

CLIENT QUESTIONNAIRE

To ensure that our management of your investments is appropriate to your needs, and to comply with applicable industry regulations, Palo Capital is required to obtain from you certain information about you and your family, including your economic situation and your investment goals and preferences. The information you furnish in this questionnaire will be held in strict confidence as set forth in Palo Capital's Privacy Policy Notice.

This questionnaire will probably take less time than it appears because some questions will not be relevant to your situation. If you aren't sure how to answer a question, skip it or call us to discuss it.

Account title: _____
 _____ Tax ID _____

Owner: _____ Title: _____
 Address _____ City: _____ State ____ Zip _____
 Phone: _____ Mobile _____ Fax _____ Email _____

Co-owner: _____ Title: _____
 Address _____ City: _____ State ____ Zip _____
 Phone: _____ Mobile _____ Fax _____ Email _____

Advisors with whom you may wish us to confer on your account

Tax advisor (name/firm): _____

Estate attorney (name/firm): _____

Other: _____

Account Type:

- Personal: Individual Joint Trust* Joint Trust* Custodian
- Retirement: IRA Keogh 401(k)* Profit-sharing* Pension*
- Other: Corporate* ERISA Foundation
- Tax status: Taxable Tax-exempt/Tax qualified
- Account's Fiscal Year-End: December 31 Other (list) _____

Does Palo Capital manage any other related accounts? Yes No

A. PERSONAL DATA (Complete this section only once. Skip for Corporate & Institutional Accounts)

Client name _____ SSN# _____ DOB (mm/dd/yy) _____

Marital status: Married Divorced Separated Occupation _____

Identification: Passport Driver's license Where Issued _____ Number _____

Citizenship U.S. Other (list all) _____ Country of legal residence U.S. Other _____

Joint client _____ SSN# _____ DOB (mm/dd/yy) _____

Marital status: Married Divorced Separated Occupation _____

Identification: Passport Driver's license Where Issued _____ Number _____

Citizenship U.S. Other (list all) _____ Country of legal residence U.S. Other _____

1. For purposes of the following questions, the term "Immediate Family" includes your husband, wife, brothers, sisters, parents, children, mother-in-law, father-in-law, brothers- and sisters-in-law, sons- and daughters-in-law, and any other person who supports you or whom you materially support.
 - a. Are you or any member of your "Immediate Family" an officer, a director, a general partner, an employee, an associated person or a direct or indirect owner of 10% or more of a securities broker-dealer? No Yes
 - b. Do you or any member of your "Immediate Family" have authority to buy or sell securities for a bank, savings and loan institution, insurance company, investment company, investment advisor, investment partnership or investment limited liability company? No Yes
 - c. Do you or any member of your "Immediate Family" act in a fiduciary capacity to managing underwriters of public offerings of securities, including, among others, attorneys, accountants and financial consultants? No Yes
 - d. Are you or any member of your "Immediate Family" a director, 10% shareholder, or officer of a publicly traded company: No Yes (*List firms*) _____
2. Experience with investment in stocks, bonds, and mutual funds: None Limited Moderate Extensive Very extensive
3. Annual income: <\$20,000 \$20-50,000 \$50-100,000 \$100-250,000 >\$250,000
4. Number of children _____ Number of dependents: _____ (exclude spouse)
5. Do you have a current will? No Yes: year last reviewed _____
6. Do you have a living trust? No Yes: year last reviewed _____
7. Do you have any capital loss carry-forward? No Yes: amount _____

B. INVESTMENT INTENTIONS (complete this section for each account)

If you are opening multiple accounts, and if your answers to the questions in this section would be the same for each account, complete this section only once and write "SAME" on one questionnaire.

1. Financial & Account Statements. If you would like to submit either (i) a financial statement that lists or summarizes your assets and liabilities or (ii) statements from other investment accounts that will not be managed by Palo Capital, we would be happy to review this information and to consider it in developing our plan for your investments with Palo Capital. If you do not wish to submit this information, we will base our decisions and recommendations on the information obtained in this questionnaire.
2. What will be the source of the investment in this account? Account transfer (*attach statement*) Cash Other _____

3. It is very important to me that my investments generate a return in excess of inflation, even if it means they will fluctuate in value from time to time.
- Strongly Disagree Somewhat Disagree Neutral Somewhat Agree Strongly Agree
4. The ability to readily convert my securities portfolio into cash is not important to me. I have adequate liquidity from other sources to meet major near-term expenses.
- Strongly Disagree Somewhat Disagree Neutral Somewhat Agree Strongly Agree
5. If one of my investments loses money, it really upsets me and I have a hard time getting it out of my mind.
- Strongly Disagree Somewhat Disagree Neutral Somewhat Agree Strongly Agree
6. I tend to check my investments almost daily to see how they are doing.
- Strongly Disagree Somewhat Disagree Neutral Somewhat Agree Strongly Agree
7. Even if the economies of some other countries are expected to grow faster than the U.S., I prefer to keep all of my investments in U.S. companies.
- Strongly Disagree Somewhat Disagree Neutral Somewhat Agree Strongly Agree
8. I consider my current and future sources of income from sources other than my securities investments to be very stable and secure.
- Strongly Disagree Somewhat Disagree Neutral Somewhat Agree Strongly Agree
9. I carry little debt, other than my primary home mortgage.
- Strongly Disagree Somewhat Disagree Neutral Somewhat Agree Strongly Agree

D. INVESTMENT OBJECTIVES (complete this section for each account)

1. I would describe my investment objective for this account as: *(check only one)*

- Income with minimal risk of capital loss.

Investors with this objective should invest in a fixed income portfolio. Investment principal will have limited fluctuations, caused mainly by significant moves in interest rates. This approach offers limited protection against inflation risk and is most appropriate for investors who expect to use their invested capital within 3-5 years.

- Some growth of capital with limited fluctuation in investment value.

Investors with this objective should invest in either a balanced portfolio of stocks & bonds or an equity portfolio of income-oriented stocks. While investment value will fluctuate some with this approach, volatility will be less than with a growth-oriented equity portfolio. This approach offers more protection against inflation as compared to a fixed income portfolio, but less than with a growth-oriented equity portfolio. It is usually considered by investors whose investment timeframe is 3-10 years.

- Long-term growth of capital even if investment value may fluctuate.

Investors with this objective should generally invest in a portfolio that emphasizes growth oriented stocks. This approach entails the highest risk of fluctuation and loss of invested principal, but has the highest expected long-term returns. It is most appropriate for investors whose investment timeframe is at least 5-10 years or longer.

2. Balanced & Fixed Income Accounts. If you will have a Balanced or Fixed Income Account, indicate as many of the following objectives for your fixed income investments as apply:

- Managers discretion (if marked, stop here)
- Maturity laddered portfolio
- Maturity (select duration →) 1-4 years 5-10 years 11-15 years
- Current Yield Yield to maturity Tax Free High quality

E. EXPECTATIONS & CONCERNS (complete this section only once)

1. What concerns you most about your finances and/or your investments?

2. What are the most important things that you expect of Palo Capital?

3. What is the average, annualized return you would expect to realize on your investments with Palo Capital over the next 5 years: _____% per year.

4. Over the next 10 years, in how many of these 10 years would you expect that your account would decline in value? _____/out of 10 years.

5. Putting Cash to Work. When Palo Capital receives significant cash earmarked for equity investment, the cash is generally invested over time. If market conditions are judged especially favorable, cash may be invested quickly. If conditions are judged risky, the cash may be placed in short-term cash equivalents with little or no equity investment for some time. Do you have any questions or concerns with this approach?

6. Securities Transferred In. For securities transferred to us for management, Palo Capital usually evaluates each position to determine if it meets our investment parameters. If it does, we will keep it. If not, we will usually liquidate it and reposition the harvested funds. If you have provided us with the tax basis for your positions, we will take taxes into consideration. If you have any current positions you do not want sold for any reason, list them below or on a separate sheet. Please note that you will assume all responsibility for following and managing positions with “do not sell instructions.”

Do Not Sell: _____

7. Are there any additional facts or concerns that Palo Capital should know about?

F. SIGNATURE & ACKNOWLEDGMENTS (complete this section for each account)

I have answered the questions in this Palo Capital Client Questionnaire to the best of my ability and I acknowledge the following:

1. I understand that there can be no guarantees of any kind as to the performance of any of my investments managed by Palo Capital.
2. I understand that (i) Palo Capital manages accounts for other clients and for Palo Capital principals and employees and their family members; (ii) investments in my account may be similar to but not the same as investment in other accounts; and (iii) the investment performance of my account will differ, and may differ substantially, from the performance of other accounts due to investment timing, investment risk tolerance, and other factors.
3. I understand that it is my responsibility to notify Palo Capital immediately of any changes in my investment objectives or in any facts of my personal or economic situation that may relate to my investment objectives.
4. I acknowledge that I have entered into a Discretionary Investment Management Agreement with Palo Capital, and that Palo Capital is authorized to proceed in accordance with the terms of that agreement in advance of a completed Investment Policy Statement.

Client Signature

Date

Joint Client Signature

Date