



**NEW ACCOUNT QUESTIONNAIRE**

**Type of Account**

Individual: \_\_\_\_\_ Joint WROS: \_\_\_\_\_ Joint Community Property: \_\_\_\_\_ Joint Tenants in Common: \_\_\_\_\_ (Holder #1 %: \_\_\_\_\_ Holder #2 %: \_\_\_\_\_)  
Traditional IRA: \_\_\_\_\_ Roth IRA: \_\_\_\_\_ Rollover IRA: \_\_\_\_\_ Simplified Employee Pension (SEP) IRA: \_\_\_\_\_ For IRAs, Check Here if Inherited: \_\_\_\_\_  
Corporation: \_\_\_\_\_ Partnership: \_\_\_\_\_ LLC: \_\_\_\_\_ Trust: \_\_\_\_\_

If a Joint Account, include Contact and Employment Information for both parties (individually and/or together, the "Client"). Additional space is available at the end of this document.

**Client Contact Information**

Full Legal Name: _____	Full Legal Name (if Joint Acct): _____
Home Street Address: _____	Home Street Address: _____
City, State, ZIP: _____	City, State, ZIP: _____
Phone Number: _____	Phone Number: _____
Second Phone (Optional): _____	Second Phone (Optional): _____
Fax Number (Optional): _____	Fax Number (Optional): _____
Email Address: _____	Email Address: _____

For your security, ValueTree password-protects all documents sent to you by email. Provide a **ValueTree Client Password** that you would like us to use in our email communication to you. Your ValueTree Client Password may be the same or different from the password used to login to your Interactive Brokers account: \_\_\_\_\_

**Investment Objectives**

Preservation of Capital: \_\_\_\_\_ Growth: \_\_\_\_\_ Current Income: \_\_\_\_\_ Speculation: \_\_\_\_\_ Hedging: \_\_\_\_\_  
Do you anticipate needing any of the funds in your account within: 1 year: \_\_\_\_\_ 2-3 years: \_\_\_\_\_ 3-5 years: \_\_\_\_\_ 5+ years: \_\_\_\_\_  
Do you anticipate using any of the funds in your account as current income that may be used to pay for daily living expenses: Yes: \_\_\_\_\_ No: \_\_\_\_\_ If Yes, please explain: \_\_\_\_\_  
If applicable, please explain any significant anticipated future financial needs and their anticipated timing (For example, cash needed for retirement, college tuition payments, loan repayments, etc.): \_\_\_\_\_

**Financial Background**

Is your estimated net worth greater than \$1 million? Yes: \_\_\_\_\_ No: \_\_\_\_\_ Estimated Net Worth (excluding principal residence): \_\_\_\_\_  
Liquid Net Worth: \_\_\_\_\_ Annual Net Income: \_\_\_\_\_  
Source of Funds (Other than from employment): \_\_\_\_\_  
Indicate your investment experience: 

<u>Years of Experience</u>	<u>Trades per Year</u>	<u>Knowledge Level (Extensive, Good, Limited)</u>
Stocks _____	_____	_____

**Signature**

By signing below, I certify, under penalty of perjury, that all information provided in this New Account Questionnaire is true and correct and represents my true identity, and I agree to notify ValueTree Investments, LLC of any material changes to this information. I further certify, under penalty of perjury, that any assets I place in an account to be managed by ValueTree Investments, LLC (a) are not part of any money laundering scheme, and are not part of any terrorist funding or criminal activity, and (b) are derived from legitimate sources including business income, personal savings, inheritance, or any other legal and valid means. I acknowledge that I have read and agree to be bound jointly and severally by all terms and conditions outlined in the Investment Management Agreement included as part of this New Account Questionnaire.

Client Signature: _____	Client Signature (if Joint Acct): _____
Printed Name: _____	Printed Name: _____
Date: _____	Date: _____

You may return this completed Questionnaire to ValueTree by mail, fax, or email.

**For ValueTree Use Only**

Client Account Number: _____	Initial Total Dollar Value placed in Client's Account: _____
Accepted by: _____	Accepted Date: _____
Printed Name: _____	

**INVESTMENT MANAGEMENT AGREEMENT**

This **INVESTMENT MANAGEMENT AGREEMENT** (the "Agreement") is made and entered into by and between **VALUETREE INVESTMENTS, LLC** (the "Adviser") a North Carolina limited liability company and the Client named in the New Account Questionnaire (the "Questionnaire") included as part of this Agreement, and shall become effective as of the Accepted Date by the Adviser indicated in the Questionnaire.

In consideration of the mutual promises and agreements contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Adviser and the Client hereby agree as follows:

**Section 1: Services:**

The Client appoints the Adviser to continuously manage an investment portfolio (the "Portfolio") for the Client on a discretionary basis. The assets in the Portfolio will be maintained by a qualified Custodian in a separate Account as outlined in "**Section 2: Custody of Assets**" of this Agreement. The Adviser will make all decisions to buy, sell, or hold securities, cash, or any other investments for the Client's Portfolio in its sole discretion and without first consulting the Client. The Client gives full power and authority to the Adviser to carry out these decisions, to select brokers, dealers, or banks with whom such securities and other investment transactions shall be executed, to execute contracts and/or electronically sign documents on the Client's behalf which are required or necessary to open the Account to be maintained

by the Custodian, to give instructions to the Custodian relating to the Client's Portfolio, and to execute all other matters which are necessary or incidental to this Agreement.

#### **Section 2: Custody of Assets:**

The Client will open a separate discretionary account, identified by the Client Account Number noted by the Adviser in the Questionnaire (the "Account"). The Account will be maintained by Interactive Brokers, LLC (the "Custodian"), which is a "qualified custodian" as defined under Rule 206(4)-2 pursuant to the federal Investment Advisers Act of 1940 (the "Act"). All assets in the Portfolio will be maintained in the Account by the Custodian and will be the sole property of the Client. The Adviser will not maintain physical custody of any of the Client's assets in the Account. The Client gives full power and authority to the Adviser to instruct the Custodian to withdraw any fees due to the Adviser from the Client's Account. In addition, the Client will pay all fees due to the Custodian as consideration for services provided by the Custodian to the Client using assets available in the Client's Account.

#### **Section 3: Transactions:**

As a fiduciary, the Adviser will seek the best execution for all transactions in the Portfolio. As allowed under Section 28(e) of the Securities Exchange Act of 1934 and under any rules or interpretations pursuant thereto, the Adviser may direct transactions for the Portfolio to brokers in return for research services that will generally be used to service all of the Adviser's clients. The Adviser may use assets in the Client's Portfolio to pay brokers a commission greater than another qualified broker might charge to effect the same transaction where the Adviser determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. Consistent with its duty of best execution, if the Adviser decides to purchase or sell the same securities for the Client's Portfolio and for other clients at about the same time, the Adviser may aggregate the Client's order with orders of other clients to allow the Adviser to negotiate better prices or lower commission rates and other transaction charges than it could otherwise negotiate for the Client's order alone, provided that no client is systematically advantaged or disadvantaged by the aggregating. The Adviser will allocate securities so purchased or sold, as well as the expenses incurred in such transactions, in the manner that it considers to be equitable and consistent with its fiduciary obligations to the Client and its other clients. All expenses relating to the execution of any transactions in the Client's Portfolio, including all trading fees or commissions, and any stock market exchange fees, will be paid using assets available in the Client's Account.

#### **Section 4: Management Fee:**

The Client will pay the Adviser in advance a quarterly management fee equal to fifty-five hundredths of one percent (0.55%) of the total value of the assets in the Account, based on the total value of the assets in the Account as of the last business day of the preceding calendar quarter or based on the initial total value of the assets placed in a new Account (the "Management Fee"). The Adviser will instruct the Custodian to deduct the Management Fee from the Account, and the Management Fee will be paid to the Adviser within forty-five (45) days after the end of every calendar quarterly period that this Agreement is in effect. For example, if the total value of the assets in the Client's Account equals ten thousand dollars (\$10,000.00) at the end of any calendar quarterly period, then the Management Fee to be paid in advance for the next calendar quarterly period would be calculated as follows:  $(\$10,000.00) \times (0.55\%) = \$55.00$ . The total value of the assets in the Account will be calculated as the sum of all long positions valued using the most recent closing market price, less the sum of any short positions valued using the most recent closing market price, plus the balance of any cash held in the Account.

- A. If the Client qualifies for the Performance Based Fee outlined in "**Section 5: Performance Based Fee**" of this Agreement, then the Management Fee will be reduced from fifty-five hundredths of one percent (0.55%) to four tenths of one percent (0.40%) of the total value of the assets in the Account, based on the total value of the assets in the Account as of the last business day of the preceding calendar quarter or based on the initial total value of the assets placed in a new Account. For example, if "**Section 5: Performance Based Fee**" applies, and if the total value of the assets in the Client's Account equals ten thousand dollars (\$10,000.00) at the end of any calendar quarterly period, then the Management Fee to be paid in advance for the next calendar quarterly period would be calculated as follows:  $(\$10,000.00) \times (0.40\%) = \$40.00$ .
- B. If the total value of the assets in the Account is less than ten thousand dollars (\$10,000.00) at the end of any calendar quarterly period when the Management Fee is calculated, then the Client agrees to pay the Adviser a minimum Management Fee in advance for the next calendar quarterly period equal to fifty-five dollars (\$55.00). If the Client, either individually or together with the Client's spouse, maintains more than one account that is managed by the Adviser, then the total value of the assets in each of the Client's accounts may be combined for the purpose of determining whether the total value of the assets in the Account is less than ten thousand dollars (\$10,000.00) at the end of any calendar quarterly period when the Management Fee is calculated. If the sum of all assets in all of the Client's accounts that are managed by the Adviser is less than ten thousand dollars (\$10,000.00) at the end of any calendar quarterly period when the Management Fee is calculated, then the Client agrees to pay the Adviser a minimum Management Fee in advance for the next calendar quarterly period equal to fifty-five dollars (\$55.00), to be applied pro-rata across each of the Client's accounts that are managed by the Adviser.
- C. If this Agreement becomes effective for the Client on any day other than the first day of any calendar quarter, then the Management Fee for the initial partial quarterly period that this Agreement is in effect will be pro-rated and paid in advance based on thirty (30) day months and ninety (90) day quarters. Similarly, if the Client adds any amount of assets to the Account on any day other than the first day of any calendar quarter, then the Management Fee for such partial quarterly period will be applied to the additional assets on a pro-rated basis and will be paid in advance based on thirty (30) day months and ninety (90) day quarters.
- D. If the Client withdraws any amount of assets from the Account on any day other than the last day of any calendar quarterly period, then the Management Fee will be pro-rated in arrears for any such partial quarterly period based on thirty (30) day months and ninety (90) day quarters, and the pro-rated portion of the Management Fee that has not been earned by the Adviser will be returned to the Client upon such withdrawal. Similarly, if the Client terminates this Agreement on any day other than the last day of any calendar quarterly period, then the Management Fee will be pro-rated in arrears for any such partial quarterly period based on thirty (30) day months and ninety (90) day quarters, and the pro-rated portion of the Management Fee that has not been earned by the Adviser will be returned to the Client upon such termination.

The Management Fee is intended to pay for all ordinary operating expenses of the Adviser. The Client will not pay any operating expenses of the Adviser.

#### **Section 5: Performance Based Fee**

Consistent with Rule 1805 pursuant to the North Carolina Investment Advisers Act, if the Client together with its spouse has a net worth in excess of one million dollars (\$1,000,000.00), or if the total value of the Client's assets that are managed by the Adviser exceeds five hundred thousand dollars (\$500,000.00), then this "**Section 5: Performance Based Fee**" shall apply. For the purposes of this section, the term "net worth" shall be defined as the total of all assets at fair market value less all liabilities at fair market value. Net worth shall be determined exclusive of principal residence, mortgage thereon, home furnishings and automobiles.

In addition to the Management Fee, the Client agrees to pay the Adviser a fee based on the investment performance of the Portfolio over a specified time period and relative to the return on the Russell 2000 Index during the same time period (the "Performance Based Fee"). The Performance Based Fee will equal twenty percent (20.00%) of any profits attributable to investment performance of the Portfolio that exceeds the return on the Russell 2000 Index over any annual calendar period (the "Excess Profits"). For example, if the investment performance of the Portfolio equals fifteen percent (15.00%) in any calendar year, and if the return on the Russell 2000 Index equals ten percent (10.00%) in the same year, then the investment performance of the Portfolio would exceed the return on the Russell 2000 Index by five percent (5.00%) during that year. Furthermore, if the starting total value of the assets in the Account at the beginning of the year equaled ten thousand dollars (\$10,000.00), then the Excess Profits would be calculated as follows:  $(\$10,000.00 \times 5.00\%) = \$500.00$  of Excess Profits. The Performance Based Fee would equal 20.00% of this \$500.00 of Excess Profits, or \$100.00 to be paid to the Adviser. For the purpose of calculating the Performance Based Fee, the investment performance in the Portfolio will be measured over any annual calendar period beginning on January 1 and ending on December 31 of any year that this Agreement is in effect. If a Performance Based Fee is earned by the Adviser in any calendar year, then the Adviser will instruct the Custodian to deduct the Performance Based Fee from the Account, and the Performance Based Fee will be paid to the Adviser within forty-five (45) days after the end of that calendar year. If during any calendar year the investment performance of the Portfolio is negative or less than the return on the Russell 2000 Index, then the Performance Based Fee will equal zero (\$0.00). Furthermore, if during any calendar year the investment performance of the Portfolio is positive and the return on the Russell 2000 Index is negative, then the Excess Profits will be calculated using only the positive investment performance of the Portfolio. For example, if during any calendar year the investment performance of the Portfolio is positive seven percent (7.00%) and the return on the Russell 2000 Index is negative three percent (-3.00%), then the Excess Profits will equal seven percent (7.00%) of the starting total value of the assets in the Account at the beginning of the year, and the Performance Based Fee will equal twenty percent (20.00%) of such Excess Profits.

- A. For the purpose of measuring the "investment performance" of the Portfolio, as that term is used in this "**Section 5: Performance Based Fee**," the Adviser will calculate the annual percentage increase or decrease in the total value of assets in the Account for the year using the "Gross Performance" of the Account as shown and defined in each quarterly Client Account Statement from the Adviser. The calculation of investment performance excludes the impact of the Management Fee and the impact of the Performance Based Fee on the total value of assets in the Account during the year, and is adjusted for any additions or withdrawals of assets to or from the Account during the year. The annual "return" on the Russell 2000 Index, as that term is used in this "**Section 5: Performance Based Fee**," will be calculated using the official quarterly returns for the year provided by Russell Investments. The return data provided by Russell Investments includes dividends compounded no less than quarterly. The Adviser believes that the return on the Russell 2000 Index is an appropriate comparison to the investment performance of the Portfolio because the Russell 2000 Index represents a generally recognizable measure of the small-cap segment of the U.S. stock market, and as such, the return on the Russell 2000 Index represents one of the primary opportunity costs that the Client will forego by appointing the Adviser to manage the Portfolio. For the purpose of comparing the investment performance of the Portfolio with the return on the Russell 2000 Index, all calculations will be rounded to the nearest hundredth of a percentage point. For example, if a calculation yields investment performance for the Portfolio of 12.365%, then the investment performance will be rounded up to 12.37%. Similarly, if the calculation yields investment performance for the Portfolio of 12.364%, then the investment performance will be rounded down to 12.36%. The investment performance of the Portfolio that is used to calculate the Performance Based Fee will not be based on any time period that is less than one year.
- B. If during any year the Client withdraws any amount of assets from the Account or terminates this Agreement, such that assets in the Account would normally be returned to the Client within thirty (30) days after December 31 of that year according to the terms outlined in "**Section 6: Addition and Withdrawal of Assets**" of this Agreement, then such withdrawal or termination will not preclude the Adviser from earning and receiving a Performance Based Fee based on the investment performance of the Portfolio measured during such year. In such case, the Adviser may delay the return of assets in the Account to the Client for up to thirty (30) days or until such time that it can properly calculate the Performance Based Fee and after the Performance Based Fee has been paid to the Adviser.
- C. The Client acknowledges that the Performance Based Fee arrangement may create an incentive for the Adviser to make investments that are riskier or more speculative than would be the case in the absence of the Performance Based Fee. The Client also acknowledges that the Adviser may receive increased compensation with regard to unrealized appreciation as well as realized gains in the Client's Portfolio as a result of the Performance Based Fee arrangement.

#### **Section 6: Addition and Withdrawal of Assets:**

The Client may add additional assets to the Account at any time and from time to time and in any dollar amount that the Client chooses. If the Client adds any assets to the Account, the Client will notify the Adviser in writing by submitting a copy of the form outlined in "**Appendix A: Addition of Assets to the Account**" of this Agreement. The Client may withdraw any amount of assets from the Account in whole or in part and at any time or from time to time by notifying the Adviser with a copy of the form outlined in "**Appendix B: Withdrawal of Assets from the Account**". Assets requested to be withdrawn from the Account will be available for withdrawal by the Client as cash within thirty (30) days after the notice of withdrawal was given to the Adviser. The Client will pay any fees required by the Custodian to transfer any amount of assets that is added to or withdrawn from the Account.

**Section 7: Statements:**

The Custodian will send statements to the Client outlining in detail all assets held in the Account and all transactions and fees in the Account on no less than a quarterly basis. The Adviser will prepare and send to the Client a quarterly letter outlining the investment performance in general of portfolios managed by the Adviser and highlighting any major investment activities that occurred during the preceding quarter. The Adviser will also send the Client a quarterly statement for the Portfolio showing the amount of all fees paid to the Adviser, the value of the Portfolio on which the Adviser based the fees, and how the Adviser calculated the fees.

**Section 8: Taxes:**

The Client should consult its tax professional on all matters related to the tax treatment of investment gains or losses in the Portfolio. The Adviser will not withhold any amounts from the Portfolio for tax purposes, and the Adviser will not be liable for any taxes related to any investment activity in the Portfolio. For taxable accounts, the Custodian will send the Client a Form 1099 after the end of each calendar year outlining detailed information relating to taxable activity in the Account. If the Account is an IRA, then the Custodian will send a Form 5498 to the Client, if applicable.

**Section 9: Privacy:**

At no time will the Adviser divulge any nonpublic personal information about the Client, the Portfolio, or the Account to any non-affiliated third party via any means of communication, other than as required in the normal course of business to the Custodian, to employees or agents of the Adviser, or to any other person or entity as necessary to execute all matters relating to this Agreement, or as required by law. Similarly, the Client agrees to keep confidential all notices, letters, statements, or any other communications from the Adviser about the Portfolio, the Adviser's investment strategy, or the investment performance of the Portfolio. The Client agrees not to divulge such nonpublic personal information from or about the Adviser or any of its officers, directors, partners, or employees to any non-affiliated third party, except as necessary in the normal course of business to the Client's employees or agents, or as required by law. The Client hereby acknowledges that it has received a copy of the Adviser's Privacy Policy. In accordance with applicable law, the Adviser will provide a separate stand-alone copy of its Privacy Policy, including any amendments thereto, to the Client no less than annually.

**Section 10: Risk:**

By executing this Agreement, the Client acknowledges that its investment in the Portfolio to be managed by the Adviser involves a substantial amount of risk. The Adviser cannot guarantee the future performance of the Portfolio, cannot promise any specific level of investment performance, and cannot promise that its investment decisions, strategies, or overall management of the Portfolio will be successful. The Client also acknowledges that managing the Portfolio may create a conflict of interest for the Adviser when making investment decisions for the Client's Portfolio in relation to investment decisions made for other portfolios managed by the Adviser for other clients. The Adviser believes that this Agreement and agreements with its other clients are designed to minimize the possibility for any conflicts of interest. The Adviser will use its best efforts to avoid any conflicts of interest relating to or arising out of this Agreement, and the Adviser will manage the Client's Portfolio in a manner that it believes to be equitable and consistent with its fiduciary obligations to the Client and to its other clients.

**Section 11:**

Repealed.

**Section 12: Governing Law:**

This Agreement shall be governed by the laws of the state of North Carolina.

**Section 13: Disputes:**

The Client acknowledges that the Adviser encourages the Client to resolve any disputes, disagreements, or complaints arising between the Client and the Adviser as a result of executing this Agreement through arbitration. Notwithstanding the previous sentence, both the Client and the Adviser acknowledge that nothing contained in this "Section 13: Disputes" nor elsewhere in this Agreement shall constitute a waiver by the Client of any legal right under applicable federal or state laws to pursue other action against the Adviser.

**Section 14: Amendments and Assignments:**

Any section of this Agreement may be amended in whole or in part, and at any time or from time to time, with the written consent of both the Adviser and the Client. This Agreement cannot be changed or terminated orally. Neither the Adviser nor the Client may assign this contract to any other person or entity without the prior written approval of both the Adviser and the Client.

**Section 15: Severability of this Agreement:**

If any part of any section of this Agreement is found to be invalid or unenforceable, then such finding shall not affect the validity or enforceability of any other part of any section of this Agreement.

**Section 16: Notices:**

Any notices or communications in connection with the subject matter of this Agreement shall be made in writing and shall be effective when delivered personally (including by Federal Express, Express Mail, or similar courier service) to the party for whom intended, or five (5) days following deposit of the same into the United States mail, certified mail, return receipt requested, first class postage prepaid, addressed to such party at the address set forth below. The Client and the Adviser agree that all notices may also be delivered by facsimile or by electronic mail. Either party may designate a different address by notice to the other party given in accordance with this section. Notices to the Client will be delivered according to the Contact Information provided by the Client in the Questionnaire. Notices to the Adviser may be delivered according to the following information: ValueTree Investments, LLC, P.O. Box 78475, Charlotte, NC 28271, Phone: 980-272-0339, Fax: 901-328-9544, Email: Research@ValueTreeInvestments.com

**Section 17: Termination:**

This Agreement shall become effective on the date hereof. This Agreement may be terminated in writing by either the Client or the Adviser with thirty (30) days' prior notice. Upon termination of this Agreement, the Adviser will liquidate any investment positions in the Portfolio and will make all remaining assets in the Account available to be withdrawn by the Client as cash. Any assets withdrawn by the Client upon termination of this Agreement will be treated in the same manner as any withdrawal of assets from the Account according to the terms outlined in "Section 6: Addition and Withdrawal of Assets:" of this Agreement. The Client may terminate this Agreement within five (5) business days after its inception with no penalty to the Client.

**Section 18: Counterparts:**

This instrument contains the entire Agreement between the Adviser and the Client relating to the subject matter hereof. This Agreement may be executed in more than one counterpart, with the same effect as if the Adviser and the Client had both executed all counterparts of this Agreement together as one document.

