

# Wrap Fee Program Brochure

This wrap fee program brochure provides information about the qualifications and business practices of FormulaFolio Investments, LLC. If you have any questions about the contents of this brochure, please contact us via telephone at 888-562-8880 or via email at [Support@FormulaFolios.com](mailto:Support@FormulaFolios.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about FormulaFolio Investments, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## **MATERIAL CHANGES**

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There are no material changes at this time.

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*IMPORTANT NOTICE: Past performance is no guarantee of future results. Your actual results may vary. Investing carries an inherent element of risk. Potential for substantial loss in principal and income exists. This material is not complete unless all pages are included.*

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## ADVISORY SERVICES AND FEES

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### Terminology

The following definitions are essential to understanding the explanations contained within this disclosure document.

**American Stock Exchange (AMEX):** The second-largest stock exchange in the United States, after the New York Stock Exchange (NYSE). In general, the listing rules are a little more lenient than those of the NYSE, and thus the AMEX has a larger representation of stocks and bonds issued by smaller companies than the NYSE. Some index options and interest rate options trading also occur on the AMEX. The AMEX started as an alternative to the NYSE. It originated when brokers began meeting on the curb outside the NYSE in order to trade stocks that failed to meet the Big Board's stringent listing requirements, but the AMEX now has its own trading floor. In 1998 the parent company of the NASDAQ purchased the AMEX and combined their markets, although the two continue to operate separately.

**Aggregate:** The total or the sum.

**Cross Transactions:** A transaction in which a person acts as an investment adviser in relation to a transaction in which such investment adviser, or any person controlling, controlled by, or under common control with such investment adviser, acts as broker for both such advisory client and for another person on the other side of the transaction.

**Custodian:** An agent, bank, trust company, or other organization, which holds and safeguards an individual's assets for them.

**NASDAQ:** A capitalization weighted index that tracks the performance of domestic common stocks traded on the regular NASDAQ markets as well as the National Market System traded foreign common stocks and American Depositary Receipts (ADRs). The NASDAQ is a computerized system established by the FINRA to facilitate trading by providing broker/dealers with current bid and ask price quotes on over-the-counter stocks

and some listed stocks. Unlike the Amex and the NYSE, the NASDAQ (once an acronym for the National Association of Securities Dealers Automated Quotation system) does not have a physical trading floor that brings together buyers and sellers. Instead, all trading on the NASDAQ exchange is done over a network of computers and telephones. An investor cannot invest directly in the index.

**New York Stock Exchange:** The oldest and largest stock exchange in the United States, located on Wall Street in New York City. The NYSE is responsible for setting policy, supervising member activities, listing securities, overseeing the transfer of member seats, and evaluating applicants. It traces its origins back to 1792, when a group of brokers met under a tree at the tip of Manhattan and signed an agreement to trade securities. Unlike some of the newer exchanges, the NYSE still uses a large trading floor in order to conduct its transactions. It is here that the representatives of buyers and sellers, professionals known as brokers, meet and shout out prices at one another in order to strike a deal. This is called the open outcry system and it usually produces fair market pricing. In order to facilitate the exchange of stocks, the NYSE employs individuals called specialists who are assigned to manage the buying and selling of specific stocks and to buy those stocks when no one else will. Of the exchanges, the NYSE has the most stringent set of requirements in place for the companies whose stocks it lists, and even meeting these requirements is not a guarantee that the NYSE will list the company.

**Proxy:** A written authorization given by a shareholder for someone else, usually the company's management, to cast his/her vote at a shareholder meeting or at another time. Rebalancing: Making adjustments to counteract the fact that different assets have performed differently and now comprise different percentages of the portfolio than originally intended.

**Soft Dollars:** Payments to a financial institution in terms of commission revenue, rather than actual cash payments.

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### General Program Overview

FormulaFolio Investments, LLC, (herein referred to as "FormulaFolios," "us," "we" and "our") is a registered investment adviser with the Securities and Exchange Commission ("SEC"). We provide investment portfolio advice and supervisory services to our clients utilizing equities, index mutual funds, and exchange traded index funds (ETFs). We allocate your assets in accordance with your specific goals, financial situation and any investment limitations you may impose.

We offer multiple investment portfolios, which are managed through application of our proprietary investment model. The trade name for our portfolios are "FormulaFolios" and each portfolio is built as a "FormulaFolio Custom Allocation." Each FormulaFolio Custom Allocation is different, and you should choose the FormulaFolio Custom Allocation that best suits your investment goals and objectives. Our FormulaFolio accounts are discretionary; however, our discretionary authority is limited. This means that you authorize the firm to engage solely in implementing your FormulaFolio Custom Allocation's specific investment criteria and account rebalancing. Rebalancing is accomplished by reallocating assets to achieve original asset targets. The rebalancing process does not involve investment supervisory services. Please keep in mind that the rebalancing process is done without regard to how long you have held the securities or various tax consequences from purchases or sells. If you are concerned about how the tax consequences may affect your unique situation, please consult a tax professional.

### FormulaFolio Accounts

We use our proprietary securities screening models to determine our investment recommendations. The equities, mutual funds, and exchange traded funds (ETFs) that comprise our portfolios are chosen by a formula to help eliminate human emotion from the investing process.

Each account is established with a minimum four percent cash position, and the remaining percentage is fully invested in the selected FormulaFolio Custom Allocation. We then implement our proprietary model to identify and direct which securities to own. Throughout the course of your participation in this program, the proprietary model

will dictate how long to hold each security, and when to sell. You will always be able to identify what securities you own inside your account. Your account holdings are then updated by reapplying the formula and rebalancing the account to achieve the original asset allocation on an annual basis. Each FormulaFolio Custom Allocation will only accept securities that specifically meet the qualification of our proprietary investment model. It may be possible that no securities will qualify for the FormulaFolio Custom Allocation during a given period of time. This may result in an account maintaining a full cash position for a given amount of time. Since FormulaFolio Custom Allocations are derived by the application of a statistical model, it is important investors understand portfolio management decisions are made entirely via investing formulas (computer models) and not by an individual or committee.

If you decide to remove your funds from a FormulaFolio Custom Allocation, or, if you do not wish to participate in market fluctuations, you may direct us to place your funds in our money market account. However, we do not recommend this as a long-term strategy since you will be charged the standard account fees while your funds are sitting in the money market account (please see "Program Fees" section below for a detailed description of the fees associated with FormulaFolio strategies).

A proprietary asset allocation model recommends each FormulaFolio Custom Allocation, which is entirely separate from the proprietary securities screening models. The asset allocation model helps us determine the most suitable FormulaFolio Custom Allocation based on investor financial goals, risk tolerance, and tax qualification of their accounts. This asset allocation process can be updated at any time by request to the client's advisor. It is possible that in the future, we may decide to change an asset allocation based on economic research concerning the various formulas and portfolios. It is extremely important to understand that past performance of an investment is no indication of that investment's future performance.

Our services are introduced exclusively by solicitors who are typically associated with brokerage firms and/or other investment advisers. We pay these solicitors a portion of the advisory fee we collect from clients referred to us by the solicitors.

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## PROGRAM FEES

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### Portfolio and Supervisory Services

Fees for portfolio and supervisory services, including most transactional charges, will be a percentage of assets under management. These account management fees will be calculated, accrued and due monthly in arrears. The account management fees for portfolio advice and supervisory services are calculated and billed in U.S. dollars as follows:

Amount Under Mgmt.	FF Investments Mgmt. Fee	Rep Fee
First: <\$100,000	0.95%	_____% (0% to 1.5%)
Next: \$100,000 - \$249,999	0.85%	
Next: \$250,000 - \$499,999	0.75%	
Next: \$500,000 - \$999,999	0.65%	
Next: >\$1,000,000	0.50%	

Account management fees are calculated monthly, in arrears, based on the average daily market value as reported by your account custodian, FOLIO Investments, Inc. ("Folio Institutional"), as of the preceding month's end. Under some circumstances, our account management fees may be lower than this rate schedule. For example, in determining fees, rates, and minimums, we may aggregate related accounts and for billing purposes, treat them like one account. This is done at our discretion and should not be considered the normal order of business. Other factors may include reduced fees for managing the accounts of employees and employees' immediate family members.

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## METHODS OF ANALYSIS

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As stated above, we use our proprietary asset allocation model in addition to our proprietary securities screening model to build a FormulaFolio Custom Allocation for each client. Using the proprietary models, we follow a formulaic process to help eliminate human emotion and automate the investing process. The asset allocation, equities, mutual funds, and ETFs that comprise our portfolios are chosen by a proprietary model and not by an individual or committee.

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## EDUCATION AND BUSINESS BACKGROUND

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### Jason R. Wenk (DOB 1980)

Morgan Stanley.....2000-2002  
Investment Advisor

Retirement Wealth Advisors, Inc.....2003–Present  
President/Chief Investment Strategist

FormulaFolio Investments, LLC.....2011–Present  
Managing Partner/CEO

### Joshua D. Davis (DOB 1978)

Bachelors of Science.....2009  
Aquinas College, Grand Rapids, MI USA

Retirement Wealth Advisors, Inc.....2008–Present  
Director of Institutional Sales

FormulaFolio Investments.....2011–Present  
Director of Institutional Sales

Account management and custodian fees will be billed to you by the account custodian on a monthly basis and will be reflected on your official statement issued electronically by the custodian. You can also access your custodian issued statements directly by logging in to [www.folioclient.com](http://www.folioclient.com). The custodian will deduct the fees directly from your account. The statements will detail the account value upon which our fees are calculated and the amount of the fee. The statement is sent to you electronically at the end of a monthly billing cycle, and the fees will be deducted from your account approximately 10-15 days later. You may object to the deduction of fees from the account by notifying us at the address or telephone numbers shown on each billing invoice. Please keep in mind that in addition to the monthly electronic statements you receive, you will also receive a detailed quarterly performance report directly from FormulaFolio Investments in the mail.

### Account Maintenance Fees, Share Prices and Ticket Charges

In addition to the fees mentioned above, you will pay a annual custodian charge on all retirement accounts (IRAs, Roth IRAs, SEP IRAs, etc.) in the amount of \$25, and other ancillary fees based upon actions you take, such as wire transfers out. The schedule of such ancillary charges is subject to change at any time and is available by logging into [www.folioclient.com](http://www.folioclient.com). We may, from time to time, amend our fees and billing procedures. Changes will become effective after 30 days prior notice. Our fees are not based on the financial performance, capital gains or losses experienced by your account. Lower fees for comparable services (bundled or unbundled) may be available from other sources. Based on the factors explained, some clients may pay lower fees than the fees described above.

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## EDUCATION AND BUSINESS STANDARDS

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Our firm requires that all solicitors possess one or more of the following securities licenses: Series 65, Series 66, Series 6, Series 7 and/or is a registered investment adviser or investment adviser representative. Furthermore, a solicitor may introduce FormulaFolio Investments, LLC services and products only if he/she is permitted to do so by his or her broker-dealer or registered investment adviser.

### Gerald D. Sikkenga (DOB 1953)

Bachelors of Science..... 1975  
Calvin College, Grand Rapids, MI USA

Rothbury Hardware and Farm Supply, Inc.....1976–2005  
Owner/CFO

Retirement Wealth Advisors, Inc.....2006–Present  
Vice President/COO

FormulaFolio Investments, LLC.....2011–Present  
Managing Partner/COO

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## OTHER BUSINESS ACTIVITIES

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In addition to FormulaFolio Investments, LLC, Jason R. Wenk and Gerald D. Sikkenga are owners of Retirement Wealth Advisors, Inc. Jason R. Wenk is also an absentee owner of Kasia Insurance Agency, LTD. Additionally, Retirement Wealth Advisors, Inc. is also a registered investment adviser. Jason Wenk and Gerald Sikkenga spend equal business time with each entity.

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## OTHER FINANCIAL INDUSTRY ACTIVITIES OR AFFILIATIONS

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We have various relationships that are material to our continued success. Our success depends upon continued corporate and individual solicitor relationships with various broker-dealers, investment advisers and banking or thrift institutions. Through these contacts, we obtain solicitors, and our relationship with solicitors is how we develop a client base. Additionally, we have a custodial agreement with Folio Institutional. Folio Institutional acts as the custodian on all of our accounts.

Employees of FormulaFolio Investments, LLC may be employees of Retirement Wealth Advisors, Inc. Furthermore, some of the solicitors of FormulaFolio Investments, LLC are also investment advisor representatives of Retirement Wealth Advisors, Inc. Therefore, some clients of FormulaFolio Investments, LLC may also be clients of Retirement Wealth Advisors, Inc.

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## PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

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Our firm or our related persons may purchase for its or their own accounts ("proprietary accounts") securities that we recommend to our clients, including clients that are related persons. Neither our firm nor our related persons are permitted to enter into or have an interest in an investment transaction that would create a conflict between our interests and our clients' interests without fully disclosing the conflict to affected clients. Neither our firm nor our related persons are permitted to benefit, directly or indirectly, from transactions made for the accounts of clients. Proprietary accounts may benefit on the same basis and to the same extent as clients' accounts when each holds the same investment. We do not allow "cross transactions" between clients or between clients and proprietary accounts.

Generally, investments may only be purchased for proprietary accounts simultaneously or after the completion of the purchase of investments for current client portfolios and may only be sold simultaneously or after completion of the sale of all client holdings of such investments. Exceptions are made for personal securities trades that we believe do not involve potential conflicts of interest, such as open-ended mutual funds, U.S. Treasury Securities, and small amounts of stock of companies or closed-end funds that have very large market capitalization and/or very high average trading volume. Exceptions may also be made in accordance with our trade allocation policy (described in connection with our brokerage placement practices in later paragraphs) when transactions for clients' accounts and proprietary accounts are aggregated ("batched") in order to achieve better execution for all participating accounts and

those benefits are fairly allocated in advance of the transaction among all participating accounts.

Our firm, its employees and associated persons are committed to providing high-quality investment guidance to our clients in an atmosphere that puts the clients' interests first, in full compliance with applicable federal and state laws and regulations. Accordingly, the firm has adopted a code of ethics.

Our code of ethics covers our Firm, its directors, officers, managers, employees and associated persons ("Covered Persons"). We have made our Code of Ethics available to all "Covered Persons." The Code of Ethics may be provided to clients and regulators upon request.

From time to time, and in our firm's discretion, we may provide additional compensation to solicitors. This means solicitors may have a temporary conflict of interest resulting from the additional incentive to recommend our firm. However, under no circumstances will this affect the fees you, as the client, pay for portfolio and supervisory services, nor will it affect our investment recommendations. Under normal compensation procedures, you pay a fee for portfolio and supervisory services based on assets under management (see PROGRAM FEES above). Our firm keeps a portion of that fee as compensation for our services and remits the remainder to the soliciting firm, who then pays the soliciting representative. Should we choose to provide additional compensation to our solicitors, our firm would simply take less and remit more of the fee we receive to the soliciting firm.

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## CONDITIONS FOR MANAGING ACCOUNTS

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The firm requires a minimum account size of \$50,000 for portfolio asset management. Exceptions may be made, solely at the firm's discretion, based on a variety of factors, including but not limited to, prior or anticipated investment activity and family or employment relationships.

We may, at our discretion, aggregate related accounts in the same household in determining whether the account minimum has been met. Minimums may be negotiated depending on your personal circumstances.

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## INVESTMENT OR BROKERAGE DISCRETION

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Under our limited discretionary authority, we will be permitted to rebalance your account as determined by the applicable proprietary investment models and reapply the selected asset allocations without first obtaining your consent. Directions will be given directly to the account custodian to complete the transactions. We utilize Folio Institutional as the custodian for client accounts because we do not, and cannot, have custody of your assets.

Our firm has adopted a written trade allocation policy to govern how we handle the aggregation of orders for more than one client's account to obtain better trade execution and how we allocate limited investment opportunities. Due to the trade management system of our custodian, Folio Institutional, standard processing of trades is done at an aggregate level ("batched") and may include proprietary accounts. In doing so, our goal is to treat each client fairly and will not favor one client or proprietary account over another. When executed, we will allocate the aggregated order in accordance with policies and procedures intended to achieve fair treatment. The purpose of aggregating orders is for our administrative

convenience and, in some transactions, to obtain better execution for the aggregated order than might be achieved by processing each of the transactions separately.

We work exclusively with our custodian, Folio Institutional. Therefore, we cannot aggregate orders that are placed with different brokerage firms. We will not aggregate orders for a client having a directed brokerage relationship, with a client who does not have a directed brokerage relationship with the same broker-dealer.

Each account that participates in an aggregated order will participate at the average share price for all transactions ordered by our firm in that security on a given business day. As permitted by the custodian effecting the transaction, transaction costs will be shared on a pro rata basis. Typically there will be no transaction costs separate from the investment advisory fee.

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## ADDITIONAL COMPENSATION

Our firm does not receive “soft dollars” from any vendor or service provider, such as an insurance company or broker-dealer, in exchange for our placement of brokerage transactions. We may enter into agreements with brokerage, investment advisory, or insurance firms, which permit us to enter into solicitor agreements with the firm’s salespersons. We may also enter into agreements with individuals, corporations, or partnerships to act as solicitors. These solicitor agreements are structured according

to SEC Rule 206(4)-3 under the Investment Advisers Act of 1940. We pay referral fees to persons who solicit clients for our firm. If the individual solicitor is a registered representative of a brokerage firm, we pay the referral fees to the brokerage firm and the brokerage firm pays a substantial portion of the referral fees to the individual who referred the client to us.

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## IMPORTANT INFORMATION AND OTHER DISCLOSURES

### Proxy Voting

We will not be responsible for responding to proxies that are solicited with respect to annual or special meetings of shareholders of securities held in your account. Proxy solicitation materials will be forwarded to you for response and voting.

### ERISA Accounts

For our clients that are trusts governed by the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), we will assume responsibility as an “investment manager,” as defined in Section 3(38) of ERISA, with respect to your trust through a separate ERISA Addendum to our Investment Management Agreement. We will not, however, have any responsibility with respect to the administration of the employee benefit plan or its periodic reporting. We do not maintain bonding coverage described by Section 412 of ERISA because we do not have actual or constructive custody or possession of any client’s assets. Our Investment Management Agreement does not permit us to transfer assets into any person’s name or account other than your own. We believe that, under these circumstances, bonding may not be required based upon the nature of our services to be rendered and the limitations on our authority in the Investment Management Agreement, but each employee benefit plan trustee must make that determination for itself under ERISA. If there is any doubt, existing bonding arrangements for a plan’s trustees may provide coverage if the bonding company is advised in writing in advance of our investment management services. Bonding coverage is the plan trustee(s)’s responsibility, though we will try to help in any way we can upon your request.

### Binding Arbitration

We sincerely hope that no dispute will ever arise between you and our firm over our advisory services. Our firm’s client service agreements do provide that all disputes, claims, controversies, and any related issues, which may arise at any time will be resolved by binding arbitration, rather than by a lawsuit in a court. Please understand that all securities accounts, including those offered by FormulaFolio Investments, LLC, require binding arbitration of disputes involving the account or investment advisory related services. Therefore, we believe it is preferable for our clients to accept binding arbitration of disputes involving us and our advisory services so that all aspects of a dispute may be considered by the arbitrators.

### Investment Risks and Rewards

All investments bear different types of risks and degrees of risk. While our investment strategies are designed to provide appropriate investment diversification, some investments have significantly greater risk than others. Obtaining higher rates of return on investments entails accepting higher levels of risk. Our strategies seek to balance risks and rewards to achieve your individual investment objectives. It is imperative that you ask questions about investment risks if you do not understand them. We will be happy to discuss any questions you may have. Always understand the product you are investing in before making the purchase. All products have different characteristics and risks and are not created equally. Your unique investment objectives make certain products better for you than others. It is important that you periodically reevaluate your financial circumstances and needs to take into account changed experiences, objectives, and financial status.

It is possible that your account will not be profitable and that losses may occur in your investment portfolio. Past performance is an important consideration with respect to any investment or investment advice, but it is not a reliable predictor of future performance. We consider the past performance of various investment strategies, but we in no way guarantee that the past performance of these strategies can be duplicated or guaranteed. Investment risk must take into account a variety of real world factors, including current developments affecting specific securities issuers, industries, markets and economies. Other important variables include investment preferences, or capital inflows and outflows. These real world factors will affect the performance of an investment portfolio and are beyond our control. Therefore, actual results may vary.

### Code of Ethics

FormulaFolio Investments, LLC conducts its advisory business professionally and ethically, adhering at all times to relevant rules, laws, and guidelines. Accordingly, pursuant to Rule 204A-1 of the Investment Advisers Act of 1940, we have adopted a Code of Ethics. Copies will be provided upon request.

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## PRIVACY POLICY

We are committed to safeguarding your confidential information because mutual trust is essential to a successful relationship. Your personal privacy is extremely important to us. Below is our policy for handling your personal information. Feel welcome to contact us with any questions or concerns you may have regarding your personal privacy.

### Information Collected

We collect nonpublic, personal information from you, our client, to assist us in giving you appropriate investment advice and in managing your investments. “Nonpublic personal information” is nonpublic information about you that we obtain in connection with providing a financial product or service to you for personal, family, or household purposes. It does not include information available from government records, widely distributed media or government mandated disclosures. The categories of nonpublic information that we collect from you depend on the scope of your

engagement. We collect nonpublic, personal information about you from the following potential sources:

- Information received from you on applications or other various forms; such as, your name, address, social security number, telephone number, assets, income, taxes, medical and health information to the extent that it is needed to determine the proper FormulaFolio for your objectives.
- Information about your transactions with us, our affiliates, custodians, or others; such as, your account balance, investment cost, investment distributions, investment gain or loss, payment history, parties to transactions, account usage, and insurance policy coverage and premiums.

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## PRIVACY POLICY CONT.

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### Third Parties With Whom We May Share Information

We do not disclose nonpublic, personal information about our clients or former clients to anyone else except as otherwise permitted or required by law. For example, we are permitted by law to share information about you with:

- Our solicitors and their employees, if they introduced you to our firm, and our internal employees.
- Companies that may assist us in processing your transactions and servicing your account, such as Folio Institutional, introducing and clearing brokerage firms, mutual fund companies, and insurance companies.
- Your custodian, Folio Institutional, maintains its own privacy policy which can be accessed at [www.folioclient.com/\\_\\_\\_\\_](http://www.folioclient.com/____) which you should consult to understand how Folio Institutional handles your personal information.
- An accountant, tax preparer, or lawyer who is representing you.
- Federal and state regulators who regulate our firm.

We do not provide your personally identifiable information to direct marketers or independent solicitors (for other companies) for any purpose.

**(Remainder of page intentionally left blank.)**

### Disclosure of Information About Former Customers

If you decide to close your account(s), we will continue to adhere to the privacy practices described in this notice once you become a former client. You become a former client when your Client Services Agreement is terminated. We will maintain personally identifiable information about you during the time you are a client, and for any time thereafter that we are required to maintain the records by federal and state securities laws. After this required period of record retention, all of your information will be destroyed.

### Our Security Policies and Practices

We take reasonable steps to assure the security of client information. We restrict access to nonpublic, personal information about you to those employees who have a business or professional reason for knowing, as permitted by law. We maintain an office and computer environment reasonably designed to help ensure that your information is not placed at unreasonable risk of disclosure or theft. We have designed reasonable physical, electronic and procedural safeguards to help protect your nonpublic, personal information.



## INVESTMENT MANAGEMENT AGREEMENT

This INVESTMENT MANAGEMENT AGREEMENT (this "Agreement") is made between the client(s) named below ("Client") and FormulaFolio Investments, LLC, a Michigan limited liability company ("Adviser"). Client desires Adviser to manage the investable assets identified below and other assets which are in the future placed under Adviser's management (the "Account"). For this purpose, Client and Adviser agree as follows:

1. Appointment; Limited Authority. Client appoints Adviser to act as a limited discretionary investment manager with respect to all assets held in the Account, subject to the following limitations:
  - a. Adviser shall have limited discretion to direct and implement the investment and reinvestment, including account rebalancing, of the assets held in the Account without consultation with Client. Adviser's authority shall survive Client's death, incapacity, dissolution, or insolvency until Adviser's receipt of written notice of that event. All transactions in the Account pursuant to this limited discretionary authority shall be solely for the benefit and risk of Client.
  - b. This limited discretionary authority will not be exercised by Adviser solely to cause Client to purchase or sell any investment in which Adviser or its Advisory affiliates have any personal interest (other than fully disclosed commissions) without prior notice to Client. It is possible that associated persons of our firm are invested in the same securities or investment products that we are recommending.
  - c. All assets under Adviser's management shall be held or distributed in Client's name or as Client otherwise directs Adviser in writing. Adviser shall not have custody or possession of Client's cash, checks, securities, or other property, which is not permitted under applicable law. Services to be provided by Adviser under this Agreement are limited to management of the Account and do not include financial planning or other services.
2. Permissible Investments. Unless otherwise limited by Client, Adviser's discretionary authority shall include the power to purchase, sell, exchange, rebalance or otherwise dispose of any and all types of equity securities-whether publicly or privately offered for sale, domestic or foreign. Permissible investments may include, without limitation, shares, units, and direct or indirect interests in stocks, mutual funds, ETFs, money markets, UITs, etc.
3. Investment Strategy and Limitations. Adviser's investment authority will be limited by any investment objectives, guidelines, or restrictions as Client and Adviser may agree upon from time to time in writing, as well as limitations imposed under any applicable legal investment laws. Adviser's investment decisions will be largely driven by Adviser's formulas, investment strategies and any limitations, rather than the timing of Client's purchase of any particular investment or how long Client has held a particular investment. Adviser may purchase, sell, and hold investments in Client's portfolio without specific consideration of Client's other investments which are not held in the Account and without regard to the specific tax consequences to Client resulting from the sale of an investment.
4. Additions and Withdrawals. Client will give Adviser notice of reasonably anticipated additions to or withdrawals from the Account which are of a significant size or are regularly recurring in nature.
5. Adviser's Fees and Custodial Billing. Adviser's asset under management fees are calculated monthly based on assets under management, as follows:
  - a. Client will pay Adviser periodic investment management fees billed monthly as a percentage of assets held in the Account. Adviser's account management fees will be calculated based on the value of assets held in the Account as reported by the Account custodian as of the end of the billing period. Client agrees to the fee and understands that his/her fee may change periodically based on the value of the assets in the account.
  - b. Adviser's fees will be billed to, and paid by, the account custodian by deducting the fees directly from Client's Account. The account custodian will provide monthly statements reporting all fee deductions from the Account.
  - c. Adviser may from time to time unilaterally amend its fees and billing arrangements. Any change will only become effective after 30 days prior written notice unless Client terminates this Agreement.

- d. Adviser's fees are not based on the financial performance or capital gains or losses experienced by the Account.
6. Custodial Services. Adviser utilizes FolioFolio Investments, Inc. ("Folio Institutional"), an independent third party, as its account custodian. You will have direct access to the custodian via their advised client website at [www.folioclient.com](http://www.folioclient.com) where you can access reports on the assets in the Account and Account transactions occurring during the reporting period. Client will be responsible for paying any custodial fees charged by the custodian. Adviser cannot serve as a custodian and shall have no liability with respect to custody arrangements or the acts, conduct, or omissions of the Custodian.
7. Adviser's Representations. Adviser is currently registered as an investment adviser with the Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended ("Federal Advisers Act").
8. Client's Representations. Client represents that the engagement of Adviser under this Agreement is authorized by, has been accomplished in accordance with, and does not violate any documents to which Client is subject or by which Client is governed. The person whose signature appears below is duly authorized to act on Client's behalf with respect to the Account. Adviser shall be permitted to rely, without independent verification, upon the directions and instructions of this person, the Client or Joint Client named above, or any other representative with apparent authority to act on Client's behalf.
  - a. Adviser shall have limited discretion to direct and implement the investment and reinvestment, including account rebalancing, of the assets held in the Account without consultation with Client. Adviser's authority shall survive Client's death, incapacity, dissolution, or insolvency until Adviser's receipt of written notice of that event. All transactions in the Account pursuant to this limited discretionary authority shall be solely for the benefit and risk of Client.

Amount Under Mgmt.	FF Investments Mgmt. Fee	Rep Fee
First: <\$100,000	0.95%	_____%  (0% to 1.5%)
Next: \$100,000 - \$249,999	0.85%	
Next: \$250,000 - \$499,999	0.75%	
Next: \$500,000 - \$999,999	0.65%	
Next: >\$1,000,0000	0.50%	

9. Client's Responsibilities. Client shall be solely responsible for the accuracy and completeness of all information provided to Adviser. The solicitor and the solicitor's broker-dealer and/or registered investment adviser will be responsible for obtaining information concerning Client's background, circumstances, objectives, and risk tolerances for suitability purposes. Adviser will not independently verify the accuracy or completeness of this information.
10. Proxy Voting. Adviser will not be responsible for responding to or voting proxies that are solicited with respect to annual or special meetings of shareholders of securities held in the Account. Client's will have direct access to proxy and voting materials at [www.folioclient.com](http://www.folioclient.com) and Client is responsible for voting such materials.
11. Best Efforts. Adviser shall perform its obligations under this Agreement with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. Client understands, however, that all investments bear risks which are affected by events and circumstances beyond Adviser's control. Therefore, Adviser cannot assure or guarantee that its advice or services will result in achieving Client's investment objectives or that significant losses of principal or income will not occur in the Account. Adviser is not responsible for market or credit risk or for errors in the exercise of its judgment made in good faith based upon information then reasonably available. This limitation shall not, however, be construed to deprive Client of any non-waivable right, nor relieve Adviser of any non-waivable liability, under the Federal Advisers Act, as applicable, or under any other applicable federal or state laws.

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## INVESTMENT MANAGEMENT AGREEMENT CONT.

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12. Confidential Information. All information and advice furnished by Client or Adviser to the other party shall be treated as confidential and shall not be disclosed to third parties without prior consent, except as permitted or required by law. Adviser may provide information regarding Client and the Account to its affiliates, its custodian, and any other necessary third party required in order to perform its services under this Agreement. Adviser may also provide information to other persons as reasonably necessary in performing its services under this Agreement for the Account, subject to Adviser's privacy policy. The Adviser's privacy policy contains important information that the Client should consider and is incorporated into this Agreement by this reference.
13. Assignment. No "assignment" (as that term is construed under the Federal Advisers Act, as applicable) of this Agreement may be made by Adviser without Client's consent. The Client's consent may be given orally, in writing, or by implied consent permitted under applicable laws. Client's consent to an assignment may be conclusively presumed if Adviser provides Client with written notice describing the proposed assignment with an opportunity and method to terminate this Agreement not less than 30 days prior to the event and, thereafter, Client continues Adviser's services under this Agreement without oral or written objection or contract termination. Any corporate reorganization or change in ownership of Adviser that does not result in a change of control of Adviser is not an "assignment" for this purpose.
14. Termination. This Agreement may be terminated within the first five business days after the date indicated below without cost or penalty. Thereafter, this Agreement may be terminated by Client or Adviser at any time by giving five business days prior written notice. Client may immediately give notice to terminate this Agreement after receipt of Adviser's notice of any proposed "assignment" of this Agreement. Termination of this Agreement shall not affect liabilities or obligations incurred or arising from transactions initiated under this Agreement prior to the termination date, such as the purchase of investments by Adviser for the Account. Client is responsible for any cost incurred in transferring assets from the Account to a different account. After the termination date, Adviser shall have no further duties or obligations to Client under this Agreement.
15. Client's Acknowledgments.
- Client acknowledges receipt of Adviser's Form ADV, Part II, or the equivalent Schedule H brochure, on or before the date of execution of this Agreement (the "Adviser's Disclosures"). The Adviser's Disclosures contain important information that Client should carefully consider and are incorporated into this Agreement by this reference. This Agreement shall control over any inconsistency with Adviser's Disclosures.
  - Client acknowledges receipt of Adviser's Privacy Policy (contained in Schedule H brochure) describing its practices for the collection and sharing of client information.
  - Client acknowledges that Adviser serves other clients and affiliates, and may take action with respect to any of them which may differ from the timing or nature of action taken, with respect to Client and the Account. Adviser shall have no obligation to purchase or sell for the Account, or to recommend for purchase or sale by the Account, any security which Adviser, its principals, affiliates, or employees may purchase or sell for themselves or for any other client.
16. Entire Agreement; Amendments. This Agreement constitutes the entire agreement between Client and Adviser with respect to the Account. If Client is an employee benefit plan governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), this Agreement will be supplemented with an ERISA Addendum, which is incorporated by this reference. Adviser may amend this Agreement, including its fee schedule, by providing Client with 30 days prior written notice. Client is free to terminate this Agreement, as provided below, if the change is not acceptable. In the event that any provision of this Agreement is declared to be invalid, such declaration shall not be deemed to affect the validity of any of the other provisions of this Agreement. This Agreement shall be governed and construed in accordance with the laws of the State of Michigan without regard for conflict of laws principles.
17. Notices. All required notices shall be in writing and directed to the address indicated below or to such other address as may be designated for this purpose by Client or Adviser from time to time. Notice shall be deemed delivered and effective after seven days if sent to the last designated address by ordinary United States mail, postage prepaid.
18. BINDING ARBITRATION
- Client and Adviser each agree to final and binding arbitration, as provided below. Client and Adviser each acknowledge that:
    - Arbitration shall be final and binding on the parties.
    - The parties are each waiving their right to seek remedies in court, including the right to jury trial.
    - Pre-arbitration discovery is generally more limited than, and different from, court proceedings.
    - The arbitrators' award is not required to include factual findings or legal reasoning, and any party's right to appeal or to seek modification of rulings by the arbitrators is strictly limited.
    - The panel of arbitrators may include a minority of arbitrators who were or are affiliated with the securities industry.
    - This agreement to arbitrate does not constitute a waiver of the right to seek a judicial forum to the extent that such a waiver would be void under applicable law.
  - Client and Adviser each agree that, except as prohibited by applicable law, ALL CLAIMS OR CONTROVERSIES AND ANY RELATED ISSUES, which may arise at any time between us (including Adviser's representatives, directors, officers, employees, and agents) concerning any investment or planning advice, recommendation, or exercise of limited discretionary authority with respect to any subject matter; any transaction or order; the conduct of Adviser or its representatives, directors, officers, employees, and agents; the construction, performance, or breach of this or any other agreement between us, whether entered into prior to, on, or subsequent to the date of this Agreement; the breach of any common law or statutory duty; or the violation of any federal or state law of any nature SHALL BE RESOLVED BY BINDING ARBITRATION rather than by a lawsuit in a court of law or equity.
  - Any arbitration pursuant to this Agreement shall be in accordance with, and governed by, the Code of Commercial Arbitration of the American Arbitration Association. Any arbitration shall be held in the County of Kent, State of Michigan.
  - The award of the arbitrators, or of the majority of them, shall be final and binding, and judgment upon the award rendered may be entered in any federal or state court having jurisdiction. Client and Adviser agree and consent that any state or federal court located in Michigan shall have personal and subject matter jurisdiction to enter judgment on an arbitration award.
  - Any arbitration must be commenced by delivery to the other party of a written demand for arbitration or a written notice of intention to arbitrate setting forth in detail the claim or controversy to be arbitrated.
- Therefore, Client and Adviser have executed this Agreement as of the date indicated on the following, final pages of this contract.

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## CLIENT PROFILE

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For your convenience, the following form is available as a "Fillable" PDF. All of the text areas allow you to type in the blanks to fill in your information. To save this data, you must own and have installed on your computer the professional version of the Adobe Acrobat software (available at office stores everywhere or online at [www.Adobe.com](http://www.Adobe.com)). If you are simply using the free, Adobe Reader plug-in, you can still type in the information and then print/fax these pages. However, you will not be able to save your information.

Primary Account Owner:	Joint Account Owner (if Applicable):
Client Social Security / Tax ID #:	Joint Social Security / Tax ID #:
Client Birth Date or Trust Date:	Joint Client Birth Date or Trust Date:
Client Resident Address:	Joint Client Resident Address:
Client Phone #:	Joint Client Phone #:
Client Email Address:	Joint Client Email Address:
Client Marital Status: <input type="checkbox"/> Married <input type="checkbox"/> Single <input type="checkbox"/> Widowed <input type="checkbox"/> Divorced	Joint Client Marital Status: <input type="checkbox"/> Married <input type="checkbox"/> Single <input type="checkbox"/> Widowed <input type="checkbox"/> Divorced
Client Citizenship:	Joint Client Citizenship:
Client Employer Name:	Joint Client Employer Name:
Client Employer Address:	Joint Client Employer Address:
Client Employer Phone #:	Joint Client Employer Phone #:
Client Employment: <input type="checkbox"/> Full-Time <input type="checkbox"/> Part-Time <input type="checkbox"/> Semi-Retired <input type="checkbox"/> Retired	Joint Client Employment: <input type="checkbox"/> Full-Time <input type="checkbox"/> Part-Time <input type="checkbox"/> Semi-Retired <input type="checkbox"/> Retired
Client Occupation:	Joint Client Occupation:
Total Net Worth:	
Annual Gross Household Income:	
Liquid Net Worth:	
Federal Income Tax Bracket: <input type="checkbox"/> 10% <input type="checkbox"/> 15% <input type="checkbox"/> 25% <input type="checkbox"/> 28% <input type="checkbox"/> 33% <input type="checkbox"/> 35%	
Overall Planning Objective: <input type="checkbox"/> Growth <input type="checkbox"/> Growth + Income <input type="checkbox"/> Income <input type="checkbox"/> Capital Preservation	
Overall Risk / Reward Profile: <input type="checkbox"/> Aggressive <input type="checkbox"/> Moderate <input type="checkbox"/> Conservative	
This Investment's Objective: <input type="checkbox"/> Growth <input type="checkbox"/> Growth + Income <input type="checkbox"/> Income <input type="checkbox"/> Capital Preservation	
Overall Investment Experience: <input type="checkbox"/> < 3 yrs <input type="checkbox"/> 3-5 yrs <input type="checkbox"/> 5-10 yrs <input type="checkbox"/> 10-20 yrs <input type="checkbox"/> 20+ yrs	

This questionnaire will help to determine the best asset allocation for your investments, based on your answers.

## TIME HORIZON

1. What is your current age?

- ☐ Older than 75
- ☐ 65 to 75
- ☐ 55 to 65
- ☐ 45 to 55
- ☐ Under 45

2. When do you expect to begin withdrawing money from your investments?

- ☐ Less than 1 year
- ☐ 1-3 years
- ☐ 4-6 years
- ☐ 7-10 years
- ☐ 10 years or more

3. What would you say is the time horizon for this investment?

- ☐ Less than 1 year
- ☐ 1-3 years
- ☐ 4-6 years
- ☐ 7-10 years
- ☐ 10 years or more

## LONG-TERM GOALS AND EXPECTATIONS



4. Which of the above best describes your long term needs from this investment?

- ☐ a
- ☐ b
- ☐ c
- ☐ d
- ☐ e

5. Below, you'll see three hypothetical investments, with an initial deposit of \$10,000.00 and approximate rates of return of 5%, 7.5%, and 11.5%. Which investment looks most attractive to you, taking into consideration both returns and volatility?



6. What is your long term rate of return expectation from this investment, net of fees but before taxes?

- ☐ Less than 4%
- ☐ 4 to 6%
- ☐ 8 to 10%
- ☐ 10 to 12%
- ☐ 12% or greater

## SHORT-TERM RISK ATTITUDE

7. The table to the right displays five scenarios for best and worst outcomes of \$100,000 invested in five hypothetical portfolios over a five-year period. With which portfolio are you most comfortable?

- ☐ Portfolio 1
- ☐ Portfolio 2
- ☐ Portfolio 3
- ☐ Portfolio 4
- ☐ Portfolio 5

Possible Outcomes: \$100,000 Invested for 5 years

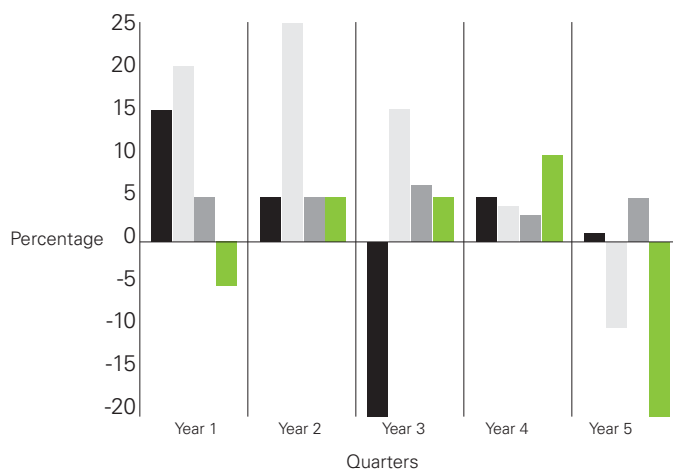
	Worst Case	Best Case
Portfolio 1	\$110,000.00	\$115,000.00
Portfolio 2	\$105,000.00	\$125,000.00
Portfolio 3	\$100,000.00	\$175,000.00
Portfolio 4	\$80,000.00	\$200,000.00
Portfolio 5	\$60,000.00	\$250,000.00

8. The graph to the right shows the quarterly returns of a hypothetical investment over time. If you owned this investment (given its historical and current returns) what action would you take today?

- ☐ Sell off the investments and cut your losses
- ☐ Sell off some of the investments to reduce your losses
- ☐ Continue to hold onto your investments with expectations of future gains

9. Which of these statements would best describe your attitude about the next three months performance of this investment?

- ☐ I'd have a hard time stomaching any losses
- ☐ I can only tolerate small short-term losses
- ☐ If I suffered a loss of greater than 10%, I'd get concerned
- ☐ I wouldn't worry about the losses in that time frame
- ☐ Short term losses do not concern me



## \$ LIQUIDITY NEEDS

10. Do you have a minimum or desired annual income or distribution requirement from this portfolio?

- ☐ No income or distributions are needed
- ☐ 1 to 3%
- ☐ 2 to 4%
- ☐ 5 to 7%
- ☐ 8% or more

11. Do you expect to take any large single sum distributions in the next 12 months?

Yes / No

Purpose: \_\_\_\_\_

How Much: \_\_\_\_\_

Is there anything else that we should know in determining your initial asset allocation?

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OFFICE USE ONLY

Asset Allocation Total:

Client Signature \_\_\_\_\_ Date \_\_\_\_\_

Client Signature \_\_\_\_\_ Date \_\_\_\_\_

Advisor Signature \_\_\_\_\_ Date \_\_\_\_\_

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**SOLICITOR/REFERRING FINANCIAL PROFESSIONAL SUITABILITY ANALYSIS ATTESTATION**

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Custodian: Folio Institutional

Custodian Account Number:

By signing below, I/we acknowledge having received a SPONSOR DISCLOSURES AND DESCRIPTIONS (Brochure Rule 204-3 Form ADV Schedule H) and INVESTMENT MANAGEMENT AGREEMENT, having been informed of the risks associated with investments, having been informed of Adviser's assets under management fees, having been informed of Adviser's account maintenance fees, having been informed of Adviser's transaction fees, and if securities or insurance products are being redeemed for this investment, having been informed that there may be surrender charges or additional sales charges and tax consequences. In addition, my/our signature below indicates that I/ we have made an informed decision and that this particular investment fits my/our investment needs and objectives and my/our signature below indicates my/our consent to this investment transaction. Also, I/we acknowledge that the above information accurately reflects my/ our investment objectives and financial status. I/we further authorize FormulaFolio Investments, LLC to verify my/our names(s), address, birth dates(s), social security number(s) and any other information necessary to establish a relationship with FormulaFolio Investments, LLC. Furthermore, by signing below, I am acknowledging my acceptance of the terms in the INVESTMENT MANAGEMENT AGREEMENT, and my intent to be bound therewith.

Client / Trustee Signature:

Client / Trustee Signature:

Date:

Joint Client / Trustee Signature:

Date:

Solicitor Representative's BD / RIA / Applicable Firm:

Solicitor Representative's Name:

Solicitor Representative's Signature:

Date:

Home-Office Authorized Printed Name:

Home-Office Authorized Signature:

Date:

I certify, as the Solicitor/Referring Financial Professional, that I have conducted a suitability analysis with this client and I believe these advisory services are suitable for the client given his/her current financial status and risk tolerance. I understand that I am responsible for conducting ongoing suitability analyses to verify that the advisory services remain appropriate for the client. I further attest that the information referenced above accurately reflects the client's investment objectives and financial status, as dictated by the client.

Solicitor / Referring Financial Professional Name:

Solicitor / Referring Financial Professional Signature:

Date:

**1. TYPE OF ACCOUNT** Please select only one.

**Personal Accounts**

(Go to Section 2)

- ☐ Individual
- ☐ Joint–Right of Survivorship
- ☐ Joint–Tenants in Common
- ☐ Joint–Tenants by Entirety
- ☐ Custodial (UGMA/UTMA)

**Retirement Accounts**

(Go to Section 2)

- ☐ IRA Rollover
- ☐ Roth IRA
- ☐ SEP IRA
- ☐ Traditional IRA
- ☐ Simple IRA

**Trust/Other Accounts**

(Go to Section 4)

- ☐ Revocable Trust
- ☐ Irrevocable Trust
- ☐ Defined Benefit Plan

**Business Accounts**

(Go to Section 4)

- ☐ Corporation
- ☐ General Partnership
- ☐ Limited Liability Company
- ☐ Limited Partnership
- ☐ Sole Proprietorship

**2. ACCOUNT OWNER INFORMATION** For Business or Trust Accounts, skip to sections 4–6.

Title (*Mr., Mrs., Ms., Dr.*)

Name: (*First, Middle Initial, Last*)

US Social Security/TIN number

Date of Birth (*Month/Day/Year*)

Street Address (*No PO Boxes*)

City

State

Zip

Country

Mailing Address (*If different from street address; PO Boxes acceptable*)

City

State

Zip

Country

Phone Number (Day)

Phone Number (Night)

Email Address (*Mandatory*)

**Are you a U.S. Citizen or a Permanent Resident?**
☐ Yes ☐ No–Country of citizenship \_\_\_\_\_

**User Name and Password**

(*For security purposes, we require that each client have a unique user name and password*)

**User Name Requirements:**

8 to 12 characters and not case sensitive

*\*Note: You cannot change the user name after it is set up*

Primary Account Owner User Name: \_\_\_\_\_

Joint Account Owner User Name: \_\_\_\_\_

**Password Requirements:**

10 to 64 characters and must contain one upper-case letter, one lower-case letter, and one number or symbol

*\*Note: Account Owner(s) can change their password at any time on the my profile page*

Password: \_\_\_\_\_

Password: \_\_\_\_\_

☐ Check here if you are a director, 10% shareholder, or policy-making officer of a public traded company. (*Specify the company name, address, city and state.*)

☐ Check here if you, your spouse, or any other immediate family members, including parents, in-laws, siblings, and dependents are employed by or associated with the securities industry (for example, Investment Advisor, sole proprietor, partner, officer, director, branch manager, or broker-dealer at a Broker-Dealer Firm or Municipal Securities (*If so, you will be required to complete a FINRA Member Compliance Form that will be provided separately.*)

Please specify if you are: ☐ Unemployed ☐ Retired ☐ Homemaker ☐ Student or Occupation: \_\_\_\_\_

Employer Name (*if self-employed, provide the name of business and industry*)

Employer Street Address

City

State

Zip

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### 3. ACCOUNT CO-OWNER/CUSTODIAN INFORMATION

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Title *(Mr.,Mrs.,Ms., Dr.)*

Name: *(First, Middle Initial, Last)*

**Are you the Account Owner's spouse?** ☐ Yes ☐ No

US Social Security/TIN number

Date of Birth *(Month/Day/Year)*

**Marital Status:** ☐ Single ☐ Married ☐ Divorced ☐ Widowed

Street Address *(No PO Boxes)*

City

State

Zip

Country

Mailing Address *(If different from street address; PO Boxes acceptable)*

City

State

Zip

Country

Phone Number (Day)

Phone Number (Evening)

Email Address *(Mandatory)*

**Are you a U.S. Citizen or a Permanent Resident?**

☐ Yes ☐ No—Country of citizenship \_\_\_\_\_

#### User Name and Password

*(For security purposes, we require that each client have a unique user name and password)*

#### User Name Requirements:

8 to 12 characters not case sensitive \*Note: You cannot change the user name after it is set up

#### Password Requirements:

10 to 64 characters and must contain one upper-case letter, one lower-case letter, and one number or symbol

*\*Note: You cannot change the user name after it is set up \*Note: Account Owner(s) can change their password at any time on the my profile page*

Primary Account Owner User Name: \_\_\_\_\_ Password: \_\_\_\_\_

Joint Account Owner User Name: \_\_\_\_\_ Password: \_\_\_\_\_

☐ Check here if you are a director, 10% shareholder, or policy-making officer of a public traded company. *(Specify the company name, address, city and state.)*

☐ Check here if you, your spouse, or any other immediate family members, including parents, in-laws, siblings, and dependents are employed by or associated with the securities industry (for example, Investment Advisor, sole proprietor, partner, officer, director, branch manager, or broker-dealer at a Broker-Dealer Firm or Municipal Securities. *(If so, you will be required to complete a FINRA Member Compliance Form that will be provided separately.)*

Please specify if you are: ☐ Unemployed ☐ Retired ☐ Homemaker ☐ Student or Occupation: \_\_\_\_\_

Employer Name *(If self-employed, provide the name of your business and industry.)*

Employer Street Address

City

State

Zip



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**4. ENTITY INFORMATION** If not a Business or Trust Account, skip to section 7.

Title of Entity	Creation Date
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Title/Contact Name *(Suffix, First, Middle Initial, Last)*

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Entity Tax ID # or US Social Security # for Trust

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Street Address *(No PO Boxes)*

City	State	Zip	Country
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Mailing Address *(If different from street address; PO Boxes acceptable)*

City	State	Zip	Country
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Phone Number (Day)	Phone Number (Evening)
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Email Address *(Mandatory)*

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☐ U.S. Entity ☐ Foreign Entity – Country of Formation: \_\_\_\_\_

☐ Check here if Trustee/Officer/Authorized Agent is a director, 10% shareholder, or policy-making officer of a public traded company.  
*(Specify the company name, address, city and state.)*

☐ Check here if you, your spouse, or any other immediate family members, including parents, in-laws, siblings and dependents are employed by or associated with the securities industry (for example, Investment Advisor, sole proprietor, partner, officer, director, branch manager, or broker at a Broker-Dealer Firm or Municipal Securities Dealer) or financial regulatory agency? (if so, you will be required to complete a FINRA Member Compliance Form that will be provided separately.)

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Please specify if you are: ☐ Unemployed ☐ Retired ☐ Homemaker ☐ Student or Occupation: \_\_\_\_\_

---

Employer Name *(If self-employed, provide the name of your business and industry.)*

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Employer Street Address

City	State	Zip
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## 5. TRUSTEE/AUTHORIZED AGENT/OFFICER INFORMATION

Title (*Mr., Mrs., Ms., Dr.*)

Name (*First, Middle Initial, Last*)

Title in Organization (*Trustee, President, Partner, etc.*)

**Marital Status:** ☐ Single ☐ Married ☐ Divorced ☐ Widowed

US Social Security/TIN number

Date of Birth (*Month/Day/Year*)

Street Address (*No PO Boxes*)

City

State

Zip

Country

Phone Number (Day)

Phone Number (Evening)

Email Address (*Mandatory*)

☐ U.S. Entity ☐ Foreign Entity – Country of Formation: \_\_\_\_\_

☐ Check here if Trustee/Officer/Authorized Agent is a director, 10% shareholder, or policy-making officer of a public traded company.  
(*Specify the company name, address, city and state.*)

☐ Check here if you, your spouse, or any other immediate family members, including parents, in-laws, siblings and dependents are employed by or associated with the securities industry (for example, Investment Advisor, sole proprietor, partner, officer, director, branch manager, or broker at a Broker-Dealer Firm or Municipal Securities Dealer) or financial regulatory agency? (if so, you will be required to complete a FINRA Member Compliance Form that will be provided separately.)

Please specify if you are: ☐ Unemployed ☐ Retired ☐ Homemaker ☐ Student or Occupation: \_\_\_\_\_

Employer Name (*If self-employed, provide the name of your business and industry.*)

Employer Street Address

City

State

Zip

### User Name and Password

(*For security purposes, we require that each client have a unique user name and password*)

#### User Name Requirements:

8 to 12 characters and not case sensitive \*Note: You cannot change the user name after it is set up

#### Password Requirements:

10 to 64 characters and must contain one upper-case letter, one lower-case letter, and one number or symbol

\*Note: You cannot change the user name after it is set up \*Note: Account Owner(s) can change their password at any time on the my profile page

Primary Account Owner User Name: \_\_\_\_\_ Password: \_\_\_\_\_

Joint Account Owner User Name: \_\_\_\_\_ Password: \_\_\_\_\_

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**6. CO - TRUSTEE/AUTHORIZED AGENT/OFFICER INFORMATION** If only one trustee or officer, skip to section 8.

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Title *(Mr., Mrs., Ms., Dr.)*Name *(First, Middle Initial, Last)*

---

Title in Organization *(Trustee, President, Partner, etc.)*

---

**Marital Status:** ☐ Single ☐ Married ☐ Divorced ☐ Widowed

---

US Social Security/TIN number

Date of Birth *(Month/Day/Year)*

---

Street Address *(No PO Boxes)*

---

City

State

Zip

Country

---

Phone Number (Day)

Phone Number (Evening)

---

Email Address *(Mandatory)*

---

☐ U.S. Entity ☐ Foreign Entity – Country of Formation: \_\_\_\_\_

☐ Check here if Trustee/Officer/Authorized Agent is a director, 10% shareholder, or policy-making officer of a public traded company.  
*(Specify the company name, address, city and state.)*

☐ Check here if you, your spouse, or any other immediate family members, including parents, in-laws, siblings and dependents are employed by or associated with the officer, director, branch manager, or broker at a Broker-Dealer Firm or Municipal Securities Dealer or a financial regulatory agency? (if so, you will be required to complete a FINRA Member Compliance Form that will be provided separately.)

---

Please specify if you are: ☐ Unemployed ☐ Retired ☐ Homemaker ☐ Student or Occupation: \_\_\_\_\_

---

Employer Name *(If self-employed, provide the name of your business and industry.)*

---

Employer Street Address

City

State

Zip

---

**User Name and Password***(For security purposes, we require that each client have a unique user name and password)***User Name Requirements:**8 to 12 characters and not case sensitive *\*Note: You cannot change the user name after it is set up***Password Requirements:**

10 to 64 characters and must contain one upper-case letter, one lower-case letter, and one number or symbol

*\*Note: You cannot change the user name after it is set up \*Note: Account Owner(s) can change their password at any time on the my profile page*

Primary Account Owner User Name: \_\_\_\_\_ Password: \_\_\_\_\_

Joint Account Owner User Name: \_\_\_\_\_ Password: \_\_\_\_\_

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**7. BENEFICIARY (FOR QUALIFIED ACCOUNTS ONLY)** Percentage must equal 100% for Primary and 100% for Contingent.

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☐ Primary ☐ Contingent ☐ No Primary Beneficiary ☐ No Contingent Beneficiary

---

Name (First, Middle, Last)

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Percentage	Date of Birth (Month/Day/Year)
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Relationship to Owner	Social Security #
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☐ Primary ☐ Contingent

---

Name (First, Middle, Last)

---

Percentage	Date of Birth (Month/Day/Year)
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Relationship to Owner	Social Security #
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---

☐ Primary ☐ Contingent

---

Name (First, Middle, Last)

---

Percentage	Date of Birth (Month/Day/Year)
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Relationship to Owner	Social Security #
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☐ Primary ☐ Contingent

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Name (First, Middle, Last)

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Percentage	Date of Birth (Month/Day/Year)
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Relationship to Owner	Social Security #
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☐ Primary ☐ Contingent

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☐ Trust ☐ Corporation

---

Full Name (if applicable)

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If trust is named, provide Trustee's First and Last Name

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Percentage	Date of Trust (Month/Day/Year)
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Tax or Employer ID # (if applicable)

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## 8. FINANCIAL INFORMATION Combined of all owners.

### Annual Income

- ☐ \$0–\$19,999  
☐ \$20,000–\$49,999  
☐ \$50,000–\$99,999  
☐ \$100,000 +

### Approximate Net Worth

- ☐ \$0–\$19,999  
☐ \$20,000–\$49,999  
☐ \$50,000–\$99,999  
☐ \$100,000 – \$499,999  
☐ \$500,000 +

### Approximate Net Worth

- ☐ \$0–\$49,999  
☐ \$50,000–\$99,999  
☐ \$100,000 – \$499,999  
☐ \$500,000 +

## 9. FINANCIAL PROFESSIONAL REPORT

☐ I have verified the applicant's identity by reviewing a driver's license. \_\_\_\_\_

or

License #

State of Issue

☐ I have verified the applicant's identity by reviewing another form of government ID. \_\_\_\_\_

Please Specify (such as social security card, birth certificate, or passport)

Broker Dealer/RIA Name

FP Firm Name

FP Name

FP Phone

FP Email

Address

City

State

Zip

Signature

Date

## 10. ACCOUNT OWNER(S) SIGNATURE

I/We certify, under penalty of perjury, that the number shown on this Account Opening Form is my/our correct taxpayer identification number(s), and I/We are not subject to backup withholding as a result of a failure to report all interest and dividends, or the Internal Revenue Service ("IRS") has notified me that I/We am no longer subject to backup withholding. The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding. I/We hereby represent to have the full power, authority, and capacity to execute this Account Application. I/We have read, fully understand, and agree to be bound by the terms and conditions of this Application and its attached sections: FFI Advisory Agreement, FFI Wrap-Fee Brochure, FFI Privacy Notice, the Solicitor's Disclosure Document, and FOLIO<sup>fn</sup> Investments, Inc. Custodial Agreement. In addition I/We acknowledge receipt of the following documents which are included in this Account Application: FFI Advisory Agreement, FFI Wrap-Fee Brochure, FFI Privacy Notice, the Solicitor's Disclosure Document, and FOLIO<sup>fn</sup> Investments, Inc. Custodial Agreement as attached to this Account Application and provided to me/us by my/our Financial Professional. Additionally I/We acknowledge that I/We have read, understand and accept the terms of the FFI Investment Policy Statement provided under separate cover by our Financial Professional. Client also acknowledges that Client has reviewed and understands the risk factors and the fees associated with the Account. Client has the right to terminate this Agreement without penalty within five (5) business days after entering into the Agreement. The Client hereby directs that transactions for the Account should be executed through FOLIO<sup>fn</sup> Investments, Inc. (the "Directed Broker"). FFI does not have the discretion to change broker/custodian without the client's written permission. In directing the use of FOLIO<sup>fn</sup> Investments, Inc., it should be understood that FFI will not have authority to negotiate commissions among various brokers and best execution may not be achieved. Clients should consider whether or not the appointment of FOLIO<sup>fn</sup> Investments, Inc. as the sole broker may or may not result in certain costs or advantages or disadvantages to the client as a result of possibly more or less favorable executions. The client should consider that, depending upon the level of the wrap-fee charged by FFI, the amount of portfolio activity in the client's account, the value of custodial and other services which are provided under the arrangement, and other factors, the wrap-fee may or may not exceed the aggregate cost of such services if they were to be provided separately and if FFI were to negotiate commissions and seek best price for and execution of transactions for the client's account.

Signature

Date

Signature

Date

Signature

Date

---

## 10.1. AUTHORIZATIONS - LIMITED POWER OF ATTORNEY (LPOA)

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Application Number

Financial Professional Name

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Note: Any of these authorizations may be revoked by providing notice to FormulaFolio Investments, LLC. (FFI). Two powers are available in this document: Trading and Disbursement. Either or both can be provided to the Financial Professional ("FP") of record for this account. All account owners, trustees, and executors must agree to the powers provided to the FP and are indicating so by signing or e-signing this document either free standing or as part of a One-Ap.

☐ Trading Authorization. I authorize FFI to execute trades (including but not limited to changes in individual securities, changes of money managers, changes in asset allocation and changes of investment program) in my account at the direction of FP.

☐ Disbursement Authorization. I authorize FFI to disburse assets from this account (i) for credit to a bank account of identical registration, or (ii) to me at my address of record.

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## 10.2. PLEASE READ AND SIGN - LIMITED POWER OF ATTORNEY (LPOA)

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This LPOA amends the Account Holder's FFI Advisory Agreement.

**Trading Authorization.** If I have indicated on this LPOA that the Financial Professional ("FP") named previously, will have the authority to direct FormulaFolio Investments, LLC. (FFI) to execute trades in my Account, I authorize FFI to accept instructions from FP regarding my Account and to take all other actions necessary or incidental to the execution of such instructions, as FP shall direct. If my Account has a margin feature, FFI is authorized to accept instructions from FP to trade on margin, to sell short, to borrow securities, to otherwise cause credit to be extended through the Account, and to secure the performance of obligations in the Account with any assets held in the Account (the "Account Assets"). If my Account is authorized for option trading, FFI is authorized to accept instructions from FP to purchase and sell (write) index participation contracts and covered and uncovered option contracts on securities and securities related indexes, up to my approved level of options trading strategy. FFI, and other people to whom FFI has given instructions in order to implement the FP's instructions, may rely on FP's instructions without obtaining my approval, counter-signature or co-signature. FP's authority will include, without limitation, the authority to give instructions for transactions in securities and financial instruments, including the buying and selling of stocks, bonds, debentures, notes, subscription warrants, stock purchase warrants, covered and uncovered options (if I have authorized trading covered and uncovered options, and only up to my approved level of options trading strategy), mutual fund shares, evidences of indebtedness and any other securities, instruments or contracts relating to securities. I authorize FFI to take such actions as FFI deems reasonably necessary to carry out instructions FFI receives from me and/or FP.

**Disbursement Authorization.** If I have indicated on this Application that my FP will have disbursement authority over my Account, I authorize FFI to disburse assets from my Account to me personally, as instructed by my FP. On my FP's instruction, FFI is authorized to remit checks, wire funds, and otherwise make disbursements of funds held in my Account to: (1) banks for credit to an account of identical registration; or (2) to me at my address of record. Role of FFI. I acknowledge and agree that: FFI will merely carry out transactions as directed by me and/or FP as the case may be; I (and not FFI) am responsible for investigating and selecting FP; FP is not affiliated with or controlled or employed by FFI; and FFI has no duty to supervise or monitor trading by me or by FP in my Account. FFI will send me electronic monthly statements that confirm all activity in my account. I authorize FFI to obtain from FP, and FP to provide to FFI information regarding my Account as FFI may reasonably request. I acknowledge, understand and agree that (1) FPs associated with FFI are independent and not employees or agents of FFI; (2) FFI prescreens associated advisors and checks their experience and credentials against criteria FFI sets; (3) FP's association with FFI does not change that (A) I am solely responsible for (i) the decision to hire FP, (ii) what authority to give FP and (iii) evaluating FP's services and performance; and (B) FFI (i) does not supervise FP and (ii) takes no responsibility to monitor FP's performance or transactions submitted by FP.

**Role of FFI.** I acknowledge and agree that: FFI will merely carry out transactions as directed by me and/or FP as the case may be; I (and not FFI) am responsible for investigating and selecting FP; FP is not affiliated with or controlled or employed by FFI; and FFI has no duty to supervise or monitor trading by me or by FP in my Account. FFI will send me electronic monthly statements that confirm all activity in my account. I authorize FFI to obtain from FP, and FP to provide to FFI, information regarding my Account as FFI may reasonably request. I acknowledge, understand and agree that (1) FPs associated with FFI are independent and not employees or agents of FFI; (2) FFI prescreens associated advisors and checks their experience and credentials against criteria FFI sets; (3) FP's association with FFI does not change that (A) I am solely responsible for (i) the decision to hire FP, (ii) what authority to give FP and (iii) evaluating FP's services and performance; and (B) FFI (i) does not supervise FP and (ii) takes no responsibility to monitor FP's performance or transactions submitted by FP.

**Termination of Authorizations.** The authorizations I have granted in this LPOA will remain effective until I or FP have revoked or terminated any of them by giving notice to FFI, either by email from the email address of record or a signed letter of authorization by fax. FFI reserves the right to require written notice or confirmation that such authorization has been terminated or revoked. I understand that I may revoke or terminate all authorizations or designations conferred herein at any time. Unless revoked or terminated by me, all authorizations and designations conferred herein to FP shall continue to apply to FP's successors or assigns. Such revocation will not affect my obligation resulting from transactions initiated prior to FFI's receipt of such notice. I understand that if FFI terminates its FP Service Agreement with FP, FFI will not be obligated to honor any further instructions from FP; I will have exclusive control over, and responsibility for, my Account.

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### 10.3. VERIFICATION - LIMITED POWER OF ATTORNEY (LPOA)

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I authorize FFI to inquire from any source, including a consumer reporting agency, as to my identity (as required by federal law), creditworthiness and ongoing eligibility for the Account (and that of my spouse, if I live in a community-property state) at Account opening, at any time throughout the life of the Account, and thereafter for debt collection or investigative purposes. Indemnification. I agree to indemnify and hold harmless FFI, its affiliates and their directors, officers, employees and agents from and against all claims, actions, costs and liabilities, including attorneys' fees arising out of or relating to: (1) their reliance on this LPOA, and (2) FFI's execution of FP's instructions.

**I agree to settle by arbitration any controversy between myself and FFI and/or any FFI officers, directors, employees or agents relating to the my account or in any way arising from my relationship with FFI as provided in The FormulaFolio Investments, LLC. Wrap Fee Brochure. The following disclosures are made pursuant to applicable self-regulatory organization rules: (1) arbitration is final and binding on all parties; (2) the parties are waiving their right to seek remedies in court, including the right to a jury trial; (3) pre-arbitration discovery is generally more limited than and different from court proceedings; (4) the arbitrators' award is not required to include factual findings or legal reasoning, and any party's right to appeal or seek modification of rulings by the arbitrators is strictly limited; (5) the panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry. No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action, or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (1) the class certification is denied; (2) the class is decertified; or (3) the customer is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this Agreement except to the extent stated herein.**

By signing below, Account Holder authorizes Financial Professional named within the FFI account application to be its agent and attorney-in-fact to the extent provided above. Account Holder has read and understood the power and discretion provided to the FP by this LPOA.

**This LPOA contains a pre-dispute arbitration clause in this section. Please note: All Account Holders must sign or e-sign. For trust, estate, guardianship or conservatorship accounts, all current co-trustees, co-executors, co-guardians or co-conservators must also sign or e-sign, even if not listed on the account registration.**

If needed, you may attach a separate sheet with additional signatures.

**Additionally, by signing this Agreement, each Account Holder consents to FFI's: (i) sending, by mail, electronic delivery and/or other means, duplicate copies of account trade confirmations, monthly transaction reports, account statements and any other information relating to the Account Holder and the Account to Account Holder's FP, if and in such manner as requested by Account Holder's FP; (ii) sending such information about the Account Holder and the Account to third parties (such as CPAs or performance reporting companies) as Account Holder's FP shall direct FFI; and (iii) disclosure of information about Account Holder and the Account to other third parties as provided in this LPOA and the Account Agreement. Furthermore, I acknowledge that I have received a copy of the Account Terms to retain for my records.**

#### Account Holder/Trustee/Custodian/Executor

Signature:	Date
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#### Additional Account Holder/Trustee/Custodian/Executor

Signature:	Date
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#### Additional Account Holder/Trustee/Custodian/Executor

Signature:	Date
------------	------

\*Please note: All Account Holders must sign\*

#### Advisor

Signature:	Date
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**11. ACCOUNT FUNDING INSTRUCTIONS** How are you funding this account? Check and complete all applicable sections

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☐ **Transfers** Please check the list below to make sure that you have included all the necessary documentation to transfer your account to Folio Institutional.

**Required Documents:**

- ☐ A completed Account Transfer Form, signed by all account owners.
- ☐ A copy of the most current account statement for the account you are transferring

**Additional Documents:**

- ☐ If you needed extra space to specify additional assets to transfer, complete an Additional Assets to Transfer Form
- ☐ If you are transferring a business, investment club, or trust account, enclose documentation that authorizes you to transfer the account, such as a corporate resolution or certification of investment powers
- ☐ If you are transferring an employer sponsored account (401K, etc), enclose a completed distribution form that you obtained from the employer or plan administrator.

ALL applications and transfer forms are accepted by FAX only. Fax all of these materials to: 616-965-2328

☐ **Checks** Complete this section and/or send copies of the checks with the paperwork.

Please make ALL CHECKS payable to FOLIO**fn** Investments, Inc. Send all CHECKS to: (ONLY CHECKS)

Regular Mail – For Retirement Accounts: Attn: Cash Management, Folio Institutional PO Box 10265 McLean, VA 22102-8265

Regular Mail – For NON-Retirement Accounts: Attn: Cash Managment, Folio Institutional PO Box 10246 McLean, VA 22102-3888

Express Delivery Services ONLY (for all account types): Folio Institutional, 8th Floor Attn: Cash Management 8180 Greensboro Drive, McLean, VA 22102

\* Please remember to write your account # on your check. \* Make all checks payable to FOLIO**fn** Investments, Inc.

Check #	Approximate Amount
Check #	Approximate Amount
Check #	Approximate Amount
Check #	Approximate Amount
Check #	Approximate Amount

☐ **Wire Transfers**

Bank: US Bank NA, One US Bank Plaza, St. Louis, MO 63101

Bank Routing Number: 081-000-210

Account Name: FOLIO**fn** Investments, Inc.

Account: 153910326385

For Further Credit: Your account number that you will receive after we open your account.

If you need to make the request in person, we recommend that you take this page with you.

Date (mm/dd/yyyy)	Approximate Amount
Date (mm/dd/yyyy)	Approximate Amount
Date (mm/dd/yyyy)	Approximate Amount
Date (mm/dd/yyyy)	Approximate Amount
Date (mm/dd/yyyy)	Approximate Amount



## 12. ACCOUNT TRANSFER FORM

### A. Information About Your New Account

Account Number (If not yet assigned, leave blank)

Primary Account Owner Name	SSN# or Tax Identification Number
Joint Account Owner Name	SSN# or Tax Identification Number
Joint Account Owner Name	SSN# or Tax Identification Number

### A. Information About the Account You are Transferring

Before you transfer this account, you should wait for any checks that you have written against the account to clear. You should also discontinue any electronic funds transfer (EFT) instructions that you have set up for the account, including recurring investments and distributions.

Firm, Fund or Distributing Employer Name	Your Account Number
Firm, Fund or Distributing Employer Address	Phone Number

#### Personal

- ☐ Individual  
☐ Joint  
☐ Custodial

#### Retirement

- ☐ IRA Rollover  
☐ Traditional IRA  
☐ SEP IRA  
☐ Roth IRA

For a Roth IRA, please provide  
the 5 year aging year: \_\_\_\_\_

#### Employer Sponsored\*

- ☐ 401-k  
☐ 403-b  
☐ Pension

#### Business\*\*

- ☐ Corporate  
☐ LLC  
☐ Limited Partnership  
☐ Sole Proprietorship

#### Other\*\*

- ☐ Investment Club  
☐ Trust  
☐ Other

\* Please attach a distribution form when transferring employer-sponsored accounts. The employer administering the plan should be able to provide you with the distribution form.

\*\* Please attach documentation that authorizes you to transfer the account, such as a corporate resolution or certification of investment powers.

### C. Information About Your New Account

The firm currently holding your assets will transfer stock and cash using the following rules:

**Stock:** Whole shares will transfer to your Folio Institutional account. Fractional shares will be sold and the cash proceeds will transfer to your Folio Institutional account. (You cannot transfer bulletin board stocks, also known as penny stocks, to your Folio Institutional account.)

**Cash:** Cash will transfer to your Folio Institutional account.

**Certificates of Deposit:** You will need to specify when the cash proceeds of your CD will transfer to your Folio Institutional account.

**Other Assets:** The firm currently holding your assets will sell other assets and transfer the cash proceeds to your Folio Institutional account.

#### Transfer the Following Assets to the Folio Institutional Account Described in Section A:

##### Approximate value of this transfer:

#### Stock

- ☐ Transfer My Entire Account

Sell and Transfer  
Cash Proceeds to my  
Folio Institutional  
Account or  
Transfer Shares  
to my Folio  
Institutional  
Account

Number of Shares or "All"	Description of Stock (including Stock Symbol)	<input type="checkbox"/>	<input type="checkbox"/>
Number of Shares or "All"	Description of Stock (including Stock Symbol)	<input type="checkbox"/>	<input type="checkbox"/>
Number of Shares or "All"	Description of Stock (including Stock Symbol)	<input type="checkbox"/>	<input type="checkbox"/>
Number of Shares or "All"	Description of Stock (including Stock Symbol)	<input type="checkbox"/>	<input type="checkbox"/>
Number of Shares or "All"	Description of Stock (including Stock Symbol)	<input type="checkbox"/>	<input type="checkbox"/>

## 12. ACCOUNT TRANSFER FORM CONTINUED

### Cash

- ☐ Full Transfer. Transfer my entire cash balance
- ☐ Partial Transfer. Transfer the following amount: \$ \_\_\_\_\_

### Certificate of Deposit

- ☐ Redeem my CD immediately. Transfer the cash proceeds to my Folio Institutional account.  
I am aware of and acknowledge any penalty I may incur from an early redemption.
- ☐ Redeem my CD at maturity. Then transfer the cash proceeds to my Folio Institutional account.

Sell and Transfer  
Cash Proceeds to  
my Folio Institutional  
Account

or

Transfer Shares  
to my Folio  
Institutional Account

### Other Assets (Not Including CDs and Stocks)

Number of Shares or "All"	Description of Asset	<input type="checkbox"/>	<input type="checkbox"/>
Number of Shares or "All"	Description of Asset	<input type="checkbox"/>	<input type="checkbox"/>
Number of Shares or "All"	Description of Asset	<input type="checkbox"/>	<input type="checkbox"/>
Number of Shares or "All"	Description of Asset	<input type="checkbox"/>	<input type="checkbox"/>
Number of Shares or "All"	Description of Asset	<input type="checkbox"/>	<input type="checkbox"/>

- ☐ I have listed additional stock on the attached Additional Assets to Transfer Form.

### D. Authorization and Signature

To the financial institution I have listed as the current holder of my account: I instruct you to transfer assets to FOLIO Investments, Inc. in accordance with my transfer instructions. I authorize you to liquidate any non-transferable assets, including proprietary money market funds assets that are part of my account in accordance with my transfer instructions and transfer the resulting credit balance. I authorize you to deduct any outstanding fees due you from the credit balance in my account. If my account does not contain a credit balance, or if the credit balance in the account is insufficient to satisfy any outstanding fees due you, I authorize you to liquidate the assets in my account to the extent necessary to satisfy that obligation.

#### Letter of Authorization (LOA) for Joint Account Transfers

If this is a joint account transfer, we acknowledge, agree and authorize that the Other Brokerage account described here will be transferred to the Folio Investments, Inc. account described here, as specified in this document.

#### Age 70 1/2 Restrictions

If this is a retirement account transfer and I am over 70 1/2 years old, I attest that I have met or will meet the required minimum distribution for the current year.

#### Helpful Information

- Before you transfer an account, please wait for any checks you have written against it to clear. Also, cancel any recurring electronic funds transfers (ETFs) for the account.
- You can transfer cash, US listed stocks (including ADRs, ETFs, ETNs and other listed securities), and over 1,000 no-load mutual funds to Folio Institutional.
- If you have other types of holdings such as options, currency or commodity contracts, short positions, unlisted securities, physical stock certificates, or other securities that cannot be held at Folio Institutional, submit a partial account transfer to move only those securities that can be held, or sell those assets for cash prior to submitting a full account transfer.
- If the name(s) on the account being transferred here do not match your account with Folio Institutional, please provide documentation, such as a marriage license or divorce decree, to explain the difference.
- Transfers between brokers take between 3-15 business days. Transfers between banks, insurance companies, mutual fund companies and Folio Institutional may take 3 to 6 weeks.

YOU MUST ATTACH A COPY OF THE MOST RECENT STATEMENT FOR THE ACCOUNT YOU ARE TRANSFERRING, BUSINESS, INVESTMENT CLUB AND TRUST ACCOUNTS MUST ATTACH AUTHORIZING DOCUMENTATIONS. EMPLOYER SPONSERED ACCOUNTS MUST ATTACH A DISTRIBUTION FORM.

Signature	Date (mm/dd/yyyy)
Signature	Date (mm/dd/yyyy)
Signature	Date (mm/dd/yyyy)

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### 13. SOLICITOR'S DISCLOSURE

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Pursuant to SEC Rule 206(4)-3 of the Investment Advisors Act of 1940:

Enclosed is a copy of the current Wrap-Fee Brochure of FormulaFolio Investments, LLC. (hereinafter "FFI"). This is the firm's disclosure brochure that is to be provided to any client or prospective client (hereinafter "Client") before establishing a relationship with FFI as an investment advisor. Provision is required under the Investment Advisers Act, by the Securities and Exchange Commission, and/or by the State of Michigan. This document is to inform the client that while your Financial Professional is not employed or affiliated in any way with the FFI, other than as described in this letter, Financial Professional assisted FFI in presenting the advisory services offered by FFI and may assist in establishing (and maintaining) Client's relationship with the FFI. For the term of Client's advisory relationship with FFI, and according to an agreement between the Financial Professional and FFI, FFI will pay to Financial Professional and/or the Financial Professional's Firm, both initial and ongoing compensation. FFI will pay the Financial Professional and/or the Financial Professional's firm up to an annual rate of 1.5% of assets under management that will be deducted monthly in arrears from the clients account as described in the FormulaFolios Wrap- Fee Brochure. The exact Financial Professional fee charged to client will be specified in section #8 of the Investment Management Agreement of this Account Application. The compensation paid to Financial Professional by FFI is for the solicitation services and for referring client to FFI and covers any expenses associated with these efforts. Financial Professional's services include making any introductions and providing information and material about the advisory services and program of FFI. The services may also include periodic contacts about investment performance, reviews, or other information as may be requested or required to assist in understanding FFI's services or establishing an advisory relationship or providing/updating client information on behalf of FFI. In no event will the services include providing investment advisory services on behalf of FFI. FFI may pay additional compensation to the Financial Professional's firm and/or marketing representatives that are independently contracted by FFI for marketing, client servicing, or related services. These payments will not increase the fees assessed to client's accounts. The compensation for these services is paid to Financial Professional by FFI from the wrap- fees earned. The wrap- fees are detailed in the FormulaFolios Wrap-Fee Brochure. Therefore, Client's advisory fees paid to FFI are all inclusive of the fees paid to Financial Professional. Asset management fees will not be increased above and beyond the total wrap-fees charged by FFI. Signing section 10 of this account application constitutes receipt of the Wrap-Fee Brochure and this Solicitor's Disclosure Document. This will confirm for the SEC that you have received this information and are informed about the solicitor fee arrangement between FFI and Financial Professional as described above.

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Financial Professional Name

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BD/RIA Firm Name

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Address

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City

State

Zip

This customer agreement describes how we will handle your account and trades. It's a legal document that sets out our obligations to you and your obligations to us. It covers how we agree to address the most important issues that may arise between you and us. Like an owner's manual, this agreement explains how key features of our service work. Reading it now will save you from misunderstandings and allow you to enjoy the full benefits of what we offer. By typing your name to this agreement during the account opening process, you agree to this agreement as amended by us from time to time. By using our site, you agree to the membership agreement and any other online agreements that we post on our site, including any changes we make to these agreements. You agree that these agreements are the legal equivalent of signed, written contracts, and equally binding. When we use "you" and "your" in this agreement, we are referring to the Folio Institutional customer, which includes corporations, partnerships, investment clubs, and other entities. "We" or "us" refers to FOLIO Investments, Inc. "Authorized person" refers to another person, if any, who you authorized to take action on an account with us, including any "advisor" that you may have. "Advisor" means a financial advisor or registered representative, if any, with whom you have a separate agreement to manage and control your financial assets.

### Important Information about Procedures for Opening Your Account

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. Accordingly, when you open an account with us we will ask for your name, address, date of birth, taxpayer identification number, and other information that will allow us to identify you. We may also ask to see a copy of your driver's license or other identifying documents.

### Certifications You Make in This Agreement

- You are, and any authorized person is, at least 18 years of age, a permanent resident of the United States and using a valid social security number or taxpayer ID number.
- You have read, understood, and agree to all terms and conditions in this agreement.
- You have truthfully and fully completed all the items in opening an account and using our services.
- You are opening an account for investment purposes and not to disable or disrupt our operations.

When you open an account with us, you agree:

- To provide truthful and accurate information, and to keep it current,
- To allow us to get credit reports and verify information you provide in your account application,
- To settle all transactions in U.S. dollars drawn on a U.S. financial institution, and
- To pay our fees and to pay any amount owed on your account.

If we approve your account application, we will open an account for you.

Folio Institutional reserves the right to modify pricing and services at any time. Folio Institutional reserves the right to restrict or terminate user accounts in the event of abusive, improper, or illegal activity.

### Indemnification

You agree to indemnify us and hold us and our affiliates, directors, officers, employees, and agents harmless under this agreement from and against all claims, actions, costs and liabilities, including attorneys' fees, arising from or related to:

- Any breach by you of any provision or representation of this agreement;
- Any dispute that does not directly result from our performance of brokerage services as set forth in this agreement; and
- Any inaccurate information supplied to us by you or your authorized agent.

### We Do Not Provide Investment, Tax, or Legal Advice

You understand that we will not give you any advice or recommendations about whether a security or investment is appropriate or suitable for you. The decisions to buy, sell, or hold any investment rests solely with you. By making information available to you on our Web site, we are not recommending or advising you to invest in any particular Folio, security, or to use any investment strategy. Information on our Web site is not personalized to fit your needs. It is not tailored to reflect your own financial circumstances or investment objectives, so the securities or investment strategies discussed on our site might not be suitable for you. We do not review your financial situation or tolerance for risk. Although we may provide tools that enable you to assess your own tolerance for risk, or otherwise assist you and seek to educate you in various ways, we do not determine if the tools we provide to select Folios or investments or otherwise assist or seek to educate you will result in suitable or profitable investments for you. All investments entail risks, and you are responsible for determining whether you can afford the risks of using

our tools or making any investment. While we provide you with tools and ways to help you manage your investments and taxes, we do not give you investment, tax, or legal advice. If you wish to have such advice, you will need to consult your own investment, tax, or legal advisers. You agree that we do not provide such advice, and that you make all decisions about investing and trading in your account.

### All Documents Are Delivered Electronically

We believe we are one of the most advanced brokerages in terms of providing account information to our customers electronically. Our opening and maintaining your account is conditioned on your agreement to receive all notices, documents, and other information related to your account and investments electronically. This may be done through an online posting on our Web site, email, CD-Rom, Adobe Acrobat's portable document format (PDF), hypertext mark-up language (HTML), or other electronic media to which you consent. Your consent to electronic delivery extends to all information required to be provided by us, the issuers of the securities in which you invest, and other third parties. This means you will receive email notices that your account statements, confirmations, tax documents (which may include Form 1099B—Proceeds from Broker and Barter Exchange, Form 1099DIV—Dividends and Distributions, Form 1099INT—Interest Income, Form 1099OID—Original Issue Discount and Form 1099MISC—Miscellaneous Income), prospectuses, annual reports, proxies, tender offers and mergers, corporate recapitalizations, margin and maintenance calls, and all other information are available for viewing or printing from your filing cabinet or elsewhere on our Web site. You agree that when we send these email notices to you that they constitute delivery to you of the information mentioned in the email even if you do not actually access the information on our Web site. You may revoke this consent to electronic delivery at any time by providing written notice to us. However, since we have priced our services based on the considerable savings of electronic delivery, we reserve the right to terminate your account or, in certain instances, charge you an extra fee if you ask for paper documents. You agree to keep a working email address and other current contact information and will update your account information immediately if your email address or other contact information changes. If you do not maintain an e-mail address that is working and accessible to us, and we believe we are required to provide you paper notice or documents of particular matters or actions, and we do so, we may charge you an additional fee of not more than \$100 per such delivery. You acknowledge that you may incur costs (such as online service provider charges or printing costs) associated with the electronic delivery of information to you. To view PDF files, you will need to download the Adobe Acrobat Reader, which is provided for free. If your email address or other contact information changes at any time, you need to update your account information on our site.

### Important Information Specifically Regarding Tax Documents for Your Account

As noted above, by opening and maintaining an account with us, you consent to electronic delivery of all account notices and documents, including tax notices and documents. Tax documents will be delivered to your filing cabinet on our Web site in PDF files and may be viewed and printed using Adobe Acrobat Reader, which is provided for free. The tax documents delivered to your filing cabinet will remain available for a minimum of two years after they are delivered. Your consent to electronic delivery of all required tax notices and documents will remain valid unless it is withdrawn. If at any time you wish to withdraw your consent to electronic delivery of tax documents, you may do so by providing written notice to us at our current mailing or email address. After we have received written notice of your consent withdrawal, we will email confirmation to you that we have received such notice and will provide future tax documents in paper form. The withdrawal of consent to electronic delivery of tax documents does not apply retroactively to any documents that we had provided electronically prior to our receipt of your withdrawal notice. Should you require paper copies of any tax documents that we provided electronically, please send a written request to our current mailing or email address describing the documents that you need. Please remember, however, that since we have priced our services based on the considerable savings of electronic delivery, we reserve the right to terminate your account if you ask for paper documents (although we will deliver in paper the tax documents that are required to be delivered to you). In order to ensure that you receive all tax notices and documents either electronically or in paper form, as applicable, you must provide us with your current email address and other contact information. If your email address or other contact information changes at any time, you need to update your account information on our site.

### All Orders Must Be Placed Through Our Web Site; Alternatives May Not Be Available

All trading orders must be placed through our Web site. We offer you a unique way to invest through Folios. You may hold one security or up to a maximum of 100 securities (or, on some special plans, more than 100 securities) in a Folio. One trading alternative allows you to place an order to buy or sell a specific dollar amount across all the securities in your Folio. According to your preferences, the total dollar amount of your order is allocated among the securities in your Folio, buying or selling fractional shares as necessary.

Trading or modifying Folios in dollar amounts rather than share amounts results in complex computations, and orders may affect up to 100 securities in a Folio at once. Our Customer Service Representatives can assist you in entering an order online, but they cannot accept Folio orders over the phone on a routine basis. If emergencies arise, they will be able to take orders for some types of trades over the phone, but they will not be able to take every order that you could place on our site. If you place an order over the phone, you may be charged additional fees because of the additional costs of processing these orders. Please consult our Fees page to read in detail about the orders we can take over the phone and the charges for those orders.

#### **Risks of Limiting Trades to Our Web Site**

Please consider carefully if you can afford or want to take on the risks of limiting your method of placing orders to our Web site. If you cannot access our Web site or our Web site is not functioning, you may not be able to place Folio orders through other means. You agree that you assume responsibility for all losses that arise if your orders cannot be placed on or through our Web site.

#### **Risks of Online Investing**

While we have put tremendous resources into building and testing our computer systems, computer glitches, slowdowns, and crashes will occur. We will also need to restrict access to some parts of our site or our entire site to perform routine maintenance. We will try to schedule our maintenance during the middle of the night. While it is our intention that our Web site will be available seven days a week except when maintenance is scheduled (usually for weekends), you understand that we do not guarantee that you will always be able to access our Web site to place orders or that your orders will always be executed. Computer problems can arise on your end, our end, or anywhere in between: your computer may break down; the connection between your computer and your Internet service provider may not work properly; your Internet service provider may go down; or our computers and the computers we link to may be unavailable due to unforeseen system outages. When trading volumes soar on our nation's stock markets and many investors want to buy or sell at the same time, lines form and orders cannot be filled as quickly. You agree that we are not responsible for any losses or liabilities that may occur as a result of high trading volume, market volatility, or computer, telecommunications, or Internet failures, regardless of the cause.

#### **Extraordinary Events**

You agree that we are not liable for any losses caused directly or indirectly by extraordinary events or conditions beyond our control. Such events include, but are not limited to, government actions, exchange or market rulings, and suspensions of trading.

#### **Keep Your Account Information Secure**

You understand that you are responsible for securing the confidentiality and use of your user name, password, and other methods of securing access to your account(s). You will be solely responsible for all transactions that are sent electronically using your user name, password, and other security measures. You should notify us immediately if your user name or password is compromised or lost. You understand that we use Secure Socket Layer technology to protect and encrypt the transmission of information from and to you. You also understand that we strongly suggest that you use a browser with 128-bit encryption to secure your information. While we have taken reasonable measures to keep your information secure, we are not liable if your data and communications are intercepted. Should someone intercept a transmission of your information, you agree that you will not hold us, our affiliates, independent companies, or others who provide services through our Web site liable for any type of damages. This includes any liabilities or damages resulting from viruses that may infect your or our computer(s) or third-party Internet facilities.

#### **Consent to Recording Your Telephone Conversations**

You consent to having your conversations with us recorded if we decide to record such conversations.

#### **No Guarantee on Accuracy of Third Party Information**

You understand that we are not responsible for the accuracy or your use of any information we receive from third parties. While we use companies we believe to be reliable, we have not verified and do not make any warranty for information provided by third parties. Our Web site contains links to other Web sites. We provide these links for the convenience of our customers; however, we have no control over these other sites. Therefore, we are in no way responsible for and in no way approve, endorse, or guarantee the accuracy, reliability, or completeness of any data or information provided in any hyperlinked Web page or Web site.

#### **Services and Products Provided by Our Affiliates and Others**

You understand that our web sites allow you access to various financial products and services that are provided by affiliates of ours or by companies that are independent of us. These products and services may be governed by separate terms and conditions that are accessible through the Web pages of the companies

that provide the products and services. You agree to the terms and conditions that govern the products and services offered by our affiliates and these independent companies. Our affiliates and the independent companies can enforce their terms and conditions, relying upon your acceptance of this Agreement to do so.

#### **Disclosure of Information to Issuers**

Under SEC rules, an issuer of securities that is distributing proxy materials to its shareholders is entitled to request from a broker-dealer name, address and securities position information for those customers of the broker-dealer who own the issuer's securities. By electronically signing this Agreement, you object to the release of your name, address and securities position information to the issuers of securities you own and hold in your account(s) with us.

#### **Handling Your Trades: Window vs. Market**

Before you can purchase a security, you must have available cash or money market funds to cover your purchase in your account. You have various options for executing your orders, including through a "window trade," a "market trade" and through "stop" or "limit" orders.

#### **Window Trades**

On a typical day when the market is open for the entire day, we will usually conduct two window trades. If the market is open less than a full day we usually conduct one window trade. If you place a trade after the last window trade closes, your trade will be executed during the first window on the next trading day. Please consult our Web site for current window trade times and frequency. We also may provide additional window trades for very large customers whose trading might otherwise adversely affect other customers' trades. In a window trade, you and other customers submit orders throughout the day until the window closes that we then fill after the window closes. After the window closes, we will either forward such orders in an aggregated format to our market centers for execution or we will begin to match orders from buyers and sellers. If we match orders and we have a successful match between your order and another order (full or partial), we will fill your order internally between the price to buy and sell, otherwise known as the bid/ask price spread. Where we cannot match your order, or if we determine not to match orders generally, we will either forward your order to market centers for execution, or, for odd lots or fractional shares, we may execute unmatched orders using our own inventory of securities. The orders sent to market centers for execution and the orders matched internally are then reviewed and priced to ensure that all buyers in a security receive the same execution price and all sellers in a security receive the same execution price. The process of closing the window, matching the orders internally if we determine to do so, forwarding unmatched orders to market centers for execution or executing them against our own inventory (for odd lots or fractional shares), pricing all the orders after execution, and posting the orders to your account frequently takes from one to two hours and can take longer. You understand and agree that in some unusual instances the morning window may not be fully posted until after the afternoon window closes, and in that event you would not be able to place a subsequent order in the afternoon window (because a subsequent order cannot be placed while an earlier order is still posting).

#### **What Is an Ask Price?**

The price you buy at if you send your order to the market.

#### **What Is a Bid Price?**

The price you sell at if you send your order to the market.

#### **Example**

For the purposes of this example, assume there is a morning window trade at 11:00 AM Eastern Time. At 8:00 am Eastern Time (ET): You place an order to buy \$1000 of your favorite Folio of 50 securities. At 11:00 am (ET): The trading window closes. After 11:00 am (ET): We match 15 securities in your buy order against sell orders by other of our customers, giving you an advantageous price between the bid/ask spread (if we are then matching orders). We will either forward the remaining 35 buy orders to market makers for execution, or, for odd lots or fractional shares, we may execute unmatched orders using our own inventory of securities. We cannot guarantee that every window trade will take place on time or occur at all, or that we will be engaged in matching any orders. You understand and agree that there may be times when window trades are delayed or are cancelled because of quote vendor failures, computer failures or events affecting the markets.

#### **Window Tradable Securities and Rules**

You can only trade a limited universe of securities through a window trade. We keep a list of these securities, called "window tradable securities," on our Web site. Some window tradable securities may be included in various "tiers" that are available only to certain types of customers (such as advisors) or for which an extra charge is levied for trading them. These additional charges would be disclosed in pricing plans or noted on our web site and are subject to change from time to time. While you can trade up to 100 securities in one Folio order, you can place only one order per Folio in any given window.

### Example

If you have three Folios, A, B, and C, you can place one order for each Folio in one window. You cannot place two orders for Folio A in one window. We choose window securities based on a combination of the security's market capitalization and trading volume. We also generally restrict our selection of window securities to those securities that are traded on an exchange (AMEX, NYSE, Nasdaq Global Select Market, Nasdaq Global Market, or Nasdaq Capital Market.) Our list of window securities will change over time. We may drop a security from our list for a variety of reasons. For instance, a security may be delisted from an exchange or no longer be actively traded. If you own a Folio containing a security that is no longer listed as window-tradable, you generally can still "sell all" of the security in a window trade. You cannot sell some of the shares of this security or buy more of this security through a window trade, but generally you can move shares to Non-Folio Holdings and do a market, stop or limit trade.

### Cancel Order Limit

Since the price may change between the time you place your window trade order and the time the window closes, we provide you with a Cancel Order Limit feature. This feature allows you to set a price limit that will cause your order to be automatically cancelled if your limit is reached. Generally, we set the limit at "no limit," but you can change it. The Cancel Order Limit applies to total price changes for all the securities in the Folio. It does not apply to the price change of an individual security in the Folio (you can use a "limit order" or "stop order" for that). If you want to change the limit or take it off, you can do so when you open an account or from the My Profile page. You can change the Cancel Order Limit from the page where you place a trade, but the change you make there will only apply to the trade you are making. The Cancel Order Limit can help protect you from selling at a price much lower than you intended, or buying at a price much higher than you intended. You agree that if the price movement is greater than the limit you set (for example 5%), the order is canceled. Our system should not be used for market timing, and the Cancel Order Limit should not be used to support an active trading strategy.

### Market Trades/Limit/Stop Orders Cost Extra

Although you can trade as few as one security in a Folio through a window trade, you may not want to wait for a window to trade a security. You can also send an order immediately to a market for execution, as you would do with a traditional online brokerage firm. Because of the way the stock market works, these orders sent to the market for execution must be in whole shares; fractional shares or dollar-based orders (which can be used in window trades) will not be accepted for market, limit or stop orders. In addition to the securities you can trade through a window, there is a larger group that you can hold in your account. This larger group of securities includes those that are traded on a domestic exchange or are designated as Nasdaq National Market securities or Nasdaq Small Cap securities. If securities are not among those that you can trade through a window, you can only buy or sell them by placing a market, limit, stop, or stop-limit order that is sent directly to the market. We do not internally match such orders and you will generally pay a commission on each security that you buy or sell by sending an order to the market for execution. Please consult our Fees page for commission information.

### Market Volatility, Market Orders and Limit/Stop Orders

You understand that — whether you place a market, limit or stop order — you will receive the price at which your order is executed in the marketplace. You understand that placing contingent orders, such as "stop-loss" or "stoplimit" orders will not necessarily limit your losses to the intended amounts, since market conditions on an exchange on which the order is placed may make it impossible to execute such orders. Similarly, you understand that using "market orders" can be risky, since large gaps can occur in price movements of active stocks. Particularly during periods of high volume, illiquidity, fast movement or volatility in the marketplace, the execution price received may differ, perhaps substantially, from the quote provided on entry of an order, and you may receive partial executions of an order at different prices. You understand that we are not liable for any such price fluctuations. You also understand that price quotes generally are for only a small number of shares as specified by the marketplace, and larger orders are relatively more likely to receive executions at prices that vary from the quotes or in multiple lots at different prices. Securities may open for trading at prices substantially higher or lower than the previous closing price or the anticipated price. If you place a market order (whether during normal market hours or when the market is closed), you agree to pay or receive the prevailing market price at the time your market order is executed. You understand that the price you pay may be significantly higher or lower than anticipated at the time you placed the order. To avoid buying a security at a higher price and possibly exceeding your buying power, or selling it at a lower price than you desire, you understand your option to enter a limit order. You also understand that limit orders may not be executed at any particular time, or at all if there is not sufficient trading at or better than the limit price you specify. Our web site contains further information regarding orders types and limitations, which you agree to read and understand before placing such orders.

### Account Maintenance Fee

Transactional accounts will be assessed a quarterly account maintenance fee at the beginning of each quarter. This fee will be waived if the account was opened in the

previous quarter, or if the account holder completed four or more trades within the previous quarter or, at our option, if certain other conditions are met as described on our web site. The account maintenance fee does not apply to any subscription account.

### We May Receive Payments for Your Orders

Using a computerized system, we route some customer orders to a particular broker/dealer or market center based on the exchange or market in which the security is traded. When we do this, we may receive payment for order flow, a standard industry practice where brokerage firms receive a small per-share rebate on orders routed to certain market makers or specialists for execution. We monitor such executions regularly to ensure that all orders are executed at prices equal to or better than the displayed national best bid/offer price. We will provide you with information about the source and amount of compensation for any order you placed if you make a request in writing. We may also receive compensation that is not directly related to specific per-share amounts from market centers based on the quality or type of order flow presented to the market center or otherwise.

### Selecting Markets for Your Orders

We may select the broker/dealer or market where we send your orders. You will not have the ability to direct your trades to a specific market for execution.

### Reinvestment of Cash Distributions

You may choose to have your cash distributions (dividends, capital gains, and return of capital) at or above specific thresholds automatically reinvested in the securities that paid them. Cash distributions that are less than the specified threshold will generally be swept into the then current sweep vehicle in accordance with our then current sweep policies. We may change the threshold and frequency for automatic reinvestments of distributions at any time and from time to time without notice.

### Partial Shares

You generally cannot transfer any partial (or fractional) share amount out of your account. If you want to transfer the securities in your account to another brokerage firm and the receiving firm does not accept partial shares, we will transfer your whole shares. Partial shares will be sold in the next window after we receive your complete transfer instructions. The money from these partial share sales will be deposited in your account and transferred according to the transfer instructions.

### Taxes and Tax Lot Methods

In general, you will owe tax on any security you sell for a profit after subtracting brokerage fees. Our monthly fee is not a brokerage fee, and is not deductible from the sale of individual securities. But fees for market, limit, stop and similar trades are generally added to the cost basis of a purchase and deducted from the proceeds of a sale. If you sell a security for a loss, you may be able to deduct the loss and lower your taxes. We provide a number of ways to specify which tax lots are sold when you sell securities. You can change the settings when you open an account or by clicking on the "My Profile" tab. The change you make in "My Profile" will apply universally, every time you sell shares. You can also change this setting from the page where you place a trade, and the change you make there will only apply to the trade you are making.

### Sweep Vehicle

The available cash in your account will automatically be invested pursuant to the terms of the sweep vehicle then applicable to that account, that amount of cash and the amount of cash then in that account. When and if the applicable sweep vehicle is a money market fund, you are provided access on our Web site to the prospectus that describes the fund's operation and costs. When the applicable sweep vehicle for accounts is a bank account sweep vehicle it will be governed by the various terms and conditions attached as an Exhibit to this customer agreement and included herein by reference. By maintaining an account with us you hereby agree to such terms and conditions in the Exhibit hereto. We may change the selection of a sweep vehicle (including any available money market funds or bank or insurance wrapped, or free credit vehicles or otherwise) we use with prior notice to you and amounts in your existing sweep vehicle may be converted to the new sweep vehicle, unless you instruct us otherwise. We reserve the right to change custodians for any sweep vehicle and may elect to expand or restrict our offering of sweep vehicles. You recognize that bank account sweep vehicles may offer Federal Deposit Insurance Corporation insurance up to certain limits (please see the attached Exhibit for more information). Since your monthly account statement will detail activity in any sweep vehicle, you agree that you will not receive a confirmation for transactions in your sweep vehicle. Any available cash in your account will be automatically invested in your sweep vehicle on a regular basis. We will redeem sufficient amounts from your sweep vehicle to pay for security purchases in your account on settlement date. Unless margin purchases are then available and you have elected to have margin available for your account and have been so approved, and then only within the applicable limits, you cannot enter purchase orders unless there are sufficient funds in your account (the amount available in the sweep vehicle plus amounts settling from the sale of certain securities less or plus certain other amounts (such as buys that have not yet settled or wires that have been received that day)) to cover the amount of the purchase.



### Managing Transactions in Your Accounts

When your buy order is executed, the amount of the purchase will likely be retained in your sweep vehicle and earmarked to pay for the purchase. Although you will not be able to use this cash for other purposes, it generally will earn interest until it is transferred out of the sweep vehicle to settle your purchase. Most trades settle in three business days from the purchase date. For trades that settle in one business day, such as certain mutual funds, cash will be transferred out of your sweep vehicle on the next business day after the trade date. When you sell an investment, we will usually receive your money in three business days, or in one business day, depending on the type of sale. As soon as we receive your money, it will be invested in your sweep vehicle in accordance with our then current sweep policies, which may be changed from time to time without notice. If you send us a check, we will deposit it into your account and notify you by email of the deposit in accordance with our then current policies, which may be changed from time to time without notice. These funds will be invested in your sweep vehicle, generally on the fourth business day after deposit, but in accordance with our then current sweep policies. While you will usually be able to make an investment in one to three business days after these funds are deposited into your account, you will generally not be able to withdraw the money from your account until your check clears, which may take up to ten business days. Consequently, we generally place at least a ten-day hold on the withdrawal of all monies deposited to an account. Foreign checks could take up to 20 days to clear. We will deduct from your account balance our fees and any other outstanding liabilities, such as overdrafts or debits, resulting from activities in your accounts. We will deduct these fees from any existing cash balances in your account. If there is insufficient cash in your account, then we will redeem sufficient shares from your sweep vehicle to cover the balance owed. If there are insufficient funds in your sweep vehicle to cover the fees, we will create a debit in your account. We will require prompt payment of the amount owed within 30 days for cash accounts. We will charge interest on the unpaid balance at the margin rate listed below. At the end of 30 days if the debit has not been paid, we will liquidate enough of the holdings in your account to pay the amount owed. This will be done without consideration of any tax consequence the sell order may cause. You pledge all assets in your account(s) as collateral to secure your indebtedness to us and these assets and accounts will be subject to a general lien in our favor. All assets now or in the future held in your account may be pledged or otherwise used as collateral to secure the amount(s) owed to us.

### Check Writing

You understand that the use of your checking account is governed by the rules of the bank that provides check writing services for us, the Uniform Commercial Code, and federal and state laws. You will pay fees for the expenses of running the account, including fees for ordering checks, bouncing checks, stop payment requests, and dishonored checks that are deposited to your account. Please see our Fees on our Web site for the current list of charges.

### Check Requests

We offer customer service assisted check requests. If you request a check be sent to you from customer support, there will be a charge. Please see our Fees on our Web site for the current list of charges.

### Transferring Funds Electronically Bank wires

The Federal Reserve System processes bank wires. They are normally completed on the business day following your request.

### Electronic Fund Transfers Through ACH

The Automated Clearing House, ACH, processes electronic fund transfers. To use this service, your bank must be an ACH member, and one common name must appear on both your account with your bank account and us. You can transfer anywhere between \$10 and \$99,999 through ACH. Transfers are normally completed within three business days, and credits to your account may be on hold for five to seven business days thereafter. We may limit whether we accept or permit ACHs initiating or terminating at our site.

### Account Statements and Confirmations Report Errors Immediately

You will receive an email periodically, but not less than quarterly, that your account statement is available for viewing or printing from our Web site. These statements will detail all activity recorded in your account. You will also receive an email that a trade confirmation is available for viewing or printing from our Web site the business day following the date of activity. You are strongly encouraged to review these documents promptly. We will conclude that all information is correct unless you contact us promptly about any errors. If, for any reason, you do not periodically receive emails from us notifying you of your statement delivery, you agree to notify us immediately so that we can determine the cause of the notification failure and take appropriate steps to correct it.

### Laws and Regulations Apply

All transactions executed through us are subject to the constitution, rules, regulations, customs, and methods of doing business at the exchange, market,

clearinghouse, or agency that processes transactions. Various federal and state laws and regulations may apply to transactions in your account. These laws and regulations may place restrictions on your ability to freely trade some securities if you own "restricted" or "control" securities, or if an insider trading policy applies to you. You agree to comply with all relevant legal requirements and only to effect transactions through us that are legally permissible.

### Securities Investor Protection Corporation ("SIPC")

You may obtain information about the Securities Investor Protection Corporation (SIPC), including the SIPC brochure, by calling (202) 371-8300 or going to [www.sipc.org](http://www.sipc.org).

### Joint Accounts

If this is a joint account, you understand that any account holder may exercise complete control over the account as if he or she was an individual account holder. For example, any joint account holder may buy, sell, modify, receive money and account documents, and make agreements relating to the account. We will follow the instructions of any joint account holder, even if one account holder asks us to deliver all funds to him or her. We will not inquire about the appropriateness of a request unless we receive a written notice. However, we may impose a requirement that all account holders agree to a request if we believe it is necessary. We may seek payment of any and all fees or charges due from the account against one or more of the account holders individually.

### Margin Accounts

Although we do not currently offer margin accounts, we plan to do so in the future. These provisions will apply if you decide to use margin in the future.

### General Margin Provisions

A margin account enables us to extend credit to purchase "marginable securities," as defined by the Federal Reserve Board and approved by us. The Federal Equal Credit Opportunity Act prohibits us (as a creditor) from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status or age (provided the applicant has the capacity to enter into a binding contract). All margin accounts are subject to our approval. You acknowledge and understand that when you trade on margin, you are borrowing from us. You agree to promptly satisfy all margin and maintenance calls. You agree to maintain, at all times, an amount of securities and/or cash great enough to satisfy all of our requirements and requirements of the Federal Reserve Board. You acknowledge that margin transactions are riskier and can involve greater loss than cash transactions. You understand that your financial exposure could exceed the value of your securities. You should carefully examine your financial resources, investment objectives, and tolerance for risk to determine if a margin account is right for you. You agree to read and be bound by these provisions and to contact us before trading on margin if you do not understand these provisions. Any transaction conducted under this margin agreement shall be subject to the rules, regulations, rulings, and interpretations of the Financial Industry Regulatory Authority ("FINRA") and of any market and its clearing house, and to all rules and regulations resulting from governmental acts and statutes as applicable. By agreeing to these provisions, holders of margin accounts acknowledge and agree that (i) some of their securities may be lent to us as principal or lent out to others by us, (ii) you may lose the ability to vote those securities, and (iii) they may receive dividend-in-lieu payments instead of dividend payments as a result of our lending out securities.

### Margin Requirements

Regulation T and House Credit Limits — Regulation T of the Federal Reserve System governs the amount of credit and the conditions under which credit is extended to customers. Our requirements are equal to or more restrictive than the regulatory requirements.

### Our Margin Requirements — All margin accounts are subject to the following requirements:

- Minimum equity in a margin account is \$2,000,
- Initial margin of 50 percent of the current market value of the securities, and
- Maintenance margin of 35 percent of the current market value of most securities (maintenance margin may be higher for highly volatile securities or for accounts that are highly concentrated regardless of the volatility of the security held in the account or for any reason we deem appropriate in our sole judgment. A list of securities whose maintenance percent is higher than 35% may be found on our website and may be updated frequently).

The minimum amount to open a margin account may consist of cash, marginable securities, or a combination of cash and marginable securities. You agree to maintain such margins as we may require from time to time and to pay on demand any debit balance owed on any of your accounts. You agree to be charged interest on any credit extended to or maintained for you for the purpose of purchasing, carrying, or trading in any security.

Collateral, Liquidations and Covering Positions You may be required to deposit additional collateral, in the form of cash or marginable securities, and we may liquidate positions in your account for any reason including, but not limited to, the following reasons:

- A decline in the market value of the securities in the margin account,
- Extreme market volatility or trading volumes,
- The equity in your account declines below the \$2,000 minimum,
- Changes in the marginability or negotiability of your securities,
- Your failure to promptly meet any call for additional collateral,
- A large concentration in a volatile or illiquid security,
- Your intention not to meet a call for additional collateral,
- Filing of a petition in bankruptcy by you or against you,
- The appointment of a receiver is filed by or against you,
- An attachment is levied against any of your accounts or any account in which you have an interest,
- Your death or incapacity,
- Our ability to borrow the securities you are required to deliver changes adversely, and
- Orders of any stock exchange/market or regulatory body.

In any such event, we, without prior notice or demand may:

- Sell any and all securities and/or other property in your account(s), whether carried individually or jointly with others,
- Buy to cover any and all securities and/or other property which may be short in such account(s), and
- Cancel any open orders.

Any such sales or purchases may be made at our sole discretion on any exchange or other market where such business is usually conducted, or in a public auction or private sale. We may be the purchaser or seller for our own account. You will be liable for any deficiencies in such account in the event of liquidation, in whole or in part, by you or us.

### Interest Rate

The annual rate of interest you will be charged on margin loans may vary from a minimum of 0.5% above our base rate to a maximum of 1.75% above our base rate, depending upon the amount of your average debit balance.

Average Balance	Debt Interest to be Charged Above Base Rate
\$0-\$49,999	+1.75%
\$50,000-\$99,999	+0.75%
\$100,000+	+0.50%

Our base rate is established with reference to commercially recognized interest rates, industry conditions regarding the extension of margin credit, and general credit conditions, and unless otherwise stated is the then applicable Fed Funds Rate plus 2.5%. The annual rate of interest is subject to change without prior written notice in accordance with changes in the base rate. Interest is computed monthly on the average debit balance during the month. Settlement date debit balances and free credit balances in the cash account will be applied to the margin account balance if the margin account has a debit balance. A cash account settlement date debit balance will increase the amount of margin to be charged. A cash account free credit balance will reduce the amount of margin interest to be charged. If, during the month, there is a change in interest rates, separate charges will be shown on your statement for each interest period under the different rate. Your rate of interest may be changed without notice in accordance with changes in the base rate and your average debit balance. When your interest rate is to be increased for any other reason, you will be given at least 30 days written notice. Your monthly statement will show the dollar amount of interest and the interest rate charged to your account. We use a calendar month basis to calculate interest.

### Disclosure of Credit Terms on Margin Transactions

Securities and Exchange Commission Rule 10b-16 requires a broker who extends credit to a customer in connection with any securities transaction to furnish the customer specified information describing the terms, conditions, and methods by which interest charges are made to customers' accounts. The information set out below is being provided to you in conformity with that rule. Interest will be charged on all accounts for any credit extended to or maintained for you for the purpose of purchasing, carrying, or trading in securities or otherwise.

### Margin Account Restrictions

If your account is restricted for any reason, you will not be able to execute any order until the restriction has been lifted, or until sufficient cash is in the account for purchases and securities are in the account in the case of sales.

### Custodial Accounts for Minors

We will maintain custodial accounts for minors under the Uniform Gift to Minors Act or the Uniform Transfer to Minors Act. If this is a custodial account, you understand that the assets in the account belong to the minor. If you transfer assets out of the account, you understand that they must be used for the benefit of the minor.

### Closing and Closed Accounts

You or we may close your account at any time. This customer agreement will remain binding until we acknowledge in writing that it is no longer binding. You will remain responsible for all charges, debts, or other transactions if they arise before or after your account is closed. You understand that we generally charge a service fee to close an account, the amount of which is posted under our Fees on our web site and is subject to change from time to time. We reserve the right to charge a service fee or close any account that fails to maintain minimum balances. We will notify you of any actions or charges we take against your account. IRA accounts will also be assessed the Annual Custodian Fee at the time of termination for the calendar year. Any closed accounts that accumulate (due to dividends or interest paid after closure, for example) less in value than the then applicable fee for processing a customer check request during each six months period after closure will be assessed a maintenance fee of not more than the value in such account in exchange for our continuing to maintain, after the account is closed, the "Filing Cabinet" feature and secure log-in capability for the closed account. Such feature and login capability shall be maintained for at least one year. Such maintenance fee shall be levied at our option every six months. Amounts in excess of the then applicable fee for processing a customer check request received during any such six months' period will be remitted to the owner of the closed account.

### Unclaimed Property/Escheatment

In the event assets remain in your account for a period of time and we are unable to reach you, your assets may be transferred to the appropriate state if no activity occurs in your account within the time period specified by applicable state law. For more information about the treatment of unclaimed property in your state and the escheatment process, you should contact the appropriate state government agency of the state in which you reside.

### Special Provisions regarding Advised (or Managed) Accounts

The following provisions apply for all of your accounts managed by an advisor. By signing or typing your name to this agreement or authorizing your advisor to do so, you agree to this agreement as amended by us from time to time. By using our site or authorizing your advisor to do so, you agree to any online agreements that we post on our site, including any changes we make to these agreements (of which your advisor should inform you). You agree that these agreements are the legal equivalent of signed, written contracts, and equally binding. You certify that:

- Your advisor has investment discretion and trading authority over your assets held with us, and:
  - Where you have specifically granted it, discretion to vote proxies, and to decide voluntary corporate actions (unless you and your advisor have specifically established an alternative means for you to vote proxies or decide corporate actions outside the scope of this agreement)
  - We deliver proxy and voluntary corporate action information to you and your advisor regardless of whether you have granted authority to your advisor or another to vote on your behalf so that you are aware of all corporate actions and can exercise your right to rescind any authority to vote you may have granted,
  - The authority to receive prospectuses, and
  - The authority to receive trade confirmations, and the right to be paid their fee from assets in your account.
- Folios in your account may hold up to a maximum of 100 (or, by special arrangement with your advisor, more) securities, which is greater than the amount generally allowable in equivalent retail accounts
- You will first call your advisor (before calling us, which you may do if necessary) if you have questions about your account or any transactions. Your advisor may in turn call us if assistance is required.
- Your advisor may incur fees in your account through trading or special service requests.
- Either you or your advisor may close your account at any time. This agreement will remain binding until we acknowledge in writing that it is no longer valid.
- You are allowing us to debit your account for all fees payable to your advisor. Upon notice of account closure or transfer, we also reserve the right, but we are not obligated, to bill your account for management fees submitted via invoice from your advisor in the amounts provided by your advisor's client agreement with you. Any discrepancy in fee amounts or prorated fees must be addressed directly with your advisor.
- You authorize us to accept instructions from your advisor and to take all actions that are necessary or incidental to such instructions without obtaining your approval or counter-signature.
- You indemnify and hold us and our affiliates, directors, officers, employees, and agents harmless under this agreement from and against all claims, actions, costs, and liabilities, including attorneys' fees, arising from or related to the performance or non-performance, delivery or non-delivery of services by your advisor and any dispute between you and your advisor that does not directly result from our performance of brokerage services as set forth in this agreement.



### Modifying This Agreement

We can amend this agreement and the terms and conditions of your use of our online services by notice to you. Your conduct of any business through our Web site after notice of such amendments will constitute your agreement to the amendments. If a provision of this agreement is or becomes inconsistent with any law or regulation, the provision in question will be amended to conform to the law or regulation, and all other provisions will remain binding. The internal laws of the Commonwealth of Virginia, without regard to its choice of law provisions, shall govern this agreement and its enforcement. This agreement shall cover all accounts opened by you. Its terms and conditions shall apply to your successors and anyone you assign it to, and to our successors and anyone we assign it to.

### Arbitration

#### Pre-Dispute Arbitration Agreement

This agreement contains a pre-dispute arbitration clause. By signing an arbitration agreement the parties agree as follows:

1. All parties to this agreement are giving up the right to sue each other in court, including the right to trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.
2. Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.
3. The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.
4. The arbitrators do not have to explain the reason(s) for their award.
5. The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry. The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.
6. The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this agreement.

You agree that all controversies between us will be settled through arbitration as provided for by the Financial Industry Regulatory Authority. You understand that we must use arbitration to decide and settle all controversies arising between us about any issue related to your account or this customer agreement. Any judgment resulting from arbitration may be entered in any court of competent jurisdiction.

You cannot bring a putative or certified class action to arbitration. You cannot seek to enforce a pre-dispute arbitration agreement against:

1. Any person who has initiated a putative class action in court, or
2. A member of a putative class unless the person has opted out of the class with respect to all claims. You can seek to enforce a pre-dispute arbitration agreement against those mentioned in items 1 and 2 in the immediate preceding paragraph when:
  - a) The class certification is denied, or
  - b) The class is decertified, or
  - c) The customer is excluded from the class by the court.

You will not have waived your rights to enforce an arbitration agreement by complying with this agreement concerning class actions.

### EXHIBIT

#### Terms and Conditions of Bank Sweep Vehicle

This document contains important information about our Insured Deposit Cash Sweep Account ("IDCSA") program.

Brokerage Accounts with IDCSA Opening or maintaining a brokerage account with us automatically enrolls you in an IDCSA as your sweep vehicle that may include one or more optional cash deposits ("OCDMs"). You appoint us as your authorized agent and custodian pursuant to the terms and conditions of the brokerage account agreement, including this Exhibit, all of which we may modify from time to time by written notice to you. In addition to the automatic sweep function you may also elect to deposit all or some of your cash into an optional cash deposit mechanism (the cash in which is placed in the IDCSA just like any cash automatically swept). One or more OCDMs may be made available to you depending on the type of brokerage account you have and perhaps other factors. OCDMs are part of the IDCSA Program and monies in that Program are held at the Program Banks or Direct Banks as described below. Depositing to the Program through an OCDM will require you, or a person acting on your behalf (such as an advisor with authority to do so) to elect specifically to deposit amounts into the IDCSA through the OCDM each time you wish to move money — we will not deposit money into the IDCSA automatically for you through the OCDM as we do for amounts subject to the automatic sweep mechanism. By doing the work to make the automatic deposits yourself and determining how much you wish to deposit on your own, if you are eligible to do so through an available OCDM, you may earn higher yields than on the amounts automatically swept into the IDCSAs.

Our IDCSA Program may use two sets of banks: Program Banks and Direct Banks. In both cases Deutsche Bank Trust Company Americas ("DBTCA") will perform

administrative tasks such as record-keeping of customer beneficial interests and permitted withdrawals and interest and fee calculations. With respect to Direct Banks, DBTCA will treat them as though they are Program Banks with the intent that all IDCSA Program accounts satisfy guidelines issued by the Financial Industry Regulatory Authority applicable to us regarding bank sweep programs. Material differences in the handling of cash flows for Program Banks and Direct Banks are set out below.

Regardless of whether the money is deposited through the automatic sweep option or OCDM option, we will place your money in a Federal Deposit Insurance Corporation ("FDIC") Insured money market account at a depository institution ("Program Bank" or "Direct Bank," collectively "Bank"). Individual, business, corporate, joint, gifts-to-minors and retirement accounts are all eligible and included in the Program.

Each cash sweep and each deposit through an OCDM from your account is a deposit in a Bank and that deposit is solely the obligation of the Bank and not us. We act only as agent and custodian for you, the depositor. In the event any Bank participating in the IDCSA Program rejects any additional deposits or withdraws entirely or is terminated from the Program by us, then we, as your agent, are authorized by you to move your deposit to another Bank. In the event we are unable to make such alternate arrangements (which we do not expect will be the case), we will transfer your balance to a money market fund that we will have designated as an alternate sweep vehicle and alternate OCDM vehicle, or to your brokerage account (where it will be held as a "free credit"). In either event we will notify you of such action.

Cash balances deposited into the Banks are not covered by the Securities Investor Protection Corporation ("SIPC"). Instead, all cash deposits by account type in the IDCSA (which for all purposes herein includes amounts in the IDCSA deposited through the automatic sweep function or the OCDM) are fully covered by insurance from the FDIC, up to certain amounts.

Ordinarily, an individual bank can only provide insurance of \$250,000 for non-retirement accounts and \$250,000 for retirement accounts. We provide extended FDIC Insurance by placing your cash in multiple Banks when it meets the limits of any bank. For example, if there were fifteen (15) Program Banks in the Program at such time, the applicable insurance limits are \$3.75 million for non-retirement accounts and \$3.75 million for retirement accounts (subject to the combined total of all your deposits at a specific Bank, including those accounts you maintain at a Bank outside of the Program). Generally, all of a person's accounts are counted together if they are of the same account type. For example, all IRAs for individuals are counted together towards the \$3.75 million limitation, and all of a person's individual accounts (including for example accounts held as a sole proprietorship) are counted together towards the \$3.75 million limitation. But accounts of a different type (such as IRA versus an individual account versus a corporate account and even versus a joint account) are not aggregated with each other for purposes of these limits. For the number and identity of the current Banks and the available FDIC Insurance, please see the current list on our website.

You can get publicly available financial information concerning any or all of the Banks at <http://www.ffiec.gov/nicpubweb/nicweb/nichome.aspx> and more detail on FDIC insurance from <http://www.fdic.gov/deposit/deposits/index.html> or by contacting the FDIC Public Information Center by mail at 801 17th Street, N.W., Room 100, Washington, DC 20434 or by phone at 1-877-275-3342.

All questions regarding your Program account should be directed to us, not the Banks. Current interest rates and other information can be obtained by accessing the information on our web site. By your continued use of the IDCSA, you agree to the terms provided herein. We may, without notice, refuse any deposit, close any account or impose a fee, if your actions become administratively burdensome.

Our Status and that of the Program Banks. All Banks in our IDCSA Program are depository institutions duly chartered under the laws of the United States or a State thereof, the deposits of which are insured by the FDIC. We are a broker-dealer registered with the Securities and Exchange Commission and a member of FINRA. We are not a bank. All amounts deposited in IDCSAs through the automatic sweep vehicle or an OCDM are held by the respective Banks, not by us. Amounts in the IDCSAs are not covered by SIPC insurance. Amounts held in IDCSAs are insured instead by the FDIC up to \$250,000 for both retirement and non retirement accounts per account type per Bank (and the IDCSA Program uses multiple Banks to obtain a multiple of coverage over the \$250,000), subject to the combined total of all your deposits at a specific bank, including those deposits made in accounts you maintain at a Bank outside of the Program. The separate accounts established by us on your behalf will be evidenced by a book entry on the account records of each such Bank. No evidence of ownership, such as a passbook or certificate, will be issued to you. Accordingly all transactions involving your IDCSA must be made through us.

FDIC Insurance for Your Account. The IDCSAs at the Banks are insured in the event a Bank fails by the FDIC, an independent agency of the U.S. government, to a maximum amount of \$250,000 per account type including principal and accrued interest to the day the Bank is closed, when aggregated with all other deposits held by you in the same capacity at the same Bank. Your funds become eligible for deposit insurance immediately upon placement in a Bank or deposit account by us as agent for you under the IDCSA Program. While in transit from us to the Program Banks and from the Program Banks to us the funds pass through our intermediary bank (currently DBTCA).

Funds in transit from us to Direct Banks and from Direct Banks to us do not pass through an intermediary bank. Funds at DBTCA are also eligible for FDIC Insurance, to a maximum amount of \$250,000 per account type, when aggregated with any other deposits held by you in the same capacity at DBTCA. It is possible that your funds in transit at DBTCA will exceed the maximum amount of FDIC coverage available through DBTCA as an individual bank; therefore, the amount that exceeds that amount may not be covered by FDIC insurance until such funds are remitted to Program Banks. Certain provisions apply to late received funds (see Interest below). You may wish to compare the terms, rates of return, required minimum amounts, charges and other features of our IDCSA (both through the sweep mechanism as well as the OCDM) with other accounts and alternative investments at other brokerages. Generally our rates of return are at the low end of rates available in the marketplace and more similar to rates payable on cash in checking accounts than in higher yielding cash-based investment accounts. If cash sweep rates are material to your decision as to where to have an investment account you should compare our rates with those at other institutions and review the overall package of services and benefits we offer to those offered at such other institutions in making your decisions.

If your funds are deposited into a Bank where you already hold one or more deposit accounts at such Bank in the same capacity in which you hold your account with us, balances in those accounts would be aggregated with your interest in the IDCSA at the same Bank for FDIC insurance purposes. Therefore, you may wish to exercise your right to instruct us not to deposit any of your funds to such a specific Bank.

If your funds exceed the capacity of the Banks to provide deposit insurance, your funds will be swept into a single Bank as selected by us, which may be a Program Bank or a Direct Bank, with such excess not covered by FDIC insurance or multiple Banks on a pro rata basis with such excess not covered by FDIC insurance. We intend to continue to work to increase the FDIC insurance available under our IDCSA Program, by adding additional Banks to exceed the amounts currently available.

Deposits. There is no minimum initial deposit (but you may earn little or no interest in certain deposit tiers). Funds deposited by us into the IDCSA will begin earning interest from the day they are received by the Banks (see Interest below). Your deposit will be in book entry form, therefore, you will not receive a passbook or a certificate.

The list of Banks participating in the IDCSA Program is updated from time to time and the updated list is available on our web site. You may exclude any Bank from being able to receive amounts from your IDCSA at any time. We inform you which Banks your account is deposited in on your monthly statement. We reserve the right to choose the priority of Banks in which your funds are placed. Further, we reserve the right to include additional Program Banks and Direct Banks, as well as delete Program Banks or Direct Banks. We provide notice through postings on our website.

Withdrawals. All withdrawals necessary to satisfy debits in your brokerage or transaction accounts will be made by us as your agent. A debit will be created, for example, when you purchase securities or request withdrawal of funds from your brokerage account or when you write a check, or otherwise withdraw funds (such as through an ACH). Checks written on your brokerage account are not drawn directly against the amounts deposited for you at any of the Banks, but the money is transferred back from the Banks to either our intermediary bank (DBTCA) and then to us in the case of Program Banks or simply directly to us in the case of Direct Banks, and then used to satisfy your debit through the IDCSA.

The funds necessary to satisfy debits in your securities account will first be obtained from free credit balances in your brokerage account (if any), and then withdrawals will be made automatically from the IDCSA to the extent of amounts deposited through the automatic sweep function. Only amounts that were deposited into the IDCSA through the automatic sweep mechanism will be made available by us to satisfy a debit in the account automatically. Amounts deposited into the IDCSA through an OCDM must first be withdrawn through the OCDM by you or your agent (through a "sale" on the brokerage platform) after which they may be available to satisfy a debit.

Interest. Interest on funds in the IDCSA will accrue daily as simple interest and be credited to your account monthly, at which time it will earn simple interest with your principal balance. Interest begins to accrue on the day of deposit to the Bank and up to, but not including, the day of withdrawal. This method applies a daily periodic interest rate based on the balance level in the IDCSA. The daily rate is 1/365 (or 1/366 in a leap year) of the interest rate. 1099-INT forms will be sent to you indicating the amount of interest paid to your IDCSA by the Banks. For late received funds, primarily new money received into an account by us after noon on a business day when both we and Banks are open and that is to be automatically swept into the IDCSA (usually for late received wires or ACHs or money received on a business day when either we or the banks are closed), such money may or may not be deposited under the Program that day, and if deposited under the Program that day may or may not be available for deposit in multiple Banks that day. If such funds are not deposited under the Program that day, such funds will be deposited under the Program no later than the next business day that we and the Banks are open. If such funds are deposited under the Program that day then they may, until the next business day when both we and the Banks are open, be deposited in a single Bank, (which for this purpose only would include DBTCA), receive only that amount of FDIC insurance available from a single bank, and begin to earn interest only from the next business day when both we and banks are open (at which time such funds

shall also be available for deposit in multiple Banks).

Rates earned on amounts automatically swept and on amounts deposited through the OCDM functions will be established periodically by us based on prevailing market and other business conditions and may vary depending on the balance in your account and the mechanism (automatic sweep or OCDM) used to deposit the funds into your IDCSA. Current interest rate information and an explanation of the rate calculation is available on our website ([www.FolioInvesting.com](http://www.FolioInvesting.com)).

Rates on the amounts automatically swept will be paid as specified on our website, but generally are expected to be on a blended, tiered basis, meaning that the amounts paid increase on the cash amounts at higher tiers. In addition, the tiers are based on the total amount of cash balances in all your accounts — regardless of account type — that are aggregated at the taxpayer ID level for amounts that are automatically swept. This is different from the aggregation for FDIC insurance purposes. For FDIC insurance purposes you want to keep as many separate "buckets" available as possible so you can obtain additional insurance. For interest rate tiering purposes, you want to aggregate as many accounts together as possible for purposes of receiving higher rates. Under our IDCSA Program we are able to accomplish both goals for the amounts that are automatically swept. For the amounts that are deposited through an OCDM, interest may be earned on a flat rate basis (where all amounts deposited earn the same rate) or on a "dollar one" basis where different rates are paid depending on the total amount deposited through that OCDM in a particular account or folio (the rate is not "blended"). For an OCDM, there is no aggregation of accounts for purposes of determining rates, but there still is for FDIC purposes.

For example, if we were to pay — for amounts that are automatically swept — 0.1% on money invested between \$0 and \$10,000 and 0.5% on money invested between \$10,000 and \$30,000 and you had a total of \$20,000 in two accounts under the same taxpayer ID, one an IRA and one an individual account, then under our IDCSA Program, you would receive 0.1% on the first \$10,000 and 0.5% on the second \$10,000 (for your aggregated total of \$20,000) for tiering purposes. If the same amounts were deposited in the IDCSAs through an OCDM instead of being swept, and the OCDM paid a flat rate of .25% then you would earn .25% on the full \$20,000 (because all amounts earn the same rate.) If amounts deposited through the OCDM in the separate accounts/folios paid a rate of 0% for amounts up to \$5,000 and 0.5% on all amounts (including from "dollar one") deposited through that specific account's/folio's OCDM if such amount is over \$5,000, then the rate paid here would depend on the distribution of the \$20,000 — specifically if the \$20,000 was broken up as \$5,000 in one brokerage account/folio and \$15,000 in another, then the first one would earn no interest and the other would earn 0.5% on the \$15,000. If the \$20,000 were evenly divided however, then each \$10,000 amount would earn 0.5% (because each is over \$5,000). In other words, each amount, whether at the account or folio level, deposited through the OCDM stands on its own for purposes of determining the interest earned and is not aggregated with amounts automatically swept. In all instances, each account, because they are different account types, would still separately qualify for FDIC insurance up to the respective limits for such account types.

The actual rates and tiers are subject to change without prior notice. Please see our website for the current rates and tiers.

Fees. No direct fees will be assessed to you or deducted from your specified rate of return for amounts automatically swept. We reserve the right to charge a fee for amounts deposited or withdrawn through an OCDM — any such fee will be disclosed with applicable rates for the OCDM. Fees are collected directly from, or deducted from gross payments made by, Banks depending on the specifics of the operational set-up with each Bank.

In the case of Program Banks, the fee of the intermediary bank ("DBTCA") will be collected from the Program Banks in the form of fees collected in addition to interest paid on the IDCSAs. We will receive a fee from DBTCA that varies depending on the interest paid on the IDCSAs. The more interest paid to you the less we earn. Under our agreement with DBTCA as the Program sponsor, we would expect that the total amounts payable by DBTCA to us would be in the range of Federal Funds Effective Average Rate (the rate for deposits in U.S. Dollars most recently published on the website of the Board of Governors of the Federal Reserve System at: [http://www.federalreserve.gov/releases/h15/data/Monthly/H15\\_FF\\_O.txt](http://www.federalreserve.gov/releases/h15/data/Monthly/H15_FF_O.txt)) plus 10 to plus 275 basis points ("bps"), minus the amounts paid as interest on the IDCSAs. In the case of Direct Banks, our fee will generally be deducted by us from the gross interest paid on the IDCSAs. Our fee varies depending on the interest paid on the IDCSAs. The more interest paid to you the less we earn.

The actual amounts paid as interest on the IDCSAs are subject to change and vary depending on the tier, the mechanism used for the deposit (automatic sweep or OCDM) and other factors (please see our website). Our fee (the "Program Fee") currently is expected to range, from i) a low of 10 bps to ii) a high of the Federal Funds Effective Average Rate plus 275 basis points or such rate that DBTCA negotiates with each Program Bank less their fee given the low Federal Funds Effective Average Rate. DBTCA expects that its fee under the Program will range from 15 to 50 bps. Given the current uncertainty in the interest rate market, changes in Banks and our ability generally to participate in the Program, the fees payable to us could materially change.

The fees are subject to change and we may also waive all or part of any fee. Other than the Program Fee, and applicable fees imposed by us on a brokerage account or deposits or withdrawals through an OCDM, there will be no charge, fee or commission imposed on your account with respect to the IDCSA. The amount of interest we pay on the IDCSA for given levels of assets in the IDCSA is provided on our web site and may vary from time to time.

*Account Information.* Activity with respect to your IDCSA, including the Banks in which your IDCSA is invested and the interest rate(s) paid to you, will appear on your periodic brokerage account statement. You may contact us to obtain information about your IDCSA deposits, including balances held on the books of each Bank, activity in the account, and the current interest rate(s) paid to you.

*Summary of Certain Relationships.* We will act as exclusive custodian and agent with respect to all transactions related to your interest in any IDCSA. No Bank will accept any instructions concerning your interest in an IDCSA on deposit in a Bank through an IDCSA under the Program, unless such instructions are transmitted by us or an authorized agent on our behalf. We will assume the responsibility and the risk of loss for any funds transfers of yours that have theretofore been delivered by you to us until such time as the funds have been received in the deposit account ("Settlement Account") maintained by us at a designated bank ("Settlement Bank," which shall be DBTCA, unless another bank is designated by us) for the purpose of transmitting funds from the Program Banks through the Settlement Bank to us, and from us through the Settlement Bank to the accounts at the Program Banks. We will also assume the responsibility and the risk of loss for any funds transfers of yours that have theretofore been delivered by you to us until such time as the funds have been received in the deposit account maintained at a Direct Bank. Withdrawals will be deemed paid by a particular Program Bank when such funds are transmitted

by such Program Bank to the Settlement Account and such Program Bank will be released from all liability for such withdrawn funds once the Program Bank delivers those funds to the Settlement Account. Withdrawals will be deemed paid by a particular Direct Bank when such funds are transmitted by a particular Direct Bank to us and the Direct Bank will be released from all liability for such withdrawn funds once it delivers those funds to us. Neither the Program Banks nor the Direct Banks are responsible for the actions of DBTCA or us with respect to the IDCSA Program or otherwise.

*Waiver of Confidentiality.* You expressly give consent for federal or state regulators to access your customer account information for audit and review purposes.

See our website for the current Program Banks

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