



**IQT SELECT BLUE-CHIP FOLIO  
MANAGEMENT SERVICES AGREEMENT**

**THIS AGREEMENT** is made this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_ by and between **I.Q. Trends Private Client Asset Management** (the “Advisor”), a California corporation registered as an Investment Advisor with the U.S. Securities and Exchange Commission pursuant to the provisions of the Investment Advisers Act of 1940 (“Advisers Act”), whose principal place of business is located at 2888 Loker Avenue East, Suite 116, Carlsbad, CA 92010, and the client whose name and address are listed below (the “Client”).

Client Name: \_\_\_\_\_

Client Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- 1. Appointment as Investment Manager.** Client hereby retains the Advisor and the Advisor hereby agrees to provide investment management services with respect to Client’s subscription to the IQT Select Blue-Chip FOLIO (the “FOLIO”) in accordance with the terms and conditions hereinafter set forth.
- 2. Advisor Authority.** Throughout the term of this agreement the Advisor shall have the power and authority as Client’s agent and attorney-in-fact to supervise, manage and direct the FOLIO on a discretionary basis; to purchase, sell, invest, exchange, convert and trade any securities and instruments and any other transaction therein. Unless specifically directed otherwise in writing by the Client, Advisor will not exercise any voting or consent rights pertaining to any assets held in the Account. The transactions in the Account shall be made in accordance with the written investment guidelines attached hereto as Schedule A as they may be amended from time to time by the Client by notice to the Advisor.
- 3. Client Authority.** The client represents and confirms that the Advisor’s engagement, pursuant to this Agreement, is authorized by the governing documents relating to the Client and that the terms of this Agreement do not violate an obligations by which the Client is bound. The Client agrees to deliver to the Advisor all account forms and corporate resolutions or similar documentation evidencing the undersigned’s authority to execute and deliver this Agreement. The Client also agrees to deliver such organizational documents and other documents, including the written statement of the Client investment objectives, policies and restrictions as the Advisor shall reasonably require. The Client further agrees to promptly deliver all amendments or supplements to the foregoing documents, and agrees that the Advisor will not be liable for any losses, costs or claims suffered or arising out of the Client’s failure to provide the Advisor with any documents required to be furnished hereunder. The Client warrants and represents that it owns all property deposited in the Account and that no restrictions on disposition exist as to any such property.
- 4. Investment Objectives.** The Advisor will use its best efforts to manage and select investments for the FOLIO to protect capital, generate income and obtain capital growth without regard to the taxation of the income or growth. It shall be the Client’s responsibility to advise the Advisor in writing of any objectives contrary to these and any changes or

modification to Client's financial circumstances therein.

- 5. Custody of Assets.** Client will be required to deposit his or her funds and securities in a securities brokerage account with FOLIO *fn* Institutional (the Custodian). By clients' signature below, client authorizes Advisor to establish an account with FOLIO *fn* Institutional and provides to Custodian authorization for Advisor to execute purchase and sale transactions for Client's benefit. Custodian, through its subsidiary FOLIO *fn* Investments, will execute the purchase and sale transactions in the Client's account. Custodian will not charge a transaction fee for trades made through Custodian's twice-daily trading window but will charge a transaction fee for all trades made outside of the twice-daily trading window. At no time will Advisor have custody of the assets. Custodian will be responsible for providing regular statements to the Client showing portfolio holdings.
- 6. Expenses.** All expenses related to the FOLIO including, but not limited to, any costs of safekeeping, transport and acquisition and disposition, such as brokerage and other execution costs and custody fees shall be paid by the client.
- 7. Broker/Dealer Section.** FOLIO *fn* is a financial services and technology company that delivers unique investment products and business solutions to financial professionals and financial institutions for benefit of their clients. Through its registered broker-dealer subsidiary, FOLIO *fn* Investments, the company offers an innovative stock basket-trading capability and state-of-the-art execution, clearance and settlement services. These services and capabilities are unique to FOLIO *fn* and Advisor has used its discretion in selecting the company to offer the FOLIO platform to its clients as an alternative investment vehicle to mutual funds and ETF's (exchange traded funds).
- 8. Aggregation.** The Advisor is authorized in its discretion to aggregate purchases and sales and other transactions made for the FOLIO with purchases and sales and other transactions in the same or similar securities or instruments of the same issuer or counterpart for other clients of the Advisor or with affiliates of the Advisor. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averages, and the FOLIO will be deemed to have purchased or sold its proportionate share of the instruments involved at the average price so obtained. Stock exchange regulations may in certain instances prevent the executing broker dealer from delivering to the Portfolio a confirmation slip with respect to its participation in the aggregated transaction and, in such event, the Advisor will advise the Client in writing of any purchase or disposition of instruments for the Portfolio with respect to any such aggregated transaction.
- 9. Fees.** In consideration of the Advisor's services hereunder, Client shall pay the Advisor the fees set forth in Schedule B hereto. The fee shall be billed on a monthly basis, at the end of each calendar month. If the management of the FOLIO commences at any other than the beginning of a calendar month, the first monthly fee shall be prorated based on the initial FOLIO value and the position of such calendar month during which the Agreement was in force. The Fee will be equal to the respective percentage per annum found in Schedule B based on the FOLIO's average net asset value with additions treated as being made on the first day of the month.

The net asset value of the FOLIO shall be determined by the Custodian in good faith at the close of the New York Stock Exchange on the last business day of each month. For purposes of determining value, securities and other instruments traded on a market for which actual

transaction prices are publicly reported shall be valued at the last reported sale price on the principal market in which they are traded (or, if there shall be no sales on such date, then at the mean between the closing bid and asked prices on such date), other readily marketable securities and other instruments shall be priced using a pricing service or through quotations from one or more dealers, and all other assets shall be valued at fair value by the Advisor whose determination shall be conclusive. The Advisor may modify the terms in this Section prospectively on at least 30 days prior written notice.

**10. Assignment and Termination.** No Assignment (as that term is defined in the Investment Advisers Act of 1940) of this Agreement shall be made by the Advisor without written consent of the Client. Client may terminate this Agreement upon notice to the Advisor at any time within five (5) days from the date hereof. Thereafter, either Client or Advisor may terminate this Agreement by giving thirty (30) days prior written notice of termination to the other. Upon termination, any fees owed to the Advisor and/or Custodian shall be paid by the Client on a prorated basis as of the effective date of termination.

**11. Limit of Liability.** Client agrees that all transactions in Client's FOLIO are for Client's sole account and risk. The Advisor shall not be excluded from liability for losses occasioned by the Advisor's willful misfeasance, bad faith, or gross negligence in the performance of its duties hereunder. The federal securities laws impose liabilities under certain circumstances on persons who act in good faith and nothing in this Agreement shall constitute a waiver of limitation of any rights which the Client may have under applicable federal or state law.

**12. Conflicts of Interest.** The Client agrees that the Advisor may refrain from rendering any service any advice or services concerning securities of companies of which any of the Advisor's or affiliates of the Advisor's officers, directors, or employees are directors or officers, or companies in which the Advisor or any of the Advisor's affiliates or the officers, director and employees or any of them has or may have substantial economic interest, unless the Advisor either determines in good faith that it may appropriately do so without disclosing such conflict to Client or discloses such conflict to the Client prior to rendering such advice or services with respect to the FOLIO.

**13. Non-Exclusive Management Services.** It is understood that the Advisor performs investment management services for various clients. The Client agrees that the Advisor may give advice and take action with respect to any of its other clients which may differ from advice given, or the timing or nature of the action taken, with respect to the FOLIO, so long as it is the Advisor's policy, to the extent practical, to allocate investment opportunities to the FOLIO over a period of time on a fair and equitable basis relative to other clients. Nothing in this Agreement shall limit or restrict the Advisor or any of its directors, officers, affiliates and employees, and other clients of the Advisor, at any time to acquire, increase, decrease or dispose of portions of investments which are at the same time being acquired, held or disposed of for the FOLIO. The Advisor will not have any obligation to initiate the purchase or sale, or to recommend for purchase or sale, for the FOLIO any security or other asset which the Advisor, its directors, officers, affiliates or employees may purchase, hold or sell for its or their own accounts or for the accounts of any other clients of the Advisor.

**14. Reliance of Information.** The Client understands that the Advisor, in the performance of its obligations and duties under the Agreement, is entitled to rely upon the accuracy of information furnished by the Client or on its behalf, without further investigation.

**15. Acknowledgment of Advisor's ADV Part II.** Client hereby acknowledges receipt of a copy of Part II of Advisor's Form ADV and Privacy Notice.

**16. General Provisions.**

- (a) Unless otherwise specified herein, all notices, instructions, and any advice of confirmations of security transactions or other matters contemplated by this Agreement shall be deemed to be duly given when received in writing by the Advisor at the address above, or when deposited by first class mail addressed to the Client at the address appearing above or at such other address as Client shall specify in a notice similarly given.
- (b) This Agreement shall be governed by and construed in accordance with the laws of the United States and the State of California. In the event of any dispute or controversy the Advisor and Client agree that any appropriate state court located in San Diego County, shall be the proper forum in which to adjudicate such case of controversy. The parties hereto consent to the jurisdiction of such courts.
- (c) Each section of this Agreement and any and every provision therein shall be severable from every other section of this Agreement and any and every provision thereof, and the invalidity or unenforceability of any section of provision shall not affect the validity of any other section of provision of this Agreement.
- (d) This agreement embodies the entire Agreement of the parties hereto with respect to the subject matter hereof, and all prior agreements, understanding, and negotiations are merged herein and superseded hereby.
- (e) Except as provided in Section 4 with respect to the Client's investment objectives and in Section 9 with respect to Schedule B, this Agreement may not be amended unless such Amendment is in writing and signed by the parties sought to be bound.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the date first above written.

Client: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Client: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Accepted: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**FOLIO *fn* ACCOUNT INFORMATION**

First Name: \_\_\_\_\_ Last Name: \_\_\_\_\_

Date of Birth: \_\_\_\_/\_\_\_\_/\_\_\_\_ (mm/dd/yyyy)

Soc. Sec. Number: \_\_\_\_\_ - \_\_\_\_ - \_\_\_\_\_

Home Address: (Street Addresses only; no P.O. Boxes)

Address 1: \_\_\_\_\_

Address 2: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP Code: \_\_\_\_\_

Mailing Address: (if different, P.O. Boxes allowed)

Address 1: \_\_\_\_\_

Address 2: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP Code: \_\_\_\_\_

Delivery Method: E-Mail \_\_\_ Mail \_\_\_ (Confirmations, Statements, etc.)  
Hardcopy delivery has additional monthly charges.

E-Mail Address: \_\_\_\_\_.

Daytime Phone: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Evening Phone: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Country of Legal Residence: \_\_\_\_\_

Citizenship: U.S. Citizen \_\_\_ Res. Alien \_\_\_\_\_ Non-Res. Alien \_\_\_\_\_

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

## SCHEDULE "A"

Advisor creates and supervises an actively traded portfolio of securities that consist of select exchange-traded funds and individual stocks chosen from the *Investment Quality Trends* newsletter. Under normal market conditions security selections will be made from the Undervalue level. On occasion, based on our experience, a security may be selected from the Rising or Declining Trend levels. Positions are liquidated reaching the Overvalue level. Proceeds from liquidated positions will be directed toward new purchase positions in securities which represent historic value. As a matter of investment policy Advisor prefers to avoid the use of margin, short sales and options.

Advisor constructs diversified portfolios of domestic stocks for the objective of growth of capital and growth of dividend income. It is Advisor's intention to be fully invested in stocks at all times. During instances of extreme valuations, exceptionally low credit quality or excessive volatility, Advisor may utilize short-term fixed instruments to the extent necessary to both protect the portfolio capital and keep it productive.

**SCHEDULE "B"**

**PORTFOLIO MANAGEMENT AGREEMENT  
MANAGEMENT FEES**

Name: \_\_\_\_\_ Date: \_\_\_\_\_

Account Asset Value

Advisor Fee

No minimum asset value requirement

One-half of one percent (.50%)

**CUSTODIAN FEES ARE SEPARATE FROM AND IN ADDITION TO INVESTMENT  
MANAGEMENT FEES. SEE CUSTODIAN CUSTOMER AGREEMENT FOR  
DISCLOSURE.**

Accounts will be billed in arrears on a monthly basis.

# **IQ Trends Private Client Asset Management**

## **PRIVACY POLICY**

Investment management services encompass far more than selecting which investments are appropriate for a client's portfolio. At IQ Trends Private Client Asset Management we believe that our participation in assisting our clients to realize their financial goals and objectives constitute a relationship. In that vein, we believe that protecting that relationship is one of our highest priorities.

To fulfill our responsibilities as your investment manager we must have access to your private financial information. It is our firm's policy to do everything we can to protect that information and the following describes our firm's privacy policy.

We do not sell your personal information to any person or entity.

We do not disclose your personal information to unaffiliated third parties unless one of the following exceptions applies:

- **We receive your prior consent.**
- **We disclose your personal information to you or persons we believe to be your authorized representative, including your legal counsel, accountant or consultant. We disclose your personal information to a broker, custodian or other service provider with whom we must share information in order to manage or service your account properly.**
- **We may disclose your personal information in limited circumstances where we believe we are permitted or required by law to release the information to the recipient.**

We collect personal information from the following sources in the normal course of business to serve you better:

- ***Account Applications and other Forms***, which may include your name, address, telephone number, social security number, and information about your investment goals and tolerance.
- ***Your Professional Advisors such as consultants, attorneys and accountants***, who may provide financial, investment history and tax information about you.
- ***Account History***, including information about the transactions we have ordered for you and balances in your account.
- ***Correspondence***, written, electronic or telephonic between you and us or your broker or custodian and us.

We use your personal information to help us better serve your investment and financial needs and to fulfill our fiduciary or regulatory obligations. We may also use your personal information to:

- Administer our business, and
- Suggest services that may be of interest to you.

We protect the confidentiality and security of your personal information.

- **We restrict access to your personal information as much as possible to those employees who need to know in order to provide our services to you.**
- **We maintain physical, electronic and procedural safeguards that comply with federal standards to guard the privacy of your personal information.**

We will maintain this policy whether you are a current or former client. Due to the nature of changing federal regulations we may need to revise our privacy policy in the future. If you would like a current copy of our privacy policy you may request it by calling (866) 927-5250.