OAK RIDGE FINANCIAL
The Oak Ridge Financial Services Group, Inc.

4 Step Investment Process

Step 1. Gathering Information

The relationship between risk and reward is one of the most fundamental concepts in investing, but it is different for every investor. While some investors are comfortable with extreme market volatility, others prefer to take a more conservative approach in maintaining and growing their portfolio. Oak Ridge understands that each client has a different risk tolerance and works with its clients on appropriate portfolio choices.

The financial strategies employed by you and your Oak Ridge Professional will be highly influenced by your investment time horizon. At Oak Ridge Financial, we believe that talking with you about your needs and goals is essential in mapping the way to your financial success.

Step 2. Evaluate Client's Situation and Create a Solution

Individual assets have different returns over time. Because of this, a well-diversified portfolio distributes assets across classes like stocks, bonds, and cash equivalents to help offset the many fluctuations in the market. Proper asset allocation, the basis of a diversified portfolio, becomes increasingly important.

A well diversified portfolio offers many benefits to the investor, including: more consistent long-term performance, a reduction in overall portfolio risk, and a smoothing of market volatility.

Each investment opportunity is considered, along with its inherent level of risk and associated fees and expenses. Various products include features and enhancements that impact suitability, depending on your overall financial needs, time horizon and tolerance for market risk.

Step 3. Implement Solution

Oak Ridge's Financial Professionals are able to utilize a variety of resources and tools to help you implement and attain a diversified portfolio. Investment opportunities may include the following alternatives, based on individual suitability:

Equities/Stocks - Common Stocks (equity) represent an ownership interest in a corporation. Stocks can help you build long-term growth into your overall investment plan. Historically, stocks have outperformed other types of investments over long periods of time. Stocks are considered riskier investments than bonds or cash, with prices that fluctuate up and down. Be sure to research a stock before investing.

Bonds - Bonds are a debt investment where an investor loans money to a company (or the government in the case of government bonds and municipalities for tax exempt municipal bonds) for a specific

amount of time, in which they are also receiving a fixed or floating interest rate in return. Interest rate risk can impact marketability and principal if not held to maturity and economic conditions may cause bond values to fluctuate.

Mutual Funds - Mutual funds are comprised of various securities such as stocks, bonds, and money market instruments, according to a fund's investment objective, that are pooled to increase diversification with the added benefit of spreading your money across various security styles (large, mid and small size companies as well as growth and value oriented companies; both domestic and international) and across industries such as financial services, healthcare, real estate, merchandising and retail, etc. As a result, investors typically own a portion of a portfolio that includes many more investments than they could afford to purchase individually. The value of the investor's share of that portfolio increases or decreases based on the value of the investments in the portfolio. Be sure to read the mutual fund's prospectus before investing. It will tell you how the fund will invest, how the fund is managed and administered, and what it will cost you in fees and expenses.

Separately Managed Accounts - Separately managed accounts are similar to mutual funds in that they are managed by a professional asset or money manger with a specific investment style that holds enough securities to diversify your portfolio. They differ from a mutual fund in that rather than pooling your assets with other investors; you hold individual securities in your own account. Typically, there is also a much higher minimum investment associated with a separately managed account than a mutual fund and additional advisory fees.

Annuities - Annuities are contracts between you and an insurance company in which the company agrees to make a stream of payments to you immediately or at some point in the future (annuitization). Deferred annuities are designed for long term growth and provide additional resources in the future. They provide tax-deferred accumulation whereby the insurance company pays you at regular intervals that you select. Immediate annuities are generally purchased with a single lump sum at the beginning of the period. The insurance company then begins sending you payments in the first 13 months, and you can receive payments in time periods that you select. Annuities are designed for long-term investing, to meet long-range goals such as retirement. Annuities are not suitable for short-term goals because substantial tax penalties and surrender charges may apply if you withdraw your money early. In addition, withdrawals prior to age 59 ½ may be subject to a 10% IRS penalty. All guarantees are backed by the claims-paying ability of the issuing insurance company.

Unit Trusts- Unit Trusts are a fixed portfolio created for a specific amount of time in which the investor holds a portfolio of securities in "unit" increments. Investors may receive a share of the trust's earned income, and at maturity receive a share of the holdings.

Step 4. Review Performance and Update Client Information

Our Financial Professionals review performance and always looking for opportunities to diversify and rebalance your portfolio. We believe it is important to keep you abreast of your investments so that you are on the right track to achieving financial independence and reaching your goals, considering life changes and markets as they fluctuate.