for growth have increased risk and I understand that my investment value will fluctuate and may be worth less than my original investment.
 - **Speculation**: Seeking a high return of my initial investment as my primary objective. I understand that a speculative investment objective means that my investments will be in higher risk, more volatile securities and require an aggressive risk tolerance.
- **Investment Time Horizon**: The amount of time to meet your financial goal(s). You may have a general investment time horizon or different investment time horizons for each specific account.
- **Investment Experience and Other Investment Holdings**: Provide information regarding your investment experience with each type of security so your financial professional can assess your investment knowledge when making a recommendation. Please list any outside investments holdings in each type of security so your financial professional can take these investments into consideration when making a recommendation.
- **Liquidity Needs**: Liquidity is the ability to quickly and easily convert to cash all or a portion of one's investments without experiencing significant loss in value from, for example, the lack of a ready market, or incurring significant cost or penalties. Liquidity needs can be on a client level or on an account-by-account basis.