

## CHARTIST ADVISORY AGREEMENT

This Agreement is made between the undersigned (“Client”) and Chartist, Inc. (“Advisor”).

WHEREAS, Advisor is registered pursuant to the Investment Advisors Act of 1940, as amended, and Client wishes to retain Advisor with respect to the recommendation and management of my portfolio(s) , the parties hereto agree to the following:

Charles Schwab & Company is the broker/dealer for The Chartist Managed Accounts. I understand that other broker/dealers might charge lower commissions and/or transaction fees for effecting my securities transactions.

Client shall sign forms necessary to establish a brokerage account(s) so as to permit the purchase, sale and exchange of stocks, bonds, mutual funds and/or exchange-traded funds (herein referred to as “Assets” ) by Advisor on behalf of the Client without notice to, or further authorization from, the Client.

Client hereby appoints Advisor as Client’s agent and attorney-in-fact with limited power and authority to buy, sell or exchange shares of various “Assets” on behalf of Client account(s). In no event shall advisor have custody of client's cash or securities.

Client may make deposits to, or withdrawals from, his account at any time. Advisor shall be notified of each such withdrawal or deposit before they occur.

Advisor is authorized to act in pursuance of this Agreement through any officer or employee designated for such purpose by the Advisor’s Board of Directors or its President.

Advisor makes no promises, representations, warranties or guarantees that any of the services to be rendered hereunder will result in a profit to the Client. Client agrees to hold Advisor harmless for any losses in Client accounts due to any decrease in net asset value of “Assets” owned by Client due to, but not limited to, market timing decisions made by Advisor which prove to be unprofitable, unless attributable to fraud, bad faith, gross negligence, or willful misconduct. The federal securities laws impose liabilities under certain circumstances on persons who act in good faith, and therefore nothing herein shall in any way constitute a waiver or limitation of any rights which the undersigned may have under any federal securities laws. Further, Advisor will not be held liable for communications or computer problems which prevent or limit the ability to effect purchases, sales or exchanges; or trading restrictions imposed by mutual funds or governmental authorities which would limit the number of exchanges within a Fund or require a minimum holding period that would prevent the timely execution of a purchase, sale or exchange or impose a surcharge for so doing. Advisor will not be responsible for voting client proxies. Client will be sent all issuer-related communications, and make all voting decisions including proxies, tender offers, proposed mergers, rights offerings, exchange offers and warrants, among other things that may require actions regarding investments held in account.

In the event that the Client shall die or be declared incompetent, the authority of the Advisor to continue to act under the terms of this Agreement shall continue until such time as the Advisor is notified in writing of the death or incompetency of the Client.

This Agreement may be terminated at any time, for any reason, by either party giving written notice to the other at least ten (10) business days prior to the proposed termination date. Should it become necessary to terminate this agreement, it will be the client’s responsibility to determine their investment position. The Advisor will not make any investment decisions once the notification of termination is received.

Advisor has no financial affiliation with any “Assets” or with Charles Schwab and Co. or any Brokerage Firm. Advisor receives no commissions or other forms of compensation for account transactions from anyone other than Client.

Client acknowledges that Advisor will not be held responsible or liable for the acts, conduct or omissions of Charles Schwab and Co. or any Brokerage Firm.

The parties waive their rights to seek remedies in court, including any right to a jury by trial. The parties agree that any dispute between or among any of the parties arising out of, relating to or in connection with this Agreement or the Account, shall be resolved exclusively through binding arbitration conducted under the auspices of the American Arbitration Association pursuant to its Commercial Arbitration rules. The arbitration hearing shall be held in the County of Los Angeles, State of California. Disputes shall not be resolved in any other form or venue. The arbitration shall be conducted by a retired judge who is experienced in resolving disputes regarding the securities business (if available). The parties agree that the arbitrator shall apply the substantive law of California to all state law claims, that limited discovery shall be conducted in accordance with the American Arbitration Association's Commercial Arbitration rules, and that the arbitrator may not award punitive or exemplary damages, unless (but only to the extent that) such damages are required by law to be an available remedy for any specific claims asserted. The arbitrator's award shall consist of a written statement as to the disposition of each claim and the relief, if any, awarded on each claim. The award shall not include or be accompanied by any findings of fact, conclusions of law or other written explanation of the reasons for the award. The parties understand that the right to appeal or to seek modification of any ruling or award by the arbitrator is severely limited under state and federal law. Any award rendered by the arbitrator shall be final and binding, and judgment may be entered on it any court of competent jurisdiction in the county and state of the principal office of the Chartist at the time the award is rendered or as otherwise provided by law. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

No assignment of this Agreement shall be made by the Advisor unless consented to in writing by the Client.

**Please select the account type to be opened:**

**Mutual Fund/ETF Portfolio (Minimum Account size \$50,000)**

This portfolio is designed for the long-term investor seeking growth. Income is not the primary objective. Portfolios are invested primarily in exchange-traded funds and/or no load mutual funds.

**Stock Portfolio (Minimum Account size \$100,000)**

This portfolio is designed for the long-term investor seeking growth. Income is not the primary objective. Portfolios are invested in a broad spectrum of common stocks and/or ETFs, many of which are listed in our investment advisory publications. Larger portfolios may have broader diversification.

**Balanced Portfolio (Minimum Account size \$100,000)**

This portfolio is designed for the conservative, long-term investor. Our goal with the Balanced Portfolio is to achieve a consistent rate of return while minimizing portfolio volatility.

### **Compensation**

I/We agree to compensate The Chartist at the following annual rate based on the net asset value of my/our account, including cash. The first quarterly fee is then due and payable. The management fee shall be calculated at the beginning of each quarter to adjust for any deposits or withdrawals, or changes in market value. The value used to determine the quarterly management fee shall be the closing value of my/our account on the final trading day of the preceding quarter. The fee will be billed directly to Charles Schwab & Company, the custodian of my/our account. I/We have granted Charles Schwab & Company the authority to pay such fees to The Chartist upon presentation of a quarterly statement by The Chartist. Upon written termination of our agreement, fees are refunded on a prorated basis. If you wish to have your fee billed directly to you that can be arranged.

As compensation for its service, Advisor is paid a Quarterly Management Fee in advance based on the size of Client's accounts under management. If the client or family members open additional accounts our billing rate is based on the total assets of all the accounts.

<u>SIZE OF ACCOUNT</u>	<u>ANNUAL RATE</u>
\$50,000-249,999	1.25
\$250,000-499,999	1.00
\$500,000-749,999	.85
\$750,000-999,999	.75
\$1,000,000 and above	.65

The Chartist reserves the right to enter into contracts with clients that may result in fees that are less than the standard fee schedule set forth above based upon certain criteria including, but not limited to, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, or account composition.

The following reports and/or statements will be supplied to me:

- a) Performance reports are provided quarterly by The Chartist.
- b) At year-end, I will receive a complete listing of capital gains and losses as well as other pertinent tax information where applicable;
- c) The Broker/Dealer will supply written confirmation of every order executed for me; and year-end 1099
- d) The Broker/Dealer will also supply monthly statements indicating recent transactions effected for me.

In the event of termination of this agreement by the Client, the fee shall be refundable on a pro-rata basis. Notwithstanding anything to the contrary in this Agreement, fees will be refunded in full, if termination of this Agreement is requested within five (5) business days of the original date of this Agreement. This agreement may not be assigned by either party without the written consent of the other party.

Client understands that the Advisor renders investment advisory services for other clients. Nothing in this agreement shall be deemed to impose upon the Advisor any obligation to recommend for purchase or sale by or for Client any security or other property which the officers or employees of the Advisor may recommend for any other client. Client recognizes that transactions in a specific asset may not be accomplished for all Clients accounts at the same time or at the same price.

If Client's account is subject to the Employee Retirement Income Security Act of 1974 as amended ("ERISA"), the trustees of Client's account specifically reserve the right to vote proxies for portfolio securities. If the account is not subject to ERISA, Client specifically reserves the right to vote proxies for portfolio securities. As a result for either an account subject to ERISA or an account that is not subject to ERISA, Advisor shall not be required to take any action, or render any advice, with respect to the voting of portfolio securities.

If Client's account is subject to ERISA, Advisor acknowledges it is a "fiduciary" as that term is defined by ERISA with respect to Client's account. Client represents that employment of Advisor, is authorized by, has been accomplished in accordance with, and does not violate any documents governing Client's account. Client will furnish Advisor with true copies of all governing documents. If Client's account is subject to ERISA, (i) Client acknowledges that it is a "named fiduciary" with respect to the control or management of the assets of the account; and (ii) Client agrees to obtain and maintain a bond, satisfying the requirements of Section 412 of ERISA. and to include Advisor, and its agents, among those insured under that bond.

All information and advice furnished by either party to the other shall be treated as confidential and shall not be disclosed to third parties except as required by law. Your signature(s) on this Investment Advisory Agreement acknowledges your understanding of the terms of this agreement.

Client shall promptly advise Advisor of (a) the investment objectives of the Account, (b) any changes or modifications to those objectives and (c) any specific investment restrictions relating to the Account. Client shall promptly notify Advisor in writing if Client considers any investments recommended or made for the Account to violate such objectives or restrictions. Client and Advisor shall consult on a periodic basis regarding Client's investment objectives. Client may at any time direct Advisor to sell such Securities or take such other lawful actions as Client may specify

to effect compliance of the Account with Client's investment objectives. In addition, Client may notify Advisor at any time not to invest funds in the Account in specific Securities or specific categories of Securities, and Advisor shall promptly follow those instructions. Client agrees promptly to furnish, or to cause Client's custodian or agent to furnish, to Advisor all data and information Advisor may reasonably request to render the investment management services described above. Client shall be solely responsible for the completeness and accuracy of the data and information furnished to Advisor hereunder.

Client is experienced in engaging investment advisors and is aware of the risk associated with such engagements, including the risk that the Account could suffer substantial diminution in value. Client acknowledges and understands that the service to be provided by Advisor under this Agreement is limited to the management of the account and does not include financial planning or any other related or unrelated consulting services.

Client hereby acknowledges receipt of Advisor's Disclosure Statement, as required pursuant to Rule 204-3 under the Investment Advisors Act of 1940 prior to or on the date of signing this Agreement. Client acknowledges prior receipt of Advisor's Privacy Notice.

This agreement represents the entire agreement between the Client and the Advisor and can only be amended in writing. This Agreement shall be governed by the laws of the State of California.

Initial Investment: \$ \_\_\_\_\_

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Client's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name (*Additional Account Holder*)

\_\_\_\_\_  
Client's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
E-mail Address

**Accepted by:**

\_\_\_\_\_  
The Chartist, Inc.

\_\_\_\_\_  
Date

**NOTE:**

*Please send this Investment Advisory Agreement in the enclosed envelope or to: Chartist, Inc., Attn: Bill Mais, PO Box 758, Seal Beach, CA 90740 If you should have any questions regarding the program or completion of the Agreements, please call Steve Mais or Chris Mais at (800)942-4278.*