PROSPERA
FINANCIAL SERVICES

ACCOUNT UPDATE FORM
Terms & Definitions

Investment Objectives & Risk Tolerance

All investors have objectives or goals, such as seeking income, growth & income, growth, or trading or speculating. All investors also have risk tolerance, which is the amount of risk of loss they are willing and able to tolerate in order to achieve their investment goals. Although all investments involve risk, including the potential loss of principal, some securities, such as equities (stock), among others, involve more risk. Higher risk investments may have the potential for higher returns, but also have the potential for greater losses. Generally speaking, investment objectives are on a spectrum, with "Income" investors generally holding the smallest percentage of higher risk investments and "Trading and Speculation" investors holding the largest percentage of higher risk investments. Similarly, risk tolerances are on a spectrum such that an investor with a "Conservative" risk tolerance will accept less risk than an investor with a "Moderate" risk tolerance; a "Moderate" investor less than an "Aggressive" investor; and an "Aggressive" investor less than a "Trading & Speculation" investor. The "Aggressive" investor accepts short term market volatility associated with a large proportion of higher risk investments because he or she has an Aggressive time horizon and seeks the higher Aggressive return potential associated with these higher risk investments.

Below are descriptions of the combined Investment Objective and Risk Tolerance, listed in order of least aggressive to most aggressive for both (Investment Objective and Risk Tolerance) categories. Please carefully consider your Investment Objective and Risk Tolerance for your account. Your selection is your representation that you meet all the criteria described in the profile.

Investment Objective - INCOME: Income investors seek a maximum amount of income given their risk tolerance, and are willing to forgo capital appreciation and growth of income.

Risk Tolerance- Conservative: Conservative Income investors seek the maximum amount of income consistent with a modest degree of risk. They are willing to accept a lower level of income in exchange for lower risk. Higher risk investments, such as high yield bonds and some equities, are typically not a large percentage of the account.

Risk Tolerance- Moderate: Moderate Income investors seek to balance the potential risk of capital loss with increased income potential. Higher risk investments, such as high yield bonds and some equities, may be some percentage of the account.

Risk Tolerance- Aggressive: Aggressive Income investors seek a significant level of income, are financially able and willing to risk losing a substantial portion of investment capital, and, due to their Long-Term horizon or other factors, they employ higher risk, more aggressive strategies that may offer higher potential income. Higher risk investments, such as high yield bonds and some equities, may be a significant percentage of the account.

Investment Objective - GROWTH & INCOME: Growth and Income investors seek current income but also seek income and capital growth over time. These investors are willing to forgo a portion of current income in order to seek potential future growth.

Risk Tolerance- Conservative: Conservative Growth and Income investors seek the maximum growth and income consistent with a relatively modest degree of risk. They are willing to accept lower potential returns in exchange for lower risk. Equities, generally dividend paying equities, may be some percentage of the account.

Risk Tolerance- Moderate: Moderate Growth and Income investors seek to balance the risk of capital loss with higher potential growth and income. High yield bonds and equities, generally dividend paying equities, may be a significant percentage of the account.

Risk Tolerance- Aggressive: Aggressive Growth and Income investors seek a significant level of growth and income, are financially able and willing to risk losing a substantial portion of investment capital, and due to their Long-Term horizon or other factors they pursue high risk, more aggressive strategies that may offer higher potential returns. High yield bonds and equities, generally dividend paying equities, may be the primary assets in the account.

Investment Objective- GROWTH: Growth investors do not seek account income and their primary objective is capital appreciation.

Risk Tolerance- Conservative: Conservative Growth investors seek maximum growth consistent with a relatively modest degree of risk. They are willing to accept lower potential returns in exchange for lower risk. Equities may be a significant percentage of the account.

Risk Tolerance- Moderate: Moderate Growth investors seek to balance the potential risk of capital loss with their goal of higher potential growth. Equities may be the primary asset in the account.

Risk Tolerance- Aggressive: Aggressive Growth investors seek a significant level of growth, are financially able and willing to risk losing a substantial portion of investment capital, and due to their Long-Term time horizon or other factors, they employ higher risk, more aggressive strategies that may offer higher potential returns. Higher risk investments such as equities may be as much as 100% of the account.

Investment Objective - TRADING & SPECULATION: Trading and Speculation investors seek out maximum return through a broad range of investment strategies, which generally involve a high level of risk, including potential for significant loss of investment capital.

Net Worth – total assets (not including residence) minus total liabilities.

Liquid Net Worth – part of your net worth that can be readily turned into cash (includes checking, savings, stocks, bonds, mutual funds, etc., but does not include automobiles,, real estate, etc.).

ACCOUNT UPDATE FORM

PROSPERA FINANCIAL SERVICES

(Response required to all sections)

Account Registration:____

Account Number:____________________________ **Product Name:**____________________________

Estimated Value of Account Investments: $_____________ **Marital Status**:__________ **Owner is:** ☐ Male ☐ Female

SELECT ✓ ONLY ONE ANSWER IN EACH OF THE FOLLOWING CATEGORIES FOR THIS ACCOUNT:

Investment Objective:
- ☐ Income
- ☐ Growth & Income
- ☐ Growth
- ☐ Trading & Speculation

Risk Tolerance:
- ☐ Conservative
- ☐ Moderate
- ☐ Aggressive

Account Purpose & Nature
- ☐ Investment
- ☐ Retirement
- ☐ Children's Savings
- ☐ Personal Liquid Savings
- ☐ Estate Management
- ☐ Business Management
- ☐ Trust Management
- ☐ Employee Retirement

Annual Income:
- ☐ $0 - $49,999
- ☐ $50,000 - $99,999
- ☐ $100,000 - $199,999
- ☐ $200,000 - $499,999
- ☐ $500,000 - $999,999
- ☐ $1,000,000 - $4,999,999
- ☐ $5,000,000 or more

Tax Rate: *(highest marginal)*
- ☐ 10%
- ☐ 15%
- ☐ 25%
- ☐ 28%
- ☐ 33%
- ☐ 35%
- ☐ Other ______%

Net Worth:
- ☐ $0 - $49,999
- ☐ $50,000 - $99,999
- ☐ $100,000 - $199,999
- ☐ $200,000 - $499,999
- ☐ $500,000 - $999,999
- ☐ $1,000,000 - $4,999,999
- ☐ $5,000,000 or more

Liquid Net Worth:
- ☐ $0 - $49,999
- ☐ $50,000 - $99,999
- ☐ $100,000 - $199,999
- ☐ $200,000 - $499,999
- ☐ $500,000 - $999,999
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- ☐ $5,000,000 or more

Time Horizon:
- ☐ 10+ years
- ☐ 5-10 years
- ☐ 3-5 years
- ☐ 1-3 years
- ☐ Less than 1 year

Years Investment Experience:

Stocks: ______ Annuity/Life Ins:______
Bonds: ______ Mutual Funds: _______
Options:______

Liquidity Needs:
- ☐ Significant (Primary need is liquidity)
- ☐ Moderate (May need quick access to cash)
- ☐ None (Have other sources of cash)

Source of Funds:
- ☐ A-Savings (From Earnings)
- ☐ B-Inheritance
- ☐ C-Business Revenue
- ☐ D-Donations
- ☐ E-Sale of Business
- ☐ F-Sale of Real Estate
- ☐ G-Sale of Asset
- ☐ H-Legal/Ins Settlements
- ☐ I-Asset Appreciation
- ☐ J-Other
- ☐ K-Associated Persons

I/We attest that the information provided is true and correct for each account listed.

Client's Mailing Address: ____

Physical Address *(if different)*: ____

Signature: ______________________________
Date

Gov't ID#: ______________ ____ ____________
State *Expiration Date*

Employer: ______________________________ ☐
✓ if Retired

Work Phone#: ______________________________

Home or Cell Phone#: ______________________________

Other Party's Signature: ______________________________
Date

Gov't ID#: ______________ ____ ____________
State *Expiration Date*

Employer: ______________________________ ☐
✓ if Retired

Work Phone #: ______________________________

Home or Cell Phone #:______________________________

Financial Advisor Signature: ______________________________ Date: ________________

Service Request Number(s): ____

SR approved by (Home Office Rep) E-Signature or initials ______________________________

Any of the above updates affect direct business? ☐ Yes ☐ No If yes, (Home Office Rep) initial client letter sent __________

Sales Supervisor Initials or E-Signature and Date: __________

ACCOUNT UPDATE FORM

(Continued)

(Response required to all sections)

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- ☐ K-Associated Persons

Sales Supervisor Initials or E-Signature and Date: ___________