

# Motley Fool Wealth Management, LLC

## Investment Advisory Agreement

This Investment Advisory Agreement (the “Agreement”) is made between you and Motley Fool Wealth Management, LLC (“MFWM”, “us”, “we”, or “our”). Please read this legally-binding document carefully before purchasing or using our services. It sets forth the terms by which MFWM will provide you with financial and investment advice. You should also read our [Client Relationship Summary](#), [Brochure](#) and [Privacy Notice](#) for more information about MFWM and the services we provide. Your use of our website is subject to our [Terms of Use](#).

### **1. Services Offered**

MFWM currently provides the following services pursuant to this Agreement:

- a. Discretionary account management services through our separately managed account or “Personal Portfolio” program (“Personal Portfolio Program” or the “Program”); and
- b. Nondiscretionary advice consisting of: (i) financial review and counseling services for clients investing \$300,000 or more in our Personal Portfolio Program (“Counseling Services”); and (ii) financial planning services for Clients with \$1,000,000 or more invested in our Personal Portfolio Program (“Financial Planning Services,” and together with our Counseling Services, our “Planner Services”).

### **2. Scope of Services**

#### **a. Nondiscretionary Advice (Eligible Clients Only)**

Our Planner Services consist of financial review, counseling and planning, and are based upon your responses to our online questionnaire regarding your financial and portfolio information, risk tolerance levels, time to retirement, need to access assets, and your plans to add funds to or withdraw funds from your Personal Portfolio account(s) (your “Profile”). Our Planner Services also incorporate additional information we receive from you, through your interaction with a financial planner or client experience specialist regarding your personal financial situation, documents you uploaded to the MFWM website, information provided by third parties, and through Aggregation Software (as described below) that we may make available to eligible clients. With respect to MFWM’s Personal Portfolio Program, our proposed asset allocations for you, should you invest \$300,000 or more, may be adjusted as part of our Counseling Services.

1. Counseling Services. If you invest \$300,000 or more in our Personal Portfolio Program, you are eligible to receive Counseling Services, which include one or more of the following:
  - a) Meetings and consultations with a financial planner;
  - b) Reviewing your online questionnaire inputs and advising on possible changes;
  - c) Assisting you in determining which Model Portfolios (as defined below) in our Personal Portfolio Program to follow and providing related asset allocation advice, taking into

consideration, among other things, your portfolio holdings that are not currently under our management (as voluntarily communicated by you through Aggregation Software or otherwise);

- d) Answering specific questions that you may have about financial goals and circumstances, including meeting retirement goals and the suitability of current investments; and/or
- e) Counseling on tax efficiency and general tax considerations.

Counseling Services are ancillary services provided solely in connection with our Personal Portfolio Program and are offered free of charge. Consultations are generally conducted via telephone, email and web conference, but you may also request to meet with MFWM in-person. Face-to-face meetings are by appointment.

2. Financial Planning Services. If you invested \$1,000,000 or more in our Personal Portfolio Program, you are eligible to receive complimentary Financial Planning Services. A description of each service within our Financial Planning Services is provided in Appendix A to this Agreement.

If you are eligible, you will be paired with a financial planner who is available for regular consultations. Consultations primarily take place via telephone, but web conference or in-person appointments (depending on your geographic location) may also be accommodated. You may also elect to receive a detailed financial plan.

3. Eligibility for Planner Services. Eligibility for Planner Services is determined based on Aggregate Assets (as defined below under Section 4 – Fees with respect to fee breakpoints). One important difference, however, is that you are permitted to combine stock-based and index-based accounts for purposes of calculating eligibility for Planner Services. MFWM reserves the right to waive the investment minimums with respect to Planner Services, and in so doing, we may consider, among other things, your overall relationship with MFWM and its affiliates.

In addition, if you have at least \$100,000 of assets invested in our Personal Portfolio Program, you are permitted to count (towards the \$300,000 or \$1,000,000 minimum associated with Counseling Services and Financial Planning Services, respectively) your investments in products and services offered by certain of our affiliated investment advisory entities (“Affiliated Products”). You are also permitted to aggregate the assets of certain members of your household (who are enumerated below under Section 4 – Fees) that are invested in Affiliated Products. If you are eligible for Planner Services as a result of aggregating Affiliated Products, you will continue to have access to our Planner Services even if you (or a family member) cease to be an investor in or client of an Affiliated Product.

As used in the preceding paragraph, “Affiliated Products” include funds managed by Motley Fool Ventures Management LLC. Exchange-traded funds (“ETFs”) managed by Motley Fool Asset Management, LLC and publication products and services offered by The Motley Fool (or any other publishing, non-regulated affiliate) are excluded from the definition of “Affiliated Products” and, therefore, are not counted for purposes of Financial Planning Services eligibility.

**You acknowledge and agree that you are responsible for notifying us of your status as an investor in or client of Affiliated Products (or having an eligible member of your household who is an Affiliated Product investor or client). You can notify us via email at support@foolwealth.com, or by speaking with a financial planner or other customer services representative.**

MFWM reserves the right to waive the investment minimums with respect to Planner Services. Planner Services are generally limited to one client per household.

4. Your Obligations. Our nondiscretionary advice relies on your Profile and additional information you may provide to our financial planners (including information voluntarily provided by you through Aggregation Software). MFWM does not and cannot verify such information. Therefore, you agree that it is your responsibility to confirm that all the information and data you provide to MFWM is complete and correct. You further agree that if you provide us with inaccurate or incomplete information, MFWM's advice may not be fully tailored to meet your needs.
5. Implementation. You understand and acknowledge that any implementation of the nondiscretionary advice provided to you is your responsibility.
6. Updates to the Advice. Financial plans and other nondiscretionary advice provided by our financial planners is not automatically updated. You are solely responsible for informing us of any changes to your financial circumstances that may affect your financial plan or other advice previously provided. Financial planners are not alerted to and do not periodically check changes to information entered into Aggregation Software. To the extent that information provided through Aggregation Software is utilized by financial planners to provide nondiscretionary advice, **you acknowledge and agree that it is your responsibility to inform your financial planner of changes to your aggregation information.**

b. **Asset Aggregation Software**

MFWM may make available to you third-party asset aggregation software ("Aggregation Software"). The Aggregation Software allows you to view managed and non-managed accounts on a dashboard including calculation of net worth and cash flow through real-time syncing with your third-party account-holders. You may also add financial assets and liabilities manually to reflect the full breadth of your financial situations.

If you are not eligible for Planner Services (or, if you are eligible, and elect not to utilize our Planner Services), you acknowledge and agree that we do not take into consideration any information you have entered into the Aggregation Software when making asset allocation recommendations with respect our Personal Portfolio Program. Asset allocation recommendations will be based solely on your Profile. Furthermore, you acknowledge and agree that you are solely responsible for any investment decisions you make based on your use of Aggregation Software.

If you are eligible for and elect to utilize Planner Services, our financial planners will, as part of their interaction with you, utilize information provided by you through the Aggregation Software for purposes of providing Planner Services.

There is no charge associated with access to Aggregation Software. Your use of Aggregation Software is voluntary and is exclusively governed by third-party Aggregation Software providers' respective terms, conditions and policies. **By accessing and using Aggregation Software, you expressly agree to be bound by such terms, conditions and policies as stated on the third-party service provider websites. Any and all claims or disputes regarding Aggregation Services are solely between you and the service provider in question. MFWM cannot guarantee the accuracy, timeliness or security of the information entered into Aggregation Software.**

c. **Discretionary Account Management – Personal Portfolios**

Our Personal Portfolio Program enables you to own an individually tailored portfolio that employs a mix of strategies and asset classes (the “Model Portfolios”). Each Model Portfolio focuses on a particular investment strategy (such as long term buy and hold), type of security (such as growth stocks) or asset class (such as international equities). MFWM will act as the Program’s sponsor, managing your account (the “Account”), as set forth herein.

1. **Model Portfolios.** Several of the Model Portfolios share the same investment philosophies as certain subscription services published by our affiliate, The Motley Fool, LLC (“TMF”). However, MFWM’s Model Portfolios do not attempt to track these (or any) TMF services. As further explained below in Section 2.c.6 (Basis of Advice), **you understand and acknowledge that Model Portfolios and your Account may diverge completely from TMF’s services.**

Rather than choosing a portfolio comprised primarily of our traditional stock-based Model Portfolios, you may elect a portfolio comprised exclusively of unaffiliated ETFs. We refer to our Model Portfolios that exclusively utilize ETFs as “Index-Based Model Portfolios.” Please note, however, that you generally cannot create a blended portfolio consisting of both Index-Based Model Portfolios and stock-based Model Portfolios (except that this limitation does not apply to the Fixed Income Model Portfolio, which is ETF-based and can be incorporated into most portfolios). We may make limited exceptions to this general restriction in our sole discretion and consistent with our fiduciary duty. For ease of reference, unless we expressly exclude Index-Based Model Portfolios below, all references to “Model Portfolios” include both stock-based and Index-Based Model Portfolios.

As with all investments, the holdings in your Account involves risk. MFWM does not guarantee the results of any of its advice or account management. Significant losses can occur from investing in securities, or by following any investment strategy, including those recommended or applied by MFWM. The risks associated with each Model Portfolio are described in Appendix B to this Agreement. **You acknowledge and agree that you have read and understand these risks.**

## 2. Allocated Accounts and Single Strategy Accounts.

- a) MFWM can create a portfolio for you that allocates your assets across stock-based Model Portfolios or, based on your election, Index-Based Model Portfolios. The exact allocations will be based on your Profile (as may be adjusted as part of our Counseling Services for eligible clients) and we will then manage your account accordingly.

Whether you achieve your investment objective depends largely upon MFWM selecting the best mix of strategies for your Account. There is the risk that the MFWM's evaluations and assumptions regarding our allocation advice may be incorrect. **You acknowledge and agree that you understand the asset allocation risks associated with your Account, which risks are further explained in Appendix B.**

- b) You may choose to reject our allocation advice by first acknowledging receipt of our guidance. Instead, you may open an account that follows one stock-based Model Portfolio, with an optional allocation to the Fixed Income Model Portfolio (for ease of reference, these account structures, which may or may not have an allocation to Fixed Income, are referred to as "Single Strategy Accounts"). Not all the Model Portfolios are made available to Single Strategy Accounts, and you cannot create a Single Strategy Account following an Index-Based Model Portfolio. You may also choose to adjust the allocations to our recommended Model Portfolios. Please note, however, that you generally cannot selectively remove a Model Portfolio entirely from our recommended allocation unless you choose a Single Strategy Account (subject to the restriction discussed above with respect to Index-Based Model Portfolios in Single Strategy Accounts). **If, at your request, your Account departs from our allocation advice, you acknowledge and agree that you are solely responsible for choosing the Account composition best suited for you.**
- c) MFWM periodically reviews its asset allocation advice. As part of our annual rebalancing program, we may, in our sole discretion, modify allocations to Model Portfolios within your Account to reflect, among other things, the need for reduced market risks, lower portfolio volatility, a portfolio allocation with fewer or more asset classes due to fluctuation in account value, or for other reasons that we believe are in your best interest. While adjustments to allocations during rebalancing may result in the addition and/or removal of Model Portfolios from your Account, MFWM will only adjust your allocation within the constraints of your current risk score or objective. For example, a moderate portfolio may be reallocated based on our capital market expectations, but will remain a moderate portfolio. You will receive advance notice (typically via email) of allocation changes five (5) to ten (10) business days prior to rebalancing. If you do not wish to participate in the MFWM's rebalancing program, you may opt-out at any time. **You acknowledge and agree that, unless initiated by you (through a Profile update or, if eligible, through communication with a financial planner), we do not periodically monitor and adjust your allocations beyond our annual rebalancing program.**

- d) In order to further ensure that our advice remains properly tailored, you are encouraged to promptly update your Profile should any information change with respect to your risk tolerance, needs or goals. MFWM will annually seek your confirmation that the information in your Profile remains accurate.
  - e) For temporary defensive purposes in times of adverse or unstable markets, economic or political conditions, or if MFWM does not believe, in its exclusive investment discretion, that there are suitable investments at that time, a portion of your Account may consist of un-invested cash beyond what would otherwise be retained in cash for account management purposes. In addition, if a portion of your Account is allocated to our Hedged Equity Model Portfolio strategy, the various short strategies utilized by our Hedged Equity Model Portfolio may generate cash. Although permitted to do so at the portfolio manager's discretion, MFWM generally will not create leverage in your Account by reinvesting the cash proceeds of short sales. As a consequence, you may see a cash balance in your Account after MFWM executes a short sale. The cash balances associated with short sales act as collateral for the short position, and you will not earn interest on it. Depending on the account size and Model Portfolio strategies, amounts of un-invested cash may be significant. **Holding significant amounts of cash may be inconsistent with your investment strategies, and the Account might not achieve its investment objective.**
3. Suitability. Using your Profile (as may be adjusted as part of our Counseling Services for eligible clients), we will advise you on whether we think the Program is suitable for you as well as the appropriate allocation across the Model Portfolios. If you choose not to follow the guidance provided, you are assuming exclusive responsibility for determining that the Program and the amount you invest is suitable for you. **You agree not to hold MFWM liable for any losses that arise out of, or are related to, your decision not to follow our advice.**

If you are investing less than \$300,000 in our Personal Portfolio Program but you have combined investable assets of \$300,000 or more, we encourage you to schedule time with a MFWM financial planner to discuss how our Personal Portfolios fit into your overall portfolio.

4. Investment Management. MFWM will serve as the exclusive investment adviser to the accounts in the Program. Personnel of another affiliate, Motley Fool Asset Management, LLC ("MFAM") perform the research and portfolio management for the Model Portfolios. You hereby appoint MFWM as the exclusive investment adviser to your Account to buy, sell, pledge, lend or otherwise effect transactions in stocks, bonds, and any other securities, or cash equivalents for you and in your name. **You understand and acknowledge that MFWM will have full discretion to direct and manage the investment, reinvestment and rebalancing of the assets in your Account in accordance with the agreed upon allocation to the Model Portfolios, as we may adjust from time to time.**
5. Securities Selection. You acknowledge and agree that our selection of individual securities is not personally tailored for your Account. Rather, the individual securities purchased and sold for your Account are based upon and track the holdings in the Model Portfolio.

If your Account is held at Charles Schwab & Co., Inc. (“Schwab”), your Account will lack fractional share functionality, which means that your Account will only hold full shares of the securities that are held in our Model Portfolios. As a result, your Account may hold more cash due to the inability to purchase full shares (generally applicable to higher priced securities).

6. Basis of Advice. You acknowledge that MFWM performs its own research by obtaining information from a wide variety of sources. MFWM may utilize research prepared and distributed by its affiliates, including investment newsletter services (“Affiliated Research”). Affiliated Research does not represent the sole basis of our advice, and all investment decisions for your Account are made independently by the portfolio managers at MFWM. Accordingly, **you further acknowledge and agree that your Account will diverge from our affiliates’ respective strategies and recommendations.**

7. Account Minimums, Funding and Dollar Cost Averaging.

a) The account minimums in the Program depend upon the Model Portfolio(s) and generally start at \$6,000. Model Portfolios following more sophisticated strategies and accounts held at Schwab will require higher minimums. MFWM will establish the minimum investment amount for each Account, which is determined by: (i) the recommended asset allocation; (ii) applicable Model Portfolio holdings and strategies; (iii) the tax status of the account; and (iv) the Custodian at which your assets are held.

If you fail to transfer, deposit or maintain the minimum for the Model Portfolios you are following, your Account may deviate significantly from the model as we will not be able to make all the trades as dictated by the applicable Model Portfolios. **We reserve the right to cease management of your Account if we deem there are insufficient funds.**

b) Unless we are instructed otherwise, we generally refrain from trading securities in your Account until you transfer or deposit at least 95% of your indicated funding amount (the “Anticipated Funding Amount”). This delay in trading is intended to minimize the transaction and tax costs associated with configuring your Personal Portfolio account to our Model Portfolios. Upon receiving the required percentage of the Anticipated Funding Amount (and assuming that your account has been properly configured by you for trading at your Custodian and your Custodian has released all funds for investing), we will generally begin placing trades for your Account within five (5) business days.

c) After the initial investment period, additional investments are subject to a \$500 minimum. Additional deposits that are available for investment will generally be invested weekly within five (5) business days. If you want to have additional amounts invested prior to our cash sweep schedule, you may contact us to request expedited investment.

Cash deposits may not be invested for several reasons, including, but not limited to: (1) the deposit is debited to pay MFWM’s management fees; (2) there is not enough cash to successfully effectuate a trade; (3) the cash available in your account is less than the target cash allocation for your account; (4) the existence of trade or ticker restrictions placed on your

- account to align with one or more of your financial planning or account management objectives that prevents us from investing the cash in your account; (5) if the cash is used to pay down account margin balances; or (6) custodian-level requirements or restrictions that have not been resolved and/or are revoked by the Client that MFWM is unaware of.
- d) If you transfer an existing portfolio into your Account, MFWM will sell the holdings that are not part of the Model Portfolios being followed in your Account and the proceeds will be reallocated accordingly. Similarly, MFWM may at times be required to sell or reduce positions in your Account in order to maintain allocations that are similar to those of the Model Portfolios. **You acknowledge that these transactions may generate unwanted tax consequences, and we recommend that you consult with your personal tax advisor regarding the possible consequences of MFWM's recommendations and security trades.**
- e) If you have access to our Planner Services and maintain your Account(s) at IB, you may request that we invest deposited funds monthly over an agreed-upon period of time ("Dollar Cost Averaging"). Funds that are deposited but marked for Dollar Cost Averaging will be held in cash in your account pending investment. You must specify the overall amount you wish to Dollar Cost Average and the amount to be invested each month. If you deposit more or less than initially specified, Dollar Cost Averaging will continue at the specified monthly amount until all funds are invested. During the time that your account is subject to Dollar Cost Averaging, no additional investment amounts will be invested outside of the Dollar Cost Averaging. **If you elect to Dollar Cost Average, you acknowledge and agree that our management fee will accrue and be payable with respect to cash balances held in your Account pending investment pursuant to the Dollar Cost Averaging program, and that you will not earn interest on those cash balances. Dollar Cost Averaging is not currently available for Accounts held at Schwab.**

## 8. Reasonable Restrictions

- a) You may impose reasonable investment restrictions on the management of your Account by communicating such restriction(s) to a member of MFWM's planning or client experience team. You may also revise your Profile and your investment restrictions at any time. **You acknowledge and agree that such restrictions may negatively affect your Account's overall performance. In addition, you acknowledge and agree that our asset-based fee will accrue and be payable with respect to those restricted assets. We strongly encourage you to promptly transfer restricted assets out of your Account.**
- b) Due to system constraints, the processing of any investment restrictions can take two (2) to four (4) business days that trading is available. Consequently, there may be a delay between when a restriction is entered and when it is implemented, which may result in trades in restricted securities made on your behalf. MFWM, to the extent reasonably practicable, will follow your instruction on whether the restricted position will participate in subsequent purchases, sales, or neither. **You acknowledge and agree that MFWM will not be liable if it trades in a security within four (4) business days of your placing it on restriction.**



- c) If your Account is maintained at IB, capital that would have been invested in a restricted security may be held in cash. **You acknowledge and agree that holding cash may be inconsistent with your investment strategies, and your Account might not achieve its investment objective.** Conversely, if your Account is maintained at Schwab, capital that would have been invested in restricted securities will be invested across the remaining unrestricted securities in the associated Model Portfolio. **In both cases, holding restricted securities will result in deviations from our Model Portfolios.**
  - d) Please note that if you transfer a security into your account that is subject to a restriction, we will not sell that security and it will remain in your Account. Similarly, if you subsequently restrict a security that is currently held in your Account, MFWM will refrain from all trading in that security. We will not sell the shares you held prior to making the restriction. You understand and agree that transferring a restricted stock into your Account or placing a stock you presently hold on restriction will not result in the sale of that security. **We strongly encourage you to refrain from transferring restricted securities into your Account.**
  - e) If for any reason we deem that the restrictions imposed are unreasonable, we have the right to cease management of your Account.
9. Account Performance. Please be aware that your Account's performance may vary from the returns of the Model Portfolios that you are following. This variance is due to a number of factors including but not limited to differences in trade prices, transaction fees, rounding, market activity, restrictions you have imposed, and the amount and timing of deposits or withdrawals you make to your Account as well as deviations we have made from the Model Portfolios. **You specifically acknowledge and agree that your investment results under the Program may differ significantly from those of the Model Portfolios and will likely bear little or no relation to any of the publications or portfolios of our affiliates.**

10. Trading Authorization; Limited Power of Attorney

In connection with your Account, you hereby designate MFWM as your agent and attorney-in-fact to buy, sell, pledge, lend and otherwise deal in securities and contracts relating to securities for you. Except as may be provided in this Agreement, MFWM is authorized to act for you in the same manner and with the same force and effect as you might or could do solely with respect to purchases, sales, pledges, loans or trades, as well as for all other things necessary or incidental thereto. Without limiting the foregoing, it is intended that MFWM will manage all transactions in your Account on your behalf, and that you will not be permitted to engage in transactions for your Account under the Program.

11. Trade Aggregation and Trade Rotation Policy.

- a) Trade Aggregation. MFWM is only able to aggregate orders for client accounts held at the same Custodian. For applicable accounts at each Custodian, clients that participate in an aggregated order will participate based on the percentage allocation of that security in the Model Portfolio, as determined by our portfolio managers. The share price for each security will be allocated to your account based on an algorithm on the trading platform of each

Custodian. **You acknowledge and agree that deviations may occur in the allocation if your account: (i) is restricted due to cash limitations; (ii) contains restricted securities (including those securities that you place on a “do-not-trade” list); or (iii) any other specific limitations on your account.**

When transactions are so aggregated at each Custodian, they may be traded in multiple blocks and as each deployed portion of the order is filled, it is allocated among the participating client accounts. Clients in each trade block get an average price. **Consequently, you acknowledge and agree that the price obtained by you may be less favorable than it would be if similar transactions were not being made at the same time.**

In order to ensure that we can timely trade for your account by, among other things, including your trades in aggregated orders, you are encouraged to configure your account as a “margin” as opposed to “cash” account if your accounts are custodied at Interactive Brokers. When an account is not enabled for margining, we may be required to wait three (3) business days following the sale of securities for your account before we can reinvest the proceeds of that sale in additional securities.

- b) Trade Rotation Policy. MFWM has adopted a trade rotation policy that is designed to ensure that we do not trade on behalf of any group of clients in a manner that unintentionally favors client accounts held at one Custodian over another. To meet this objective, we have established written trade rotation procedures. Along with using block trades to aggregate client accounts who use the same Custodian (as described above), we utilize a rotation schedule, which lists the trade rotation order used when MFWM places trades among different Custodians. The rotation schedule is designed as an internal control to ensure that all client accounts are treated fairly and equitably over time to the extent it is practicable. Custodians are placed on a daily rotation schedule with the first Custodian to begin trading on a particular day then moving to the bottom of the order on the next day, and so on.

The potential impact to execution prices would be movement in the underlying security (of which the impact could be positive or negative to client accounts held at any particular Custodian in the trade rotation on that trading day). **As such, you acknowledge and agree that where your Account falls in the rotation could favorably or adversely affect your execution relative to other clients.** However, the nature of trade rotation is intended in the long run to provide fair placement and execution to all clients across Custodians.

On rare occasion, certain trades may be entered outside of the trade rotation policy when the Chief Compliance Officer or General Counsel determines special circumstances exist that warrant immediate attention. These circumstances may cause a particular Custodian platform to be unable to receive trade instructions and/or execute trades. In such cases, MFWM will place trades for the next Custodian rotation until the issue is resolved, and as a result, clients of the Custodian unable to receive trade instructions will receive different, perhaps less favorable, prices for their transactions than they would have received under the original trade rotation.

12. Fractional Share Program [IB Accounts Only]. In order to minimize the amount of un-invested cash in your Account, improve diversification and more closely track the Model Portfolios, MFWM has a fractional share program that allows you to purchase securities in dollar amounts rather than full share quantities. Please be advised that trading in fractional shares has unique limitations, which include (by way of example only):

Fractional shares are not transferrable. If you close your Account and transfer your investments to another firm, your fractional shares will need to be liquidated. Upon the closing of your Account, IB will generally liquidate any fractional shares held in your Account, and you hereby expressly authorize MFWM, upon the termination of our advisory services, to facilitate the liquidation of your fractional shares. Please note, however, that MFWM may not be able to facilitate the liquidation of fractional shares in connection with the partial transfer of investments to another firm. Under these circumstances, you must contact IB.

Holding fractional shares may affect your ability to be credited for cash dividends, stock dividends and stock splits, as a result of limitations on rounding. For example, if you own .0001 of a share of stock that pays a one cent dividend per share, your cash balance will not be credited a fraction of a cent.

Fractional share ownership is reflected as a bookkeeping entry, and the rights attributable to ownership of a full share will not apply. For example, you will not have voting rights for the fraction of a share owned, even if more than .50 shares are in your Account.

13. Brokerage Services; Statements.

- a) All brokerage services for Accounts, including trade execution, clearing and custody will be provided by Schwab and IB (Schwab and IB are collectively referred to as “Custodians,” and each a “Custodian”). Accordingly, as a condition of participating in the Program, you must be a Custodian account holder or open and fund an account with a Custodian. The terms and conditions for deposit, withdrawal of funds, execution services, margin trading, or access to your Account will be governed by your Custodian in its role as sole custodian and broker. **All claims or disputes regarding custodial and brokerage services and practices are solely between you and your Custodian. Accordingly, MFWM will not be liable for any such claims or disputes and your sole remedy in such instances is against your Custodian.**
- b) You are responsible for Custodian account and transactions fees which will be deducted from your Account pursuant to your Custodian’s standard practices.
- c) Your Custodian will send you or otherwise make available quarterly account statements as well as trade confirmation notifications. MFWM may also provide you with periodic reports on market conditions, investment performance and other investment topics. **You are strongly encouraged to compare all statements or reports received from MFWM against your brokerage account statements received from your Custodian. Discrepancies between statements or reports received from MFWM and your Custodian should be reported to MFWM and your Custodian immediately.**

14. Proxies and other Legal Notices. MFWM will not vote proxies for the securities held in your Account. We also will not advise you or take any action on your behalf in connection with any legal proceedings involving securities (or the underlying issuers) currently or formerly held in your Account. You agree that the voting of your shares and the decision on whether to take part in any legal proceeding is your responsibility. If the Account is maintained on behalf of a plan subject to Employee Retirement Income Securities Act of 1974 (“ERISA”), you understand that proxy voting is considered to be a plan asset and that MFWM, as the investment adviser, has the obligation to make certain all proxies are voted unless the plan document (not this Agreement) states that the right to vote proxies has been reserved to the plan trustees. You represent that the plan document reserves to the plan trustees the right to vote proxies and that the trustees will maintain exclusive responsibility for determining all proxy voting decisions.
15. Joint Accounts. If you hold the Account jointly, the terms “you” and “your” as used in this Agreement refer to all account holders and each joint holder has complete authority to deal with us as fully and completely as if he or she alone were interested in this Account and without notice to the other Account owners. Notice to any joint holder constitutes notice to all joint holders. MFWM may follow the instructions of any joint holder, without notice to any other Account holder, in every respect.
16. Trusts. If you represent a trust, you certify that you have the power under the trust documents to enter into this Agreement. If you represent a trust with multiple trustees, you further certify that each named trustee has complete authority to deal with us fully and completely as if he or she was the sole trustee. MFWM will send any notice to the email address on record, which you agree will constitute notice to all trustees. You further agree to immediately notify MFWM if the authority of any trustee changes in any manner material to this Agreement including without limitation the accuracy of any representations made herein.
17. Retirement Accounts. If the Account is maintained on behalf of a plan subject to the ERISA or an account subject to the Internal Revenue Code of 1986 (the “Code”) (each type of account referred to herein as a “Retirement Account”), we acknowledge that we will be acting as a “fiduciary” (as that term is defined in Section 3(21)(A) of ERISA or Section 4975 of the Code) to that Retirement Account (including with respect to, among other things, advice we provide in connection with “rolling-over” accounts into Retirement Accounts under our management), and MFWM will act in a manner consistent with the requirements of a fiduciary under ERISA and the Code. For purposes of this Agreement, the term “Retirement Account” covers: (i) “employee benefits plans” (as defined under Section 3(3) of ERISA), which include pension, profit sharing or welfare plans sponsored by private employers; and (ii) individual retirement accounts (“IRAs”) (as defined in Section 4975 of the Code).

With respect to any Retirement Account subject to ERISA, you represent that the engagement of MFWM, and any instructions that have been given to MFWM with regard to the Retirement Account, are consistent with applicable plan and trust documents. You agree to furnish MFWM with copies of such governing documents. You acknowledge your status as, or that you are duly acting on behalf of, a “named fiduciary” with respect to the control and management of the assets held in the Retirement Account, and agree to notify MFWM promptly of any change in the identity of the named fiduciary. You further acknowledge that the Retirement Account is only a part of the plan’s assets, and that

MFWM is not responsible for overall compliance of such investments with the requirements of ERISA or any other governing law or documents. You also agree to maintain appropriate ERISA bonding for the Account and to include within the coverage of the bond MFWM as may be required by law.

18. Tax Loss Harvesting. MFWM does not monitor for tax loss harvesting events, nor do we initiate tax loss harvesting at our discretion. A tax loss harvesting strategy may be applied at your direction or we may suggest it to you in certain instances as part of your financial planning services if it is deemed reasonable for your account(s). However, MFWM will not take any action unless you have agreed to the recommendation.

When facilitating tax loss harvesting, MFWM will sell securities in your account at a loss to offset potential capital gains, although the type and amount of capital gains will not be monitored by MFWM for this purpose. If you request tax loss harvesting for your account, MFWM will sell one or more securities in the account and will reinvest the sale proceeds into the account's strategy allocations after approximately 31 days (calendar days, not trading days) ("wash loss waiting period"). The exact number of days between sales and purchases conducted pursuant to tax loss harvesting activities may vary for a variety of reasons and may in certain instances be significantly more than 31 days. The performance of the securities subsequently purchased may be better or worse than the performance of the securities that were sold for tax loss harvesting purposes.

While your affected account is subject to the wash loss waiting period, it will not participate in updates from our portfolio management team. Fees will continue to accrue during this time. During the wash loss waiting period, MFWM may use proceeds from loss transactions to purchase one or more securities to maintain overall investment of the account. These securities may perform better or worse than the securities that were sold for tax loss harvesting purposes. Upon termination of the wash loss period, such securities may be sold as necessary in order to align the account with the then-current model allocations.

The effective utilization of losses harvested will depend upon your recognition of capital gains in the same or future tax periods, and in addition may be subject to limitation. Losses harvested that are not utilized in the tax period in which they were realized generally may be carried forward to offset future capital gains, if any. In requesting tax loss harvesting from MFWM, you understand that you should consult with professional tax advisors or otherwise confirm the consequences of tax loss harvesting in light of your particular circumstances and its impact on your tax return. No tax loss harvesting strategy suggested or implemented by MFWM, nor any discussion with any MFWM personnel related to tax loss harvesting, is intended as tax advice, and MFWM does not represent that any particular tax benefits or consequences will be obtained.

You understand that MFWM will only assist with tax loss harvesting for accounts in the MFWM Personal Portfolio Program. You further acknowledge and agree that you are responsible for monitoring your account(s) outside of the Personal Portfolio Program to ensure that transactions in the same security or substantially identical security do not create a "wash sale." A wash sale is the sale of a security at a loss followed by the purchase of the same security or substantially similar security within 30 days of each other. If a wash-sale transaction occurs, the IRS may disallow or defer the loss

for current tax reporting purposes. More specifically, the wash-sale period for any sale at a loss consists of 61 days: the day of the sale, the 30 days before the sale, and the 30 days after the sale. (These are calendar days, not trading days.) The wash-sale rule postpones losses on a sale if the securities are replaced within the wash-sale period.

The effectiveness of the tax loss harvesting strategy to reduce your tax liability will depend on your entire tax and investment profile, including purchases and dispositions in your accounts outside the Personal Portfolio Program, the type of investments (e.g., taxable or non-taxable), and the holding periods (e.g., short-term or long-term) of such investments. Transactions outside the Personal Portfolio Program may affect whether a loss is successfully harvested and, if so, whether that loss may be used to offset a taxable gain in the most efficient manner.

### **3. Trusted Contacts and Powers of Attorney**

#### **a. Trusted Contacts**

As a fiduciary, MFWM is committed to safeguarding the use of your personal information. However, to allow us to continuously manage your Account in the event of a life-changing event, such as death, incapacity, or diminished capacity (collectively “Significant Life Events”), you hereby grant MFWM authorization to obtain information directly from your Custodian with respect to certain emergency contacts appointed by you from time to time from your Custodian account application or account update process (collectively, “Trusted Contact”). **By acknowledging and accepting this Agreement, you authorize us to contact your Trusted Contact following a Significant Life Event if we reasonably believe doing so is in your best interest.** During our discussions with your Trusted Contact, we may provide them access to your non-public personal information; provided, however, that MFWM generally refrains from accepting instructions from such Trusted Contact with respect to your Account unless such Trusted Contact is appropriately authorized as an executor, guardian, attorney-in-fact or other authorized representative.

#### **b. Powers of Attorney**

You understand and acknowledge that MFWM may accept instructions from your appropriately authorized third-party agent (“Agent”) pursuant to a power of attorney or other document (“Authorizing Document”); provided, however, that MFWM may, in its sole discretion upon review of the Authorizing Document, refrain from accepting instructions from an Agent and, in such case, we reserve the right to cease management of your Account.

MFWM may request that you execute a document, including without limitation a form of power of attorney to be provided by MFWM, confirming the appointment of an Agent.

## 4. Fees

### a. Advisory Fees

1. Asset-Based Fee. MFWM charges an annual asset-based fee (the “Asset-Based Fee”) that is calculated as a percentage of the market value of the assets in your Account. The Asset-Based Fees paid to MFWM is based on the type of strategy and offering made available to you.

a) Stock-Based Portfolios. The calculation of the Asset-Based Fee for our stock-based portfolios is detailed in the chart below.

Client’s Aggregate Assets*	Annual Fee
First \$1,000,000	0.95% of aggregate assets
Amounts over \$1,000,000	0.75% of aggregate assets

b) Index-Based Portfolios. The calculation of the Asset-Based Fee for our index-based portfolios is detailed in the chart below.

Client’s Aggregate Assets*	Annual Fee
First \$1,000,000	0.40% of aggregate assets
Amounts over \$1,000,000	0.30% of aggregate assets

\* The Accounts that are eligible to be combined for breakpoint purposes (“Aggregate Assets”) are those accounts in your name or accounts having your same address. If an Account is in the name of an adult member of your household, that individual generally must be: (1) your spouse; (2) your parents, grandparents and great-grandparents; (3) your children, grandchildren, great-grandchildren and their spouses; (4) your siblings and their spouses; and (5) an individual whose relationship to you, while not listed in the foregoing, is similar to one of the enumerated relationships. The adjusted Asset-Based Fee will be applied to all combined Accounts. **Please note, however, that you cannot combine stock-based and index-based Accounts for purposes of calculating fee breakpoints.**

You agree to instruct your Custodian to deduct the applicable fee directly from your Account. Fees are calculated and accrued daily (based on the daily closing balance of your Account). MFWM charges the Asset-Based Fee in the subsequent calendar month, which is debited directly from your Account.

The Asset-Based Fee will begin accruing on the day your Account begins trading. If you are converting from a Flat Advisory Fee (as described below) to an Asset-Based Fee, the Asset-Based Fee begins accruing on the latter of: (i) the day after your flat advisory fee term expires and (ii) the date on which you accept the Asset-Based Fee disclosures.

Please note that the Asset-Based Fee will accrue and be payable with respect to assets you restrict from trading. Unlike the Flat Advisory Fee, Asset-Based Fees paid to MFWM are not refundable.

2. Flat Advisory Fee. (No longer offered) Certain clients who are subscribers to Motley Fool One, a newsletter service published by The Motley Fool, LLC (“TMF”), under limited offerings that are no longer available, pay a flat advisory fee (the “Flat Advisory Fee”) for access to our Personal Portfolio Program. The Flat Advisory Fee was payable in advance, and based on the length of the advisory term selected.

<b>Advisory Term</b>	<b>Advisory Fee</b>	<b>Refund</b>
1 Year	\$4,999	Pro-rated refund
3 Years	\$8,999	Pro-rated refund
5 Years	\$11,999	Pro-rated refund

**Given the nature of the Flat Advisory Fee, at certain assets levels clients may be paying (on a converted percentage basis) an annual asset-based fee of more than 2%. In some cases, these fees may substantially exceed those charged by other investment advisers that provide similar services.** If, as a result of fluctuations in asset levels, clients are paying a converted asset-based fee of more than 2% annually, they are encouraged to: (i) transition to the Asset-Based Fee discussed above; or (ii) contribute additional assets to their account. With respect to conversions to an Asset-Based Fee, MFWM will provide a pro-rated refund of the remaining Flat Advisory Fee balance prior to charging the Asset-Based Fee.

If you are paying a Flat Advisory Fee, you will receive a pro-rated refund if you terminate this Agreement. Refunds are pro-rated on a monthly basis. Depending on the terms of a particular offering, you may be provided more favorable refund terms. The Flat Advisory Fee is not negotiable.

If you are a Motley Fool One subscriber, your subscription grants you access to all our services except for certain financial planning services. You will not pay MFWM a fee for use of such services. If you own a Personal Portfolio Account, you will incur some account-related fees and other fees and expenses as further detailed in this Section 4.

3. Fee Disclosure for Retirement Accounts. In accordance with applicable law, MFWM is required to provide certain information regarding our services and compensation to assist fiduciaries and plan sponsors of those Retirement Accounts that are subject to the requirements of ERISA in assessing the reasonableness of their plan’s contracts or arrangements with us, including the reasonableness of our compensation. This information (the services we provide as well as the fees) is provided to you at the outset of your relationship with us and is set forth in this Agreement (including any fee table and other exhibits), and then at least annually to the extent that there are changes to any investment-related disclosures for services provided as a fiduciary under ERISA.
4. Planner Services.
  - a) Counseling Services. If you are eligible (as described under Section 2.a. above), Counseling Services are provided free of charge. Counseling Services are ancillary services provided in connection with investments in our Personal Portfolio Program and are not independently offered for a separate fee.



- b) Financial Planning Services. If you are eligible (as described under Section 2.a. above), Financial Planning Services are provided free of charge. MFWM does not offer Financial Planning Services as a stand-alone service for a separate fee.

b. **Other Fees.**

Your Account and the trades we make on your behalf will be subject to the applicable Custodian's transaction fees, commissions, account fees and other miscellaneous charges, as well as applicable taxes. Please consult your Custodian's website for a full list of their fees.

Clients custodied at Schwab and participating in our international strategy are subject to ADR transaction fees every time an ADR is purchased or sold in their account. MFWM may apply a trade minimum to ADR securities to reduce the amount of transaction fees incurred for each ADR transaction. Trade minimums will vary as they are dependent on the price of the ADR.

c. **Underlying Fund Fees and Expenses.**

Model Portfolios utilized in MFWM's Personal Portfolio Program may from time to time include ETFs that are subject to fees and expenses that are passed along to you. Index-Based Model Portfolios that exclusively utilize ETFs will have higher fund-related fees and expenses. In addition, stock-based accounts that include allocations to the International, Fixed Income and Hedged Equity Model Portfolios will have higher fund-related fees and expenses. Similarly, accounts held at Schwab that invest in Replacement ETFs, as described above, will have higher fund-related fees and expenses. The fund-related fees and expenses associated with accounts utilizing these Model Portfolios may be significant, and could range from 0.03 to 0.58% of assets under management.

## **5. Custody**

Custody and brokerage services are provided by IB and Schwab. **You acknowledge that, in the event that Custodian account documentation purports to give MFWM broad authorization to transfer funds or securities out of your Account, these authorizations are broader than those contained in this Agreement, and our authority is specifically limited to the authority set forth in this Agreement regardless of broader authorization in Custodian documentation.**

## **6. Your Responsibilities**

The utility of all our services is highly dependent on the information you provide to us. You understand that if the information you provide is not accurate, timely and complete, our recommendations may not be appropriate for your financial goals and needs. Accordingly, you are required to review your Profile at least annually. However, if there are changes to your financial circumstances, please do not wait until you are prompted to revise your Profile, which you can do at any time. You agree that you are responsible for keeping your Profile accurate and up to date.

## **7. Client Representations and Acknowledgements**

### **a. You represent and warrant that:**

- 1) You have the required legal capacity and authority to enter into this Agreement;
- 2) All the information you have provided (or will provide) in the Profile and, if applicable, when opening an Account or communicating with a MFWM financial planner (including information provided through Aggregation Software) is accurate and complete;
- 3) You are and will continue to be the owner or co-owner of all your Account assets, and there are, and will continue to be, no restrictions on the pledge, lending, hypothecation, transfer, distribution or sale of such assets;
- 4) If you are opening an Account for someone else, you are authorized to do so pursuant to the terms of this Agreement;
- 5) If this is a trust Account, the trust is in existence and you have full authority to enter into this Agreement and all actions taken by you hereunder are in compliance the trust documents and applicable law;
- 6) If the Retirement Account is maintained on behalf of a plan subject to ERISA, (i) the engagement of MFWM, and any instructions that have been given to MFWM with regard to the Retirement Account, are consistent with applicable plan and trust documents, (ii) that appropriate ERISA bonding is being maintained for the Account as may be required by law and the bonding includes within its coverage MFWM, (iii) the plan document reserves to the plan trustees the right to vote proxies, and (iv) that you are, or duly acting on behalf of, a “named fiduciary” with respect to the control and management of the assets held in the Retirement Account; and
- 7) If you are opening an Account on behalf of a corporation, partnership, limited liability company or other separate legal entity, such entity is in valid existence, you have full authority to enter into this Agreement, and all actions taken by you hereunder are in compliance with such entity’s organizational and governing documents and applicable law. Furthermore, the entity for which the Account is being opened is not a “government entity,” as defined in Rule 206(4)-5 under the Investment Advisers Act of 1940.

### **b. You acknowledge that:**

- 8) You have received or otherwise been given access to our Form CRS (Client Relationship Summary) and Brochure which describe all the services we offer;
- 9) Our recommendations and/or transactions in your Account may have tax consequences to you. You are responsible for all tax liabilities arising from transactions and/or other aspects of the Account;

- 10) You are sufficiently knowledgeable about investing to understand the risks involved including the risks that you could lose some or all of your investment and not achieve your investment objectives, and that past performance is not a guarantee of future results;
- 11) If you are not eligible for Planner Services (or, if you are eligible, and elect not to utilize our Planner Services), you acknowledge and agree that we do not take into consideration any information you have entered into the Aggregation Software when making asset allocation recommendations with respect to our Personal Portfolio Program. Asset allocation recommendations will be based solely on your Profile. Furthermore, you acknowledge and agree that you are solely responsible for any investment decisions you make based on your use of Aggregation Software;
- 12) MFWM may aggregate trades for your Account with trades made on behalf of other client accounts, which may result in the price obtained by you being less favorable than it would be if similar transactions were not made at the same time; and
- 13) You are solely responsible for selecting the Custodian for your Account(s). In connection with deciding upon which Custodian is best suited for your personal financial situation, you have been provided an opportunity to ask questions of, and you have received satisfactory answers from, our representatives regarding the different terms and services offered by each Custodian. Furthermore, you have obtained any and all additional information you have requested from us, the Custodian and our respective representatives (to the extent that any such person possesses such information or can acquire it without unreasonable effort or expense) necessary to make an informed decision regarding the appropriate Custodian for your Account.

## **8. Conflicts**

- a. Pursuant to a shared services agreement, MFAM personnel (solely for purposes of this section, “Portfolio Managers”) provide research and asset management services to the Personal Portfolio Program. Portfolio Managers also provide asset management services to ETFs (each, a “MFAM Fund” and together the “MFAM Funds”) and certain proprietary accounts. Conflicts of interest arise when a Portfolio Manager has day-to-day portfolio management responsibilities with respect to more than one fund or account, especially when managing or providing investment advisory services for other funds or accounts with similar investment strategies and different (higher) fees. These factors create conflicts of interest because Portfolio Managers have potential incentives to favor certain funds or accounts over others (including the Model Portfolios), with the result that other funds or accounts could outperform the Model Portfolios.

A conflict may also exist if the Portfolio Managers identify a limited investment opportunity that may be appropriate for more than one fund or account, but the Model Portfolios are unable to take full advantage of that opportunity because of the need to allocate that opportunity among multiple funds or accounts. In addition, the Portfolio Managers may execute transactions or make recommendations for another fund or account that may adversely affect the value of securities held by the Model Portfolios.

Our Code of Ethics and its ancillary policies and procedures seek to ensure that clients' accounts are not harmed by potential conflicts of interest. Our policies and procedures are designed to ensure that fair and appropriate allocation of investments (purchases and sales) are made among all funds and accounts (including the Model Portfolios), and that neither the MFAM Funds, Model Portfolios, or other funds or accounts (including proprietary accounts) can benefit from an informational or trading advantage over the other. Portfolio Managers are also aware that trades may not be made in one fund or account for the purpose of benefiting another fund or account. Investment decisions must be made only on the basis of the investment considerations relevant to the particular fund or account for which a trade is being made.

- b. To avoid conflicts of interest, MFWM will not buy MFAM Funds for your Account. Rather, if you transfer an account into the Personal Portfolio Program that includes a MFAM Fund (or any other security not in the chosen Model Portfolio), MFWM will sell such investments in order to purchase the equities in the Model Portfolio you have selected unless you have restricted those securities.
- c. MFWM personnel and Portfolio Managers may also buy or sell securities that MFWM recommends to Clients, and these persons may have positions in securities that we recommend. Such investment actions by MFWM personnel and Portfolio Managers pose potential conflicts of interest in that these persons may benefit from price movements of recommended securities. Our Chief Compliance Officer monitors the personal securities trading of MFWM's personnel and Portfolio Managers for violations of the Code of Ethics.
- d. MFWM has no nonpublic knowledge of its affiliates' respective holdings or recommendations. The affiliates may recommend or enter into transactions that may be consistent with, or opposed to, MFWM's views or any individual Model Portfolio and may adversely affect the prices of securities held in our clients' accounts, or the prices at which your Account can purchase or sell a security.
- e. During discussions with our financial planners, they may provide advice with respect to 401(k) and IRA rollovers into accounts that are managed by MFWM. Such recommendations pose potential conflicts of interest in that rolling retirement savings into a MFWM managed account will generate ongoing asset-based fees for MFWM that it would not otherwise receive.
- f. You understand that MFWM performs advisory services for other clients, and that MFWM gives advice and takes actions for other clients that may differ from the advice given, or the timing or the nature of any action taken on your behalf. In addition, MFWM is not obligated to buy, sell, or recommend for you any security or other investment that we or our affiliates may buy, sell, or recommend for any other client or for their own accounts.
- g. In order to facilitate our fractional share program, MFWM may, through a proprietary account, participate in aggregate sale and purchase orders alongside its clients to ensure that aggregate trades will round out to a whole share. As a result of the operation of the fractional share program, MFWM may hold fractional shares and may receive dividend payments, if any, in proportion to its holdings. MFWM believes that the dividend payments it may receive with respect to its fractional share holdings will be negligible.

- h. Pursuant to a shared services and licensing agreement, TMF provides (for direct and indirect compensation) MFWM with various support services, including accounting, information technology, human resources, and marketing services (such as access to prospect lists). If MFWM does not meet profit expectations, or if other affiliated businesses are more profitable than us, these corporate resources may be reallocated to other affiliated businesses in order to enhance the overall profitability of The Motley Fool group of companies. Decreased access to these resources could impair our ability to grow and improve our business, which could negatively impact the scope and quality of services that we provide to you. Similarly, any cutback in access to TMF marketing resources could impact our ability to gather new assets, which could, in turn, affect our ability to achieve economies of scale and better pricing with respect to third-party services.
- i. Custodians make available to us products and services that benefit MFWM, but do not directly benefit you or our other clients. We receive economic benefits from Custodians in the form of technology, software, research and other support products and services they make available to us. While you do not pay more for assets maintained at a Custodian as a result of these arrangements, MFWM derives an economic benefit from them and, as such, these arrangements create conflicts of interest. These benefits create an incentive for us to use these Custodians rather than making such a decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. We attempt to mitigate this conflict of interest through a rigorous best execution analysis and oversight by a Best Execution Committee. Notwithstanding these controls, you should consider these conflicts of interest when selecting a Custodian.

## **9. Confidentiality**

Except as expressly provided herein or in our Privacy Statement, we will keep your information confidential, unless we are required to disclose it by law.

## **10. Standard of Care**

We will perform the services described in this Agreement in good faith and in accordance with applicable law. When providing investment services to Retirement Accounts, we will act as a fiduciary as defined in ERISA. Provided that we have acted in a manner consistent with our fiduciary duty under the Advisers Act or ERISA, as applicable, and the terms of this Agreement, neither we nor any affiliate will be held liable for: (i) any action performed or omitted, or for errors of judgment made within the scope of the performance of such services; (ii) any loss (however arising, including negligence) resulting from your direction (including any requested deviation from our standard services, procedures or policies) or from any information provided by you; (iii) any losses resulting from following our policies or your reasonable restrictions; or (iv) any act or failure to act by an unaffiliated third party (including, without limitation, your Custodian). Federal and state securities and ERISA laws impose liabilities under certain circumstances on persons, even when they act in good faith, and nothing contained herein shall constitute a waiver or limitation of rights that you may have under federal or state securities, ERISA, laws, or any other law that cannot be waived.

## **11. Termination**

- a. This Agreement will continue until terminated by a party upon written notice to the other party. In the event of termination, howsoever occasioned, it may take up to ten (10) days to disassociate your Account from our Personal Portfolio Program. You acknowledge and understand that during this interval period, you may accrue asset-based fees. Generally after disassociation, MFWM will no longer place trades for your Account, nor accept instructions from you to do so. Upon the termination of our advisory services ongoing trading activities may continue for a period of time post-disassociation, including the liquidation of fractional shares in your Account if held at IB.
- b. If you are a Motley Fool One subscriber, this Agreement will automatically terminate if you cease to be a Motley Fool One subscriber. If you wish to continue to utilize our services as a client of MFWM, you may do so under the terms of a new investment advisory agreement. Generally, Motley Fool One subscribers and clients currently paying a Flat Advisory Fee will be required, should they wish to continue utilizing MFWM's Personal Portfolio services, to convert their accounts to the Asset-Based Fee upon the expiration of their Motley Fool One subscription or contract term, respectively, or the termination of this contract howsoever occasioned.
- c. You may terminate this Agreement at any time (without terminating your Motley Fool One subscription, if applicable) with notice. Similarly, MFWM may terminate this Agreement and no longer make its services available to you upon written notice to you.
- d. If you fail to create and fund an account at your Custodian within a reasonable period of time, as determined by us in our sole discretion, we reserve the right to terminate our advisory relationship with respect to our Personal Portfolio service. For the avoidance of doubt, this provision does not apply to non-discretionary services.
- e. The provisions of Sections 9, 10, 13, and 14 will survive the termination of this Agreement.

## **12. Client Death or Disability**

Death, disability or incompetency will not automatically terminate or change the terms of this Agreement. However, following a Significant Life Event or under other circumstances, your executor, guardian, attorney-in-fact, or other authorized representative may terminate this Agreement by giving written notice to us, with such termination being effective upon our receipt of such notice.

## **13. Notices**

All notices and other information from MFWM, will be delivered to you in accordance with the Consent to Electronic Delivery.

## **14. Mandatory Arbitration**

**This Agreement contains a pre-dispute arbitration clause. Therefore, all controversies that may arise between us concerning the advisory services we provide will be determined by arbitration before a panel of independent arbitrators set up by the American Arbitration Association. You understand that judgment upon any arbitration award may be entered in any court of competent jurisdiction.**

**By entering into this Agreement, the parties specifically agree and are aware of the following;**

- **The parties are waiving their right to seek remedies in court, including the right to jury trial.**
- **Arbitration awards are generally final and binding on the parties; a party's ability to have a court reverse or modify an arbitration award is very limited.**
- **Pre-arbitration discovery is generally more limited than and different from court proceedings.**
- **The arbitrators do not have to explain the reason(s) for their award unless, in an eligible case, a joint request for an explained decision has been submitted by all parties to the panel at least 20 days prior to the first scheduled hearing date.**
- **The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.**

**No person will 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 regarding any claims encompassed by the putative class action until: (i) the class certification is denied, (ii) the class is decertified, or (iii) the court excludes the client from the class.**

## **15. Miscellaneous**

- a. MFWM and its investment advisor representatives may transact business only in states where they are registered, excluded or exempted from state registration requirements. Our services are made available to United States residents and in certain circumstances, clients living abroad.
- b. Neither party may assign this Agreement without the prior consent of the other party, provided that we may transfer our rights and obligations under this Agreement to any subsidiary, affiliate or successor so long as such transaction does not constitute an "assignment" for purposes of the Investment Advisers Act of 1940 (the "Advisers Act"), as amended.
- c. This Agreement will be governed by the laws of the Commonwealth of Virginia but nothing herein will be construed contrary to the Advisers Act or any rule or order of the Securities Exchange Commission under the Advisers Act, other federal securities laws, or if applicable the provisions of ERISA or the Code.
- d. If any provision or part of a provision in this Agreement is held to be invalid or unenforceable, the validity and enforceability of all other provisions in the Agreement will not be affected or impaired.

- e. Our failure to enforce any term or provision of this Agreement is not a waiver of the term or provision. MFWM may materially amend this Agreement upon written notice to you. Your continued use of our services following our notice will signify your acceptance of any new terms.
- f. All section headings are for convenience only and do not form part of this Agreement.

*DATE: December 17, 2024*



Category of Service	Specific Services
Retirement Savings and Income Planning	<ul style="list-style-type: none"> <li>● Retirement needs analysis</li> <li>● Develop retirement income and distribution strategies, including Social Security review</li> <li>● Analysis of the use of various retirement plans, including tax-advantaged plans</li> </ul>
Investment Planning	<ul style="list-style-type: none"> <li>● Portfolio development and analysis, including asset allocation and portfolio diversification strategies</li> <li>● Analysis of the uses and taxation of investment vehicles</li> </ul>
Estate Planning	<ul style="list-style-type: none"> <li>● Develop strategies to transfer property and property titling, including the use and taxation of trusts and intra-family and other business transfer techniques</li> <li>● Analysis of sources of estate liquidity</li> <li>● Gift and estate tax considerations</li> </ul>
Tax Planning	<ul style="list-style-type: none"> <li>● Explore tax reduction and management techniques including such considerations as RMD amount/timing, Roth conversion amount/timing, and Medicare Premium costs as a result of the Income-Related Medicare Adjustment Amount (“IRMAA”)</li> <li>● Charitable/philanthropic contributions and deductions</li> </ul>
Risk Management and Insurance Planning	<ul style="list-style-type: none"> <li>● Analysis and evaluation of risk exposures</li> <li>● Assessment of insurance needs, including health, life, disability and long-term care, and assistance finding the most effective coverage</li> <li>● Annuities</li> </ul>
Education Planning	<ul style="list-style-type: none"> <li>● Education needs analysis</li> <li>● Review of education savings vehicles and financial aid options</li> <li>● Gift/income tax strategies</li> </ul>

## RISKS ASSOCIATED WITH MODEL PORTFOLIOS

MFWM may allocate your assets across some or all of the Model Portfolios, each of which embody a specific strategy or area of focus. As a result, your assets are generally invested in a combination of strategies and securities. Whether you achieve your investment objective depends largely upon MFWM selecting the best mix of strategies and investments for you. There is the risk that the MFWM's evaluations and assumptions regarding your allocation may be incorrect. Similarly, any imperfections, limitations, or inaccuracies in Model Portfolios could affect the viability of the Model Portfolio, and the data and research used to manage the Model Portfolios may be inaccurate and/or may not include the most current information available.

Even if we get the allocation and Model Portfolios right, all investments (including government debt) involve risk, and we cannot guarantee the results of any of our advice or account management. Significant losses can occur from investing in securities, or by following any investment strategy, including those recommended or applied by MFWM. The financial markets may change, sometimes rapidly and unpredictably, and you (or MFWM acting on your behalf) may not have the ability to avoid or prevent losses.

In addition to the risks associated with the strategies employed by MFWM and the investments in your Account, there are also risks associated with the operations of our business. Operational risk, such as breakdowns or malfunctioning of essential systems and controls, can impact our ability to perform key functions, including managing your Account. Personnel and organizational changes can also materially affect such risks. Similarly, disruptions in the electronic trading and other systems (resulting from system upgrades or other reasons) and troubles at the exchanges through which orders are executed (resulting from, among other things, extreme market volatility) could interrupt trading and availability of timely execution could diminish substantially. If this occurs during periods of volatility, substantial losses may be incurred.

A description of the investment objectives and strategies associated with each of our Model Portfolios can be found on our website at <https://foolwealth.com/info/strategies/home>. The following provides a discussion of the risks associated with each of our Model Portfolios.

### **A. Market Risk (All Model Portfolios and Account Level)**

General market and economic factors may adversely affect securities markets generally and could, in turn, adversely affect the value of Model Portfolio investments in stocks, regardless of the performance or expected performance of companies in which we invest. Periods of unusually high financial market volatility and restrictive credit conditions, at times limited to a particular sector or geographic area, have occurred in the past and may be expected to recur in the future.

Some countries, including the United States, have adopted or have signaled protectionist trade measures, relaxation of the financial industry regulations that followed the financial crisis, and/or reductions to corporate taxes. The scope of these policy changes is still developing, but the equity and debt markets may react strongly to expectations of change, which could increase volatility, particularly if a resulting policy runs counter to the

market's expectations. The outcome of such changes cannot be foreseen at the present time. In addition, geopolitical and other risks, including environmental (e.g., climate change) and public health risks, may add to instability in the world economy and markets generally.

As a result of increasingly interconnected global economies and financial markets, the value and liquidity of a Model Portfolio's investments may be negatively affected by events impacting a country or region, regardless of whether the Model Portfolio invests in issuers located in or with significant exposure to such country or region.

#### **B. Issuer Risk (All Model Portfolios and Account Level)**

The value of a security may decline for a number of reasons that directly relate to the issuer, such as management performance, major litigation, investigations or other controversies, changes in financial condition or credit rating, changes in government regulations affecting the issuer or its competitive environment and strategic initiatives such as mergers, acquisitions or dispositions and the market response to any such initiatives, financial leverage, reputation or reduced demand for the issuer's goods or services, as well as the historical and prospective earnings of the issuer and the value of its assets. A change in the financial condition of a single issuer may affect one or more other issuers or securities markets as a whole.

#### **C. Account Margin and Leverage Risk (All Model Portfolios and Account Level)**

Utilizing margin loans in an account exposes the account to increased risks similar to those experienced when holding other forms of debt, such as associated interest charges, repayment obligations, and collateral maintenance requirements, and can significantly increase the risk of loss in the portfolio due to the expanded value of the underlying investments at risk in comparison to the underlying assets deposited into the account, which is also known as portfolio leverage. Portfolio leverage can magnify the impact of portfolio losses dramatically. Losses incurred on margin must be repaid with underlying account assets, which can quickly be depleted due to existing leverage in the account. In addition, if sufficient funds are not available in an account to satisfy a margin call, the custodian may liquidate securities positions to fund the call, which may result in undesired trading activity and related capital gains or losses.

#### **D. Equity Risk (All Model Portfolios except for Fixed Income Model Portfolio)**

The Large Cap Aggressive Growth, Large Cap Core, Hedged Equity, U.S. Small and Mid-Cap, International, Dividend and U.S. Small and Mid-Cap Dividend Model Portfolios are heavily invested in individual stocks, which may make it more difficult to preserve principal during periods of stock market volatility.

Equity Risk in General. The stock of any company may not perform as well as expected, and may lose value, because of factors related to the company, including adverse developments regarding the company's business, poor management decisions, or changes in the company's industry or popularity of its goods and services. In the event a company becomes insolvent, stockholders will generally have the lowest priority among owners of that company's obligations as to the distribution of the company's assets. Stocks may also be affected by general market and economic factors, even when their companies' respective business fundamentals are unchanged.

Small and Mid-Capitalization Companies. The securities of smaller companies may involve greater risks than those of larger, more established companies, because the small companies may, for example, lack the management experience, financial resources, product diversification and competitive strength of larger companies, and their trading may be more volatile.

#### **E. Dividend Risk (Dividend and U.S. Small and Mid-Cap Dividend Model Portfolios)**

While several of our Model Portfolios invest in dividend-paying stocks, the Dividend and U.S. Small and Mid-Cap Dividend Model Portfolios seek to provide a safe and growing stream of dividend income. There is no guarantee that the issuers of the stocks will declare dividends in the future or that, if dividends are declared, they will remain at their current levels or increase over time. High-dividend stocks may not experience high earnings growth or capital appreciation. A client's performance during a broad market advance could suffer because dividend paying stocks may not experience the same capital appreciation as non-dividend paying stocks.

#### **F. Options Trading and Shorts Selling Risk (Hedged Equity Model Portfolio)**

Shorting securities or writing option contracts involve additional risks. With short sales and certain forms of option trades, the risk of loss is hypothetically unlimited as investors who short may be required to purchase shares to cover at any time, and at any price. Options can be used to create leverage, which can increase the risk of total loss, since smaller fluctuations in value will have significant effects on the owner's portfolio. Writing options and shorting stocks also involves the risk of timing, where the counter party assigns the option holder shares or forces the short seller to cover a short, which may not allow the strategy to play out.

#### **G. International Risk (International Model Portfolio)**

Foreign and Emerging Market Investments. Investing in securities of foreign companies involves risks generally not associated with investments in the securities of U.S. companies, including the risks associated with fluctuations in foreign currency exchange rates, unreliable and untimely information about issuers, and political and economic instability. Investing in emerging market countries involves risks in addition to and greater than those generally associated with investing in more developed foreign markets. In many less-developed markets, there is less governmental supervision and regulation of business and industry practices, stock exchanges, brokers, and listed companies than there is in more developed markets. The securities markets of certain countries in which MFWM may recommend investment may also be smaller, less liquid, and subject to greater price volatility than those of more developed markets.

Depository Receipt Risk. American Depository Receipts ("ADRs") are typically trust receipts issued by a U.S. bank or trust company that evidence an indirect interest in underlying securities issued by a foreign entity. Global Depository Receipts ("GDRs"), European Depository Receipts ("EDRs"), and other types of depository receipts are typically issued by non-U.S. banks or financial institutions to evidence an interest in underlying securities issued by either a U.S. or a non-U.S. entity. Investments in non-U.S. issuers through ADRs, GDRs, EDRs, and other types of depository receipts generally involve risks applicable to other types of investments in non-U.S. issuers. Investments in depository receipts may be less liquid and more volatile than the underlying securities in their primary trading market. If a depository receipt is denominated in a

different currency than its underlying securities, a portfolio will be subject to the currency risk of both the investment in the depositary receipt and the underlying security. There may be less publicly available information regarding the issuer of the securities underlying a depositary receipt than if those securities were traded directly in U.S. securities markets. Depositary receipts may or may not be sponsored by the issuers of the underlying securities, and information regarding issuers of securities underlying unsponsored depositary receipts may be more limited than for sponsored depositary receipts. The values of depositary receipts may decline for a number of reasons relating to the issuers or sponsors of the depositary receipts, including, but not limited to, insolvency of the issuer or sponsor. Holders of depositary receipts may have limited or no rights to take action with respect to the underlying securities or to compel the issuer of the receipts to take action.

## **H. Real Estate Risk (All Model Portfolios)**

1. **Real Estate Sector Risk.** An investment in a real property company may be subject to risks similar to those associated with direct ownership of real estate, including, by way of example, the possibility of declines in the value of real estate, losses from casualty or condemnation, and changes in local and general economic conditions, supply and demand, interest rates, environmental liability, zoning laws, regulatory limitations on rents, property taxes, and operating expenses. Some real property companies have limited diversification because they invest in a limited number of properties, a narrow geographic area, or a single type of property.
2. **Real Estate Investment Trusts (REITs).** REITs are pooled investment vehicles that manage a portfolio of real estate or real estate-related loans to earn profits for their shareholders. REITs are generally classified as equity REITs, mortgage REITs, or a combination of equity and mortgage REITs. Equity REITs invest the majority of their assets directly in real property, such as shopping centers, nursing homes, office buildings, apartment complexes, and hotels, and derive income primarily from the collection of rents. Equity REITs can also realize capital gains by selling properties that have appreciated in value. Mortgage REITs invest the majority of their assets in real estate mortgages and derive income from the collection of interest payments. REITs can be subject to extreme volatility because of fluctuations in the demand for real estate, changes in interest rates, and adverse economic conditions. Similar to regulated investment companies, REITs generally are not subject to federal income tax on income distributed to shareholders, provided they comply with certain requirements. The failure of a REIT to continue to qualify as a REIT for tax purposes can materially affect its value. An investor indirectly bears its proportionate share of any expenses paid by a REIT in which he or she invests.

## **I. Fixed Income Risk (Fixed Income Model Portfolio)**

1. **Fixed Income Risk in General.** While often considered to be safer investments, fixed income securities do carry risks. For example, changes in interest rate levels generally cause fluctuations in the prices of fixed-income securities. So, if interest rates rise, the prices of these securities usually fall. Also, subsequent to the purchase of a fixed-income security, the ratings or credit quality of such security (and that of its issuer) may deteriorate, which could negatively affect the market price. Depending on the features of the fixed income investment, other risks such as inflation and lack of liquidity, may affect its market value.

2. Inflation-Indexed Bonds. Unlike a conventional bond, whose issuer makes regular fixed interest payments and repays the face value of the bond at maturity, an inflation-indexed bond provides principal and interest payments that are adjusted over time to reflect a rise (inflation) or a drop (deflation) in the general price level for goods and services. Although inflation-indexed bonds seek to provide inflation protection, their prices may decline when interest rates rise and vice versa. In the event of deflation, the U.S. Treasury has guaranteed that it will repay at least the face value of an inflation-indexed bond issued by the U.S. government. However, if an inflation-indexed bond is purchased at a premium, deflation could result in a loss. Any increase in principal for an inflation-indexed bond resulting from inflation adjustments is considered by the Internal Revenue Service to be taxable income in the year it occurs. An ETF holding an inflation-indexed bond pays out (to shareholders) both interest income and the income attributable to principal adjustments in the form of cash or reinvested shares, and the shareholders must pay taxes on the distributions.
3. Municipal Bonds. Municipal bonds can be significantly affected by political or economic changes as well as uncertainties in the municipal market related to taxation, legislative changes or the rights of municipal security holders, including in connection with an issuer insolvency. Municipal securities backed by current or anticipated revenues from a specific project or specific assets can be negatively affected by the inability to collect revenues for the project or from the assets. Certain municipal bonds may provide exposure to the transportation industry and utilities sector. The transportation industry may be adversely affected by economic changes, increases in fuel and operating costs, labor relations, insurance costs and government regulations. The utilities sector is subject to significant government regulation and oversight, and may be adversely affected by increases in fuel and operating costs, rising costs of financing capital construction and the cost of complying with U.S. federal and state regulations, among other factors.
4. Mortgage-Related and Other Asset-Backed Securities Risk. Mortgage-related and other asset-backed securities, including mortgage-backed securities, represent interests in “pools” of mortgages or other assets such as consumer loans or receivables held in trust and often involve risks that are different from or possibly more acute than risks associated with other types of debt instruments. Generally, rising interest rates tend to extend the duration of fixed rate mortgage-related securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, mortgage-related securities may exhibit additional volatility since individual mortgage holders are less likely to exercise prepayment options, thereby putting additional downward pressure on the value of these securities and potentially causing holders of these interests to lose money. This is known as extension risk.

Mortgage-backed securities can be highly sensitive to rising interest rates, such that even small movements can cause a loss of value. Mortgage-backed securities, and in particular those not backed by a government guarantee, are subject to credit risk. In addition, adjustable and fixed rate mortgage-related securities are subject to prepayment risk. When interest rates decline, borrowers may pay off their mortgages sooner than expected. This can reduce the returns for holders of these securities because they may have to reinvest that money at lower prevailing interest rates. In addition, the creditworthiness, servicing practices, and financial viability of the servicers of the underlying mortgage pools present significant risks. For instance, a servicer may be required to make advances in respect of delinquent loans underlying the mortgage-related securities; however, servicers experiencing financial difficulties may not be able to perform these

obligations. Additionally, both mortgage-related securities and asset-backed securities are subject to risks associated with fraud or negligence by, or defalcation of, their servicers. These securities are also subject to the risks of the underlying loans. In some circumstances, a servicer's or originator's mishandling of documentation related to the underlying collateral (e.g., failure to properly document a security interest in the underlying collateral) may affect the rights of security holders in and to the underlying collateral. In addition, the underlying loans may have been extended pursuant to inappropriate underwriting guidelines, to no underwriting guidelines at all, or to fraudulent origination practices. The owner of a mortgage-backed security's ability to recover against the sponsor, servicer or originator is uncertain and is often limited.

Investments in other asset-backed securities are subject to risks similar to those associated with mortgage-related securities, as well as additional risks associated with the nature of the assets and the servicing of those assets. Payment of principal and interest on asset-backed securities may be largely dependent upon the cash flows generated by the assets backing the securities, and asset-backed securities may not have the benefit of any security interest in the related assets. Investments may be made in any tranche of mortgage-related or other asset-backed securities, including junior and/or equity tranches (to the extent consistent with other of the Fund's guidelines), which generally carry higher levels of the foregoing risks.

## **J. Exchange-Traded Fund and Index Tracking Risk (Hedged Equity, Index-Based and Fixed Income Model Portfolios)**

1. Exchange-Traded Fund Risk. Investments in investment companies or other investment vehicles may include index-based unit investment trusts such as ETFs. Such index-based investments sometimes hold substantially all of their assets in securities representing a specific index. With respect to certain strategies, MFWM may use ETFs designed to track an index as a way of gaining exposure to equity or fixed-income markets, or a particular segment of such markets.

When MFWM utilizes ETFs, clients will incur their pro rata share of the expenses of the ETF, such as investment advisory and other management expenses. In addition, clients will be subject to those risks affecting the ETF, including the effects of business and regulatory developments that affect ETFs or the investment company industry generally, as well as the possibility that the value of the underlying securities held by the ETF could decrease or the portfolio becomes illiquid.

ETF shares are listed for trading on a national securities exchange and are bought and sold on the secondary market at market prices. Although it is expected that the market price of an ETF share typically will approximate its net asset value (NAV), there may be times when the market price and the NAV differ significantly. Thus, we may pay more or less than the NAV when we buy ETF shares on the secondary market, and we may receive more or less than NAV when you sell those shares. Trading of ETF shares may be halted by the activation of individual or market-wide trading halts (which halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage).

Certain ETFs may hold common portfolio positions, thereby reducing the diversification benefits of an asset allocation style. ETFs may engage in investment strategies or invest in specific investments in which

MFWM would not engage or invest directly. The performance of those ETFs, in turn, depends upon the performance of the securities in which they invest.

2. **Index Tracking Risk.** Index-Based Model Portfolios seek to track the performance of an index (i.e., achieve a high degree of correlation with an index) by investing in ETFs. However, the return of an ETF may not match the return of its index for a number of reasons. For example, the return on the sample of securities purchased by an ETF (or the return on securities not included in the index), to replicate the performance of the index may not correlate precisely with the return of the index. Each ETF incurs a number of operating expenses not applicable to its index, and incurs costs in buying and selling securities. In addition, an ETF may not be fully invested at times, either as a result of cash flows into or out of the ETF or reserves of cash held by the ETF to meet redemptions. Changes in the composition of an index and regulatory requirements also may impact an ETF's ability to match the return of its index. Index tracking risk may be heightened during times of increased market volatility or other unusual market conditions.

#### **K. Non-Diversification Risk (All Model Portfolios and Account Level)**

Investments in a particular strategy may become concentrated in a small number of issuers. As a consequence, the aggregate returns realized by a client (either on a strategy or account level) may be adversely affected if a small number of these investments perform poorly. To the extent that the MFWM takes large positions in a small number of investments, account returns may fluctuate as a result of changes in the performance of such investments to a greater extent than that of a more diversified account.

#### **L. Sector & Industry Concentration Risk (All Model Portfolios and Account Level)**

1. **Concentration Risk Generally.** To the extent MFWM invests more heavily in particular sectors or industries of the economy, client performance will be especially sensitive to developments that significantly affect those sectors or industries. While investing in a particular sector is not a principal investment strategy of any Model Portfolio, client portfolios may be significantly invested in a sector or industry, such as the information technology sector, as a result of the portfolio management decisions made pursuant to MFWM's investment strategies. MFWM does not place any restrictions on its level of sector or industry concentration.
2. **Communications Services Sector Risk.** The communications services sector consists of companies that provide communication services using fixed-line networks or those that provide wireless access and services. This sector also includes companies that provide internet services such as access, navigation, and internet-related software and services. Companies in this sector can be affected by industry competition, substantial capital requirements, government regulation, and obsolescence of products and services due to technological advancement and innovation or competitors. Fluctuating domestic and international demand, shifting demographics, and often unpredictable changes in consumer preference can drastically affect a communication company's profitability. Additionally, while all companies may be susceptible to network security breaches, companies in the communications sector may be more likely to be targets of hacking and potential theft of proprietary or consumer information or disruptions in service, which could have a material adverse effect on their businesses.



3. Consumer Cyclical Sector Risk. The consumer cyclical sector includes retail stores, auto and auto parts manufacturers, companies engaged in residential construction, lodging facilities, restaurants, and entertainment companies. Companies in the this sector are largely impacted by the performance of the overall global economy, changes in interest rates, fluctuations in supply and demand, and changes in consumer preferences. Success depends heavily on disposable household income and consumer spending. As a result, consumer cyclical companies may be adversely affected and lose value quickly in periods of economic downturns.
4. Consumer Defensive Sector Risk. The consumer defensive sector includes companies engaged in the manufacturing of food, beverages, household and personal products, packaging, or tobacco. This sector also includes companies that provide services such as education and training services. Companies in this sector can be affected by, among other things, marketing campaigns, changes in consumer demands, government regulations and changes in commodity prices.
5. Financial Services Sector Risk. The financial services sector includes companies that provide financial services, including banks, savings and loans, asset management companies, credit services, investment brokerage firms, and insurance companies. Companies in this sector can be adversely impacted by many factors, including, among others, changes in government regulations, economic conditions, and interest rates, credit rating downgrades, adverse public perception, exposure concentration and decreased liquidity in credit markets. The impact of changes in regulation of any individual financial company, or of the financials sector as a whole, cannot be predicted. Cybersecurity incidents and technology malfunctions and failures have become increasingly frequent and have caused significant losses to companies in this sector, which may negatively impact the Model Portfolios.
6. Healthcare Sector Risk. The healthcare sector includes biotechnology, pharmaceuticals, research services, home healthcare, hospitals, long-term-care facilities, and medical equipment and supplies. Companies in this sector are subject to government regulation and reimbursement rates, as well as government approval of products and services, which could have a significant effect on price and availability. Companies in the healthcare sector can be significantly affected by product liability claims, pricing pressure, rapid obsolescence of products or services, and patent expirations.
7. Industrials Sector Risk. The industrials sector includes companies that manufacture machinery, hand-held tools, and industrial products. This sector also includes aerospace and defense firms as well as companies engaged in transportation and logistic services. Companies in this sector can be adversely affected by changes in the supply of and demand for products and services, product obsolescence, claims for environmental damage or product liability and general economic conditions, among other factors.
8. Information Technology Sector Risk. The technology sector includes companies engaged in the design, development, and support of computer operating systems and applications. This sector also includes companies that provide computer technology consulting services and companies engaged in the manufacturing of computer equipment, data storage products, networking products, semiconductors, and components. Companies in this sector are particularly vulnerable to rapid changes in technology product cycles, rapid product obsolescence, government regulation and competition, both domestically and internationally, including competition from foreign competitors with lower production costs. Stocks of

technology companies and companies that rely heavily on technology, especially those of smaller, less-seasoned companies, tend to be more volatile than the overall market. Technology companies are heavily dependent on patent and intellectual property rights, the loss or impairment of which may adversely affect profitability. Additionally, companies in the technology sector may face dramatic and often unpredictable changes in growth rates and competition for the services of qualified personnel.

#### **M. Climate Change Risk (All Model Portfolios and Account Level)**

Climate change and regulations intended to control its impact may affect the value of Model Portfolio investments. Our current evaluation is that the near-term effects of climate change and climate change regulation on Model Portfolio investments are not material, but we cannot predict the long-term impacts on Model Portfolio investments from climate change or related regulations. The ongoing political focus on climate change has resulted in various treaties, laws and regulations which are intended to limit carbon emissions. MFWM believes these laws being enacted or proposed may cause energy costs at properties owned by the REITs or other real estate companies in which the Model Portfolios may invest to increase. MFWM does not expect the direct impact of such risks to be material to the value of our investments. However, there can be no assurance that climate change will not have a material adverse effect on Model Portfolio investments.

#### **N. Financial Institution Risk (All Model Portfolios and Account Level)**

Actual events involving reduced or limited liquidity, defaults, non-performance, or other adverse developments that affect financial institutions or other companies in the financial services industry, including banks and other custodians, or impact the financial services industry generally, as well as concerns or rumors about any events of these kinds, have in the past and may in the future lead to market-wide liquidity problems, defaults on financial obligations, non-performance of contractual obligations, and other adverse impacts on these financial institutions, investors that deposit funds and securities at these institutions, lenders and borrowers of these institutions, and other companies in the financial services industry. For example, on March 10, 2023, Silicon Valley Bank, was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation as receiver. Investor concerns regarding the United States or international financial systems could result in less favorable commercial financing terms, including higher interest rates or costs and tighter financial and operating covenants, or systemic limitations on access to credit and liquidity sources, thereby making it more difficult to acquire financing on acceptable terms or at all. Any decline in available funding or access to cash and liquidity resources could, among other risks, adversely impact the ability to meet operating expenses, satisfy financial obligations, liquidate portfolio holdings, withdraw capital, or fulfill other obligations, or result in breaches of financial and/or contractual obligations. Any of these impacts, or any other impacts resulting from the factors described above or other related or similar factors not described above, could have material adverse impacts on portfolio holdings, performance, or business operations.

#### **O. Cybersecurity Risk (All Model Portfolios and Account Level)**

The widespread use of information technology systems in investing involves a high level of cybersecurity risk. This risk could be an unauthorized occurrence, or a series of related unauthorized occurrences, on or

conducted through MFWM's or any of its third-party service providers' information systems that jeopardizes the confidentiality, integrity, operability, or availability of MFWM's or any of its third-party service providers' information system or any information residing therein. A cybersecurity incident can result in the loss or corruption of data, unauthorized release or misuse of confidential information, and generally compromise MFWM's ability to conduct business. It may also result in a third party obtaining unauthorized access to our proprietary information or clients' information, including social security numbers, home addresses, account numbers, account balances, and account holdings. MFWM has limited ability to prevent or mitigate cybersecurity incidents affecting third-party service providers, and those third-party service providers may have limited indemnification obligations to MFWM. Cyber incidents affecting MFWM or its third-party service providers may adversely impact and cause financial losses to MFWM or its clients. Issuers of securities MFWM invests in are also subject to cybersecurity risks, and the value of these securities could decline if the issuers experience cybersecurity breaches.

#### **P. Geopolitical Risk (All Model Portfolios and Account Level)**

Geopolitical risks, including those arising from trade tension and/or the imposition of trade tariffs, terrorist activity or acts of civil or international hostility, are increasing. For instance, military conflict and escalating tensions globally could result in geopolitical instability and adversely affect the global economy or specific markets. Similarly, other events outside of MFWM's control, including natural disasters, climate change-related events, or health crises may arise from time to time and be accompanied by governmental actions that may increase international tension. Any such events and responses, including regulatory developments, may cause significant volatility and declines in the global markets, disproportionate impacts to certain industries or sectors, disruptions to commerce (including to economic activity, travel and supply chains), loss of life and property damage, and may adversely affect the global economy or capital markets and may cause client assets to decline.

#### **Q. Epidemic, Pandemic, and Public Health Emergencies (All Model Portfolios and Account Level)**

Any public health emergency, including any outbreak of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, Ebola or other existing or new epidemic diseases, or the threat thereof, could have a significant adverse impact on investments and could adversely affect our ability to fulfill your investment objectives. The extent of the impact of any public health emergency on investment performance will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of a public health emergency may materially and adversely impact the value and performance of your investments. In addition, MFWM's operations may be significantly impacted, or even halted, either temporarily or on a long-term basis, as a result of government quarantine and curfew measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel.