

# STATE TRUST

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WEALTH MANAGEMENT

## **PORTFOLIO MANAGEMENT AGREEMENT AND CONFIDENTIAL QUESTIONNAIRE**

The United States Securities and Exchange Commission ("SEC") has not passed upon the accuracy or adequacy of this agreement.  
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# PORTFOLIO MANAGEMENT AGREEMENT

This Agreement made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between StateTrust Capital, LLC (“StateTrust Capital”), a Delaware Limited Liability Company, located at 1000 Brickell Ave., Suite 320. Miami, Florida 33131, and \_\_\_\_\_ (the “Client”).

StateTrust Capital is registered as an investment advisor with the United States Securities and Exchange Commission (“SEC”). StateTrust Capital is in the business of providing investment advisory services for a fee and the Client desires StateTrust Capital to provide said services.

The Client’s securities account is normally held in his/her name at StateTrust Investments, Inc. (“STI”), an introducing broker/dealer to AXOS Clearing, LLC, and an affiliated company of StateTrust Capital or the client may also choose to hold the securities at a brokerage firm of his/her choice. If the Client wishes to use other broker/dealer to hold the assets, special arrangements may be made. The Client retains full ownership and control of all assets in his/her account and will receive all account transaction and valuation statements directly from the brokerage firm. At no time will StateTrust Capital have custody of the Client’s securities or funds.

**Investment Advisory Services:** StateTrust Capital will act as the Client’s investment advisor and will have unlimited discretionary authority to direct the Client’s brokerage firm to execute transactions that in StateTrust Capital’s best judgment are consistent with the Client’s investment objectives. The Client has the right to advise StateTrust Capital to refrain from purchasing particular securities. Any such limitation must be made in writing to StateTrust Capital.

StateTrust Capital will execute transactions with the objective of appreciation of capital over the long term, and in accordance with StateTrust Capital’s interpretations and analysis both of general economic conditions and specific investment trends. StateTrust Capital’s services include (as required) helping the Client in defining his/her investment objectives, formulate an investment policy for the account, evaluate and recommend professional money managers and as a final stage, design an asset allocation strategy for the Client.

**Advisory Fees:** The Client will pay StateTrust Capital a fee (the “Advisory Fee”) for managing the assets entrusted by the Client to StateTrust Capital (the “Portfolio”). If the account is held at StateTrust Investments, Inc., no commissions and custody fees will be incurred to the Client besides the Advisory Fee. Fees do not include certain costs and charges associated with securities transactions, including electronic fund and wire fees, SEC fees on certain trades, dealer mark-ups and mark-downs. In cases where securities transactions are processed through a broker dealer other than STI or the clearing firm used by STI, brokerage commissions and other fees may be separately charged to the Client in the account.

The Advisory Fee will be computed quarterly in advance and shall be based in the account’s market value, including accrued interest and cash on the last business day of the previous calendar quarter and shall become due the following business day. The Client authorizes StateTrust Capital to withdraw the fees from each account within the Portfolio or from one predetermined account within the Portfolio. A schedule of fees is attached hereto as Annex I. StateTrust Capital may also utilize the services of sub-advisors whose fee(s) will be included in the Advisory Fee. However, if an investment advisor or other type of financial entity refers the Client to us, it may be charging separate fees that we are not aware of and that are unrelated to our services.

Assets or cash received into the portfolio during a particular quarter, including the initial funding of the account, will be charged a prorated fee based on the number of days remaining in the quarter, based on the value at the end of the month when the assets were received. No adjustments will be made to the Advisory Fee for any withdrawals, appreciation or depreciation in the value of securities held in the portfolio during any quarter.

Should a party terminate the Agreement hereto; an approximate pro-rata refund will be made, if applicable, of the advisor’s fee paid for the current quarter from the date following termination through the end of that quarter. The amount of any advisory fee rebate shall be paid to the client as soon as practicable after termination occurs.

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**Fixed Income Managed Accounts:** In the particular case of fixed income managed accounts held at STI, in addition to the Advisory Fee charged by StateTrust Capital, and what has been stated in the sub-section Advisory Fees above, the broker/dealer charges a flat fee per transaction of USD \$58 of which, USD \$48 is paid to the investment advisor and USD \$10 remains with the broker/dealer. This fee is disclosed in the trade confirmation provided to the Client. To the extent permitted by law, certain transactions processed by StateTrust Capital on fixed income securities may be done on a principal basis if approved by the client on or before the settlement of such transactions and may include mark-ups or mark-downs.

**Sub Advisors:** Based on the Client's overall investment objectives, risk tolerance, and total funds to be invested, StateTrust Capital may assist the Client in selecting one or more portfolio managers (one of which may be StateTrust Capital). Those portfolio managers are hereby authorized by the Client to be his/her agent and attorney-in-fact in relationship to the portion of the portfolio they manage. Client hereby also authorizes that StateTrust Capital disclose, as necessary, Client information to these sub advisors, understanding that they shall treat the information as confidential. In certain cases, the Client shall have to enter into additional direct agreements with the portfolio managers selected that may include different conditions in terms of how and when fees are calculated and/or debited. If applicable, the initial allocation of the Client's portfolio is indicated in Annex II hereto.

**Investments in Exchange Traded Funds:** Based on the objectives of the program the Advisor's may purchase investments in Exchange Traded Funds (ETF's). Client acknowledges and agrees to this. Client also acknowledges that these ETFs contains their own administrative and management fees built in the price of the securities and are paid to the managers of these funds. StateTrust Capital, nor any of its affiliates receives any compensation in any way from these funds.

**Trading and Execution Services:** Client authorized StateTrust Capital to establish trade Account in Client's or StateTrust Capital's or STI's name with members of national or regional securities exchanges and the Financial Industry Regulatory Authority ("FINRA"). Including "omnibus" accounts established to combine orders from more than one client. Client consents that some or all executions may be aggregated with executions of other clients of StateTrust Capital or STI and be subsequently allocated, at an average price, to the Client, acting as a principal or as an agent (to the extent permitted by law). Client authorizes StateTrust Capital or STI to effect agency cross or riskless principal transactions to the extent permitted by law.

**Solicitor(s):** Your account may have been referred to StateTrust Capital by an independent agent or third party (referral agent or Solicitor). If that is the case, the Investment Advisor and/or broker/dealer has agreed to pay the Solicitor(s) a portion of the Advisory Fee and/or commission, mark-ups, or other costs generated from your account for the introduction of the account and for handling certain administrative functions on the Advisor's and/or broker/dealer's behalf. This portion may range from 20 to 50 percent of the total commission/fees charged to your account (details available upon request). The administrative functions may include: assisting Client in completing forms and in answering questions of a general nature pertaining to required documentation, investment objectives, changes in financial condition, and maintaining an informed and mutually satisfactory relationship between the Client and the Investment Advisor and/or broker/dealer. If this is the case, the Client has also received and signed a form called "Clients' Acknowledgement/Solicitor's Disclosure Statement explaining this arrangement in more detail.

**Client's Investment Objectives:** The concept of risk vs. reward teaches us that higher risks should result in higher returns and that lower risks should result in lower returns. A conservative approach to investing may limit the growth of principal to reduce the risk of loss. Aggressive investments and strategies entail higher than average risks of loss in the pursuit of higher returns. To assist StateTrust Capital in its determination of the best securities mix and investment strategy for the Client's account, the Client hereby chooses and marks the statement below that best describes the Client's investment philosophy. Client agrees to notify StateTrust Capital of any significant changes in his/her financial status and/or investment objectives (please check one).

**The Client is a Conservative investor.** Client is more concerned with preservation of capital and maintaining high liquidity than maximizing the total return on the investment.

**The Client is a Moderate investor.** The Client is concerned with increasing the total return on the investment but with some concern of preservation of capital.

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**The Client is an Aggressive investor.** The Client is most concerned with maximizing the total return on the investment. By checking this item, the Client acknowledges their understanding that the use of margin, options and short positions is only suitable for certain investors and can entail a greater risk of loss.

**Client's Investment Horizon:** The time horizon used in evaluating investment returns has significant impact on the probability of realizing stated return objectives. The longer the time, the higher the chance that different market cycles may average out and desired returns may be obtained. Client agrees to notify StateTrust Capital of any significant changes in his/her investment time horizon (please check one).

**Less than five years**

**Five to Ten years**

**Ten years or more**

**Client's Tolerance to Risk Exposure:** In any particular time, the value of the portfolio may fluctuate more or less depending on the asset allocation of the portfolio and general market conditions. Please indicate what tolerance the client has to risk exposure:

**Low**

**Moderate**

**Aggressive**

**Speculative**

In order to assist StateTrust Capital in providing the Advisory Services, the Client hereby authorizes StateTrust Capital to use the information given to STI, or any other broker elected by the Client in their New Account Application documents.

**Client's Account(s) Miscellaneous:** In the case that the account(s) is (are) held at STI, the Client requests the following (please check the options as appropriate).

**Internet Access.** The Client would like to have access to their account information over the Internet. The Client understands that he/she shall read and agree to an end-user agreement that will be available online once access is granted.

**Unnotarized (fax or mail) Instructions.** The Client would like to be able to send to StateTrust Capital instructions to withdraw/wire funds or journal securities to a third party via facsimile, mail, courier or otherwise. StateTrust Capital reserves the right, at its own discretion, to request confirmation of any such instructions. (Check the option that applies)

**Same Account Holders.** Only instructions to another account in the same name as the account(s) held by STI and subject to this Agreement should be accepted.

**Different Recipient.** Accept instructions to any recipient specified in the communication.

**Alternate Mail Instructions.** The Client agrees that statements, confirmations, bills, confirmations of executed wire instructions, performance reports and any other official mail either from StateTrust Capital or STI, **will not** be sent to the Client's legal address but to one mentioned in the New Account Application document(s).

Initial checks to be deposited in the account(s) should be in **YOUR NAME** and with and endorsement that reads ...." Only to be deposited in the account of NAME OF CLIENT at STATETRUST INVESTMENTS, INC." Please see Annex III attached hereto for instructions on wire transfers.

In order to assist StateTrust Capital in providing the Advisory Services, the Client hereby authorizes StateTrust Capital to use the information given to STI, or any other broker elected by the Client in their New Account Application documents.

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**Concerning StateTrust Capital:**

- a) StateTrust Capital will exercise its best judgment in investing and reinvesting the Portfolio.
- b) StateTrust Capital will not be liable to the Client for any act or omission of any broker, dealer, mutual fund or custodian.
- c) StateTrust Capital may in its discretion (i) substitute as custodian any other institution qualified to act as custodian under the Investment Company Act of 1940; and (ii) pay to authorized persons who may have introduced the Client to StateTrust Capital a portion of its ongoing advisory fee for servicing the Client's account.
- d) The Client acknowledges that (i) StateTrust Capital will not be liable for any losses in the Portfolio; (ii) StateTrust Capital will make investment decisions based on a complex of factors, irrespective of the Client's individual tax situation and personal and family financial needs; and (iii) StateTrust Capital manages assets of other clients, that the assets in different portfolios may vary in both size and make-up from client to client and that StateTrust Capital may take action in the performance of its duties with respect to any such other clients which may differ from the nature or timing of action taken with respect to the Portfolio.

**Renewal of Agreement:** The Agreement shall be renewed automatically on each anniversary date for a period of one (1) year.

**Termination of Agreement:** Client may terminate this Agreement within five business days from the date hereof without penalty. Thereafter, either party may cancel by providing the other party with written notice. The Agreement will be terminated on the 10th day following the mailing of said notice. StateTrust Capital will then be entitled to fees through the date of termination. No fees will be billed for services rendered after a termination notice has been mailed by either party. Prior to said termination, StateTrust Capital will liquidate all investments held in the Client's account, unless otherwise instructed in writing by the Client. Any termination will not affect the liabilities or obligations of the parties arising from transactions initiated under this Agreement prior to such termination. The arbitration provision of this Agreement shall survive any termination of this Agreement.

**Prohibition against assignment:** No assignment of this Agreement shall be made without the Client's written consent.

**Binding Arbitration:** Any claim or controversy arising out of or relating to this Agreement or a breach thereof shall be settled by final and binding arbitration before and pursuant to the Rules of FINRA in Dade, Broward or Palm Beach Counties, Florida and will be governed by Florida law, without regard to principals of conflicts of law thereunder. Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction. The prevailing party in any dispute (including any appellate proceedings) shall be entitled to reasonable attorneys' fees and costs, but not to punitive damages. Nothing in this paragraph shall constitute a waiver of any right provided by the Investment Advisors Act of 1940, including the right to choose the forum, whether arbitration or adjudication, in which to seek resolution of disputes.

**Confidential Relationship:** Any information and advice provided by either party to the other shall be deemed confidential and shall not be disclosed to third parties except as required by law or upon the consent of the other party.

**Death or incompetency:** Should the Client die or be declared incompetent, StateTrust Capital authority to act under the provisions of this Agreement shall continue until written notification is received.

**Entire Agreement:** This Agreement and any addenda thereto constitutes the entire agreement between the parties. This Agreement may be amended from time to time by StateTrust Capital prior to a thirty-day written notice sent to the Client.

**Notices:** Notices required to be given under this Agreement shall be sent by United States mail, a recognized courier or electronic mail if available.

**Severability:** If any term of this Agreement is found to be invalid or unenforceable, the other terms shall remain in full force and effect.

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**Waiver:** Any waiver by either party of any provision of this Agreement shall not constitute a waiver of the same or any other provision on any other occasion.

**Counterparts:** This Agreement may be executed in any number of counterparts, each of which shall be deemed and original but all of which shall constitute one and the same agreement.

**Client acknowledges and/or represents that:**

1. He/she has received and reviewed StateTrust Capital [wrap] brochure, Privacy notice and/or disclosure statement (Form ADV. 2A), brochure supplement (Form, ADV. 2B), and executed copy of this Agreement.
2. He/she has full power and authority to enter into this Agreement and the retention of StateTrust Capital has been accomplished in accordance with and does not violate any documents governing Client's accounts.
3. His/her decision to retain StateTrust Capital was made solely in reliance upon those written documents that were furnished to him/her and prepared by \_\_\_\_\_.
4. He/she has read and fully understands this Agreement and by his/her execution of it, agrees to all its terms and conditions.
5. Advisor does not vote the Client proxies. The Client is responsible for voting any such proxies. Advisor will instruct the Custodian (AXOS Clearing, LLC.) to forward any proxy materials involving securities in the account to the Client, and not to Advisor. The Custodian, and not Advisor, is responsible for timely transmission of any proxy materials to the Client. Advisor will, however, act on securities reorganizations, tender offers, or similar decisions on behalf of the Client.
6. Client hereby acknowledges and agrees to Advisor delivering communications and documents by electronic means rather than traditional mailing of paper copies. By consenting to the electronic delivery of all information relating to Client Account, Client authorizes Advisor to deliver all communications by email address specified by Client. Client acknowledges possessing the technical ability and resources to receive electronic delivery of documents. Client further consents that Advisor may provide in any electronic medium (including via email) any disclosure or document that is required by applicable securities laws to provide by Advisor. The consent granted herein will last until revoked by the Client.

Please state any restrictions you would like to impose on your portfolio (e.g., specific securities, a particular industry, a particular country, special administration instructions) or any other information you consider relevant in order for StateTrust Capital provide the Advisory Services:


**IN WITNESS WHEREOF**, the parties hereto have set their hands and seals on the day and year first above written.

\_\_\_\_\_  
**Client Signature**

\_\_\_\_\_  
**StateTrust Capital, LLC**

\_\_\_\_\_  
**Client Signature**

\_\_\_\_\_  
**By**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Date**

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# Annex I

## CLIENTS FEES SCHEDULE

<b>Managed Equity Accounts</b>	<b>2.40%</b>
<b>Managed Fixed Income Accounts</b>	<b>1.00%</b>
<b>Mutual Fund Accounts Advised</b>	<b>1.50%</b>

Note: The following minimum fees will apply: for Managed Equity Accounts US\$ 600, for Managed Fixed Income Accounts US\$ 250, for Mutual Fund Accounts Advised US\$ 375.

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**Client Signature**

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**Client Signature**

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**Date**

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## Annex II

### INITIAL PORTFOLIO ALLOCATION

<b>Product/Manager</b>	<b>USD \$</b>
Fixed Income High Grade Markets	
Fixed Income High Grade / Emerging Markets	
Large Cap Equities	
Mid Cap Equities	
WMC International Equities	
Asia	
International	
<b>TOTAL</b>	

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## Annex III

### WIRE INSTRUCTIONS

These instructions should be used to send funds through a bank wire transfer from any U.S. Dollar denominated account in the United States of America to any of the accounts that StateTrust Capital, LLC advises you, held at StateTrust Investments, Inc. through AXOS Clearing, LLC.

**Bank:** BMO Harris Bank

**SWIFT:** HATRUS44

**ABA Number:** 071-000-288

**For Credit To:** AXOS Clearing, LLC.

**Account Number:** 3174109

**For Benefit of:** Name of Client  
(remember if it's a corporate account then you should put the name of the corporation here)

**Account Number:** Write your StateTrust Investments account number here.

**Address of BMO Harris Bank:** BMO Harris Bank, N.A.  
111 West Monroe Street  
Chicago, Illinois 60690

**StateTrust Capital, LLC.**  
1000 Brickell Ave. Ste 320  
Miami, Florida 33131

Tel. 305-921-8100  
Fax. 305-921-8111  
info@statetrust.com  
www.statetrust.com

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