



## AMERICAN INVESTORS COMPANY INVESTMENT ADVISORY AGREEMENT

This Investment Advisory Agreement ("Agreement") is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by American Investors Company ("AIC") and \_\_\_\_\_ ("Client").

Client hereby engages AIC, a Registered Investment Adviser under the Investment Advisers Act of 1940 ("Advisers Act"), located at 12667 Alcosta Blvd., Suite 160, San Ramon, CA 94583, to provide advisory services as described below.

**Services.** AIC, through its advisory affiliates, shall provide the following services (check all that apply):

- ASSET SUPERVISORY/MANAGEMENT SERVICES.** Client hereby appoints AIC, and AIC hereby accepts Client's appointment, as investment manager for the Client's account(s) ("Account"). AIC will provide asset management services based upon an evaluation of Client's stated goals and objectives. AIC agrees: (a) to review, at reasonable intervals during the period of this Agreement, the Account's investments as initially accepted by AIC, together with all additions, substitutions and alterations thereto; (b) to manage Client's investments in accordance with Client's instructions and consistent with Client's investment objectives, as supplied by Client and indicated in AIC's records; and (c) to provide Client with reports on the account, conveyed either in writing or orally, and on a frequency agreed upon by Client and AIC, but no less than annually. It is understood and agreed that AIC, in the preparation of said reports, does not assume responsibility for the accuracy of information furnished by Client, the Account's custodian, or any other person, firm or corporation. Client will receive periodic statements on no less than a quarterly basis from Client's broker-dealers, custodians, mutual funds and other money managers, as appropriate.

**Trading Authorization** (*One authorization clause must be selected by Client*)

- Client hereby grants AIC discretionary trading authority to purchase and sell securities in the Account. AIC does not have a full power of attorney and will not have authority to withdraw funds or to take custody of Client funds or securities. Client may make deposits or withdrawals from the Account at any time. Client should notify AIC of each withdrawal or deposit before they occur .
- AIC will not have discretion over Client Account. Client hereby grants AIC a limited power of attorney, limited to the power of executing Client authorized trades, i.e., AIC will not execute a trade in Client's Account without prior consent. AIC does not have a full power of attorney and will not have authority to withdraw funds or to take custody of Client funds or securities.

AIC will make all decisions to buy, sell or hold securities, cash or other investments for Client's Account on a discretionary or non-discretionary basis per the Client's trading authorization election, as indicated above. Such securities may include, but are not limited to, interests in mutual funds, ETFs, non-traded REITs and other alternative investments, common or preferred stock, convertible stocks or bonds, options, warrants, rights, corporate, municipal or government bonds, and notes or bills. Client gives AIC authority to carry out these decisions by giving instructions, on behalf of Client, to the broker-dealer(s) and/or the custodian(s) for Client's Account. Client also authorizes AIC to provide a copy of this Agreement to any broker or dealer or custodian with or through which transactions for Client's Account are to be effected as evidence of AIC's authority under this Agreement.

- OTHER ADVISORY SERVICES** (*complete as applicable*)

- Financial Plan** – Prepare a written analysis of Client's current financial position, based on information provided by Client, taking into account the stated financial goals and objectives of Client, and provide a written plan with recommendations for its implementation.

*If Financial Plan selected above, choose one plan type:*

- Comprehensive Financial Plan**
- Segmented Plan** (*specify focus*): \_\_\_\_\_
- General Consultation** – Advice regarding investments and/or application of Client's plan.
- Portfolio Reporting Services**

401(k) Plan Investment Selection & Monitoring

Other (specify): \_\_\_\_\_

**Custody of Client's Assets.** AIC will not act as custodian of the assets held in the Account. Client's Account assets will be held by an independent custodian. Client may at any time increase or decrease Client's managed assets. Client's Account will, at all times, be held solely in Client's name and will require Client's authorization for withdrawal. Client will pay the fees charged by the custodian, i.e., expenses related to the Account including, but not limited to, any costs of safekeeping, brokerage and other execution costs, custody fees and margin costs, if any. Client will instruct the custodian to (a) send Client quarterly or, if available, monthly statements showing the assets in, and all transactions for, Client's Account during the period corresponding to the statement; and (b) provide AIC with copies of those statements and confirmations of any transactions effected in Client's Account.

**Implementation of Advice.** It is understood and accepted by Client that AIC performs investment advisory services for various clients, and that AIC may give advice and take action in the performance of its duties with respect to any of its other clients, which may differ from advice given or the timing or nature of action taken with respect to the Client's Account.

**Basis of Advice.** Client acknowledges that AIC obtains information from a wide variety of publicly available sources. The affiliates do not have, nor do they claim to have sources of inside or private information. The recommendations developed by AIC are based upon the professional judgment of AIC and its individual professional advisory affiliates and neither AIC nor its affiliates can guarantee the results of any of their recommendations. Client, at all times, has the right to follow or ignore completely, or in part, any information, recommendation, or advice given by AIC under this Agreement. Client agrees to review the Account statements received and to promptly notify AIC if Client has any question or objection to any position or transaction in the Account.

**ERISA Accounts.** AIC acknowledges that it is a Registered Investment Adviser under the Advisers Act, and is therefore qualified to be appointed an Investment Manager under section 402(c)(3) of the Employee Retirement Income Security Act of 1974 ("ERISA"). AIC further acknowledges that, in regard to those clients for which it serves as an Investment Manager as defined in section 3(38) of ERISA, it shall be a Fiduciary as defined in section 3(21)(A) of ERISA. Client warrants that the exercise of all other investment authority granted to the advisory affiliate under this Agreement is authorized by the governing plan and trust documents and consistent with ERISA.

**Proxy Voting.** Decisions on voting of proxies will be made by Client. AIC does not vote proxies on behalf of clients. If the Account is subject to ERISA, decisions on voting of proxies for the securities in the Account will be made by the trustee of Client's Account or a named fiduciary of Client's Account other than AIC.

**Fees and Terms of Payment.** Fees for services shall be calculated in accordance with the attached Schedule A. Asset management fees will be billed in arrears and will begin to accrue when the Account is funded or when this Agreement takes effect, if later. The asset management fees set forth herein are for investment advisory services only and do not include any brokerage, transaction or custodial fees or any other services which may be required by Client to implement the recommendations made by AIC. Any change in Client's financial condition or objectives from that previously provided to AIC which requires material reevaluation and analysis or substantial modification of recommendations may result in additional charges at the agreed hourly rate, whenever it may be applicable. Upon termination by either party, the effective date of termination shall be used as the concluding date for valuation of the Account. The final charge for asset management services shall cover the period from the beginning of the then current billing period to the termination date, and Client agrees to pay any fee, prorated to the termination date. Where applicable, for services other than asset supervisory/management service, AIC agrees to refund any prepaid fee, prorated to the termination date. Advisory fees are negotiable on a case-by-case basis. Advisory fees may also vary depending upon the advisory affiliate who provides services to Client. .

**Fee Deduction Authorization.** Client authorizes the custodian of the Account to pay asset management fees and any fees for other advisory services directly from the Account, as invoiced by AIC. The custodian of Client's Account may rely on the invoices submitted by AIC, and will not determine whether the fees are properly calculated. It is Client's responsibility to verify the accuracy of the fee calculation. Any fees deducted will be shown on the Account statement provided to the Client by the custodian.

**If Client does not want fees to be deducted from the Account and prefers to pay fees by check directly to AIC, please initial:**

\_\_\_\_\_

**Client's Responsibilities.** Client recognizes that the value and usefulness of the financial planning and/or advisory services of AIC will depend upon information provided to AIC and upon active participation in the formulation of investment objectives. Client will complete an Account Information form provided by AIC. Client warrants and represents that all information provided with respect to assets, liabilities, obligations, cash flow, objectives, willingness to

assume risk, and any other relevant factors affecting Client's objectives are true and correct, and that Client will notify AIC promptly if there are any changes in the information provided to AIC or in Client's risk tolerance or objectives. Client will also provide copies of such documents as AIC may reasonably request in order to permit evaluation and implementation of investment decisions. Client will also give AIC if requested consent to speak to Client's tax or other professional advisors to obtain information that may be useful in managing the Account.

**Amendments & Assignments.** This Agreement may only be amended by mutual written consent excepting, however, that if Client is notified of AIC's intent to amend its fee schedule, to become effective no less than 30 days from the date Client receives notice, and if Client does not object to the proposed change, then such proposed change in fees will become effective. The Agreement shall inure to the benefit of any successor of AIC and shall be binding upon the successors and assigns of Client. This Agreement may not be assigned (within the meaning of the Advisers Act) by AIC without Client's written consent.

**Notices.** All notices and other communications contemplated by this Agreement shall be deemed duly given if transmitted to AIC at the address first above written and to Client at the address as indicated on the Account establishment documentation, or at such other address or addresses as shall be specified, in each case, in a notice similarly given.

**Limitation of Advice.** AIC will not provide accounting or legal advice nor prepare any accounting or legal documents with respect to implementation of Client's plan. AIC will not be responsible for the acts or omissions or insolvency of the custodian, or any other agent, broker or independent contractor unaffiliated with AIC.

**Risk Acknowledgment.** AIC does not guarantee the future performance of the Account or any specific level of performance, the success of any investment decisions or strategy that AIC may use. Client understands that investment decisions made for Client's Account by AIC are subject to various market, currency, economic, political and business risks, and that those investment decisions will not always be profitable. Except as may otherwise be provided by law, AIC will not be liable to Client for (a) any loss that Client may suffer by reason of any investment decision made or other action taken or omitted in good faith by AIC with that degree of care, skill, prudence, and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; (b) any loss arising from AIC's adherence to Client's written or oral instructions; or (c) any act or failure to act by the Custodian, any broker or dealer to which AIC directs transactions for the Account, or by any other third party.

**Delivery of Documents.** Client agrees that AIC may combine the mailing of client reports and other client correspondence and information for Accounts that have a common address. Client understands that this form of delivery is referred to as "householding." AIC agrees that it will household documents only for accounts that have a common address or for clients whom AIC believes are in the same family. Client may revoke Client's consent at any time by contacting AIC in writing. If Client chooses to revoke consent, AIC will begin sending separate mailings within 30 days after receiving notice of revocation.

**If Client does not wish to have Accounts householded (if applicable), please initial below:**

\_\_\_\_\_

**Electronic Delivery of Information & Web Portal Access.** AIC offers Client the option of electronic delivery of information, including Billing Statements and other periodic reports. In addition, the custodian for the Account may offer web-based access to certain information through its own system. If Client elects to receive information electronically from AIC, an email will be sent notifying Client when new information is available on the Web Portal. To obtain access, Client is required to provide an email address to AIC. Once the Account is established, Client will receive an email with instruction on how to access the Web Portal. Access may be requested, or removed at any time by contacting AIC in writing, and AIC may revoke or discontinue support of the Web Portal at any time. Consent to electronic delivery of information requires Web Portal access.

**If Client does not want Electronic Delivery/Web Portal Access, please initial below:**

\_\_\_\_\_

**Valuation.** Asset-based fees will be based on valuations which will be provided by the custodian of the account or by Morningstar, Inc. and will be relied upon by AIC. Valuations are generally based on the closing price on the exchange or other market where the security is traded or the last published redemption price provided by a mutual fund or insurance company. Any valuation shall not be deemed a guarantee with respect to the value of the assets of the Account. Client will receive quarterly (or monthly if available) statements from the custodian valuing the investment positions of the Account. Month-end values on the statement that Client receives from Account custodian may differ from the values on AIC billing statements and/or other reports due to the timing of dividend postings and/or price rounding differences. Accrued interest postings and unsettled transactions may also affect statement balances.

Valuations for direct participation programs and other illiquid investments that have no active market from which a market value can be readily derived will be based on the estimated value appearing on the account statement provided by the

custodian, provided that AIC is satisfied that the custodian has reported an estimated value that has been developed in a manner reasonably designed to ensure that the estimated value is reliable in accordance with NASD Rule 2340 (Customer Account Statements).

That rule requires that the reported value be based on either (1) the net investment methodology or (2) the appraised value methodology. The appraised value methodology may be used at any time. The net investment methodology may not be used beyond 150 days following the second anniversary of breaking escrow in the offering. Whichever valuation methodology is used will be disclosed on your custodian's account statement and will contain the date of said valuation. AIC will confirm with the custodian that it is subject to NASD Rule 2340.

In some instances, units or shares in direct participation programs trade on relatively inactive secondary markets. The prices for such units will generally be lower on these secondary markets than the estimated values reported by the custodian. In other instances, there may be no secondary market whatsoever. Because reported valuations of these illiquid investments will be based on either of the two methods described above, and because these valuations will often be higher than what the interests could actually be sold for, the fees paid to AIC will often be higher than they otherwise would be if the assets were able to be valued at current fair market value like other assets in the account. This potentially could create a conflict of interest in situations in which AIC might consider that it could obtain more fees by recommending illiquid investment than it could by recommending liquid investments.

**Authority of Client.** The execution and delivery of this Agreement by Client shall constitute representation by Client that the terms hereof do not violate any obligation by which Client is bound, whether arising by contract, operation of law or otherwise, and if Client is a corporation, that (a) this Agreement has been duly authorized by appropriate corporate action and, (b) when so executed and delivered, will be binding upon Client in accordance with its terms. Client agrees to deliver to AIC such evidence of such authority as AIC may reasonably require. If this Agreement is entered into by a trustee or other fiduciary, such trustee or fiduciary represents that AIC's program is within the scope of investments authorized pursuant to any applicable plan, trust and/or applicable law and that he is duly authorized to negotiate the terms of this Agreement, including fees, and to enter into this Agreement, and agrees to provide such supporting documentation as may be required by AIC. Client warrants that securities delivered to the Account custodian are free of any encumbrances. Client undertakes to inform AIC of any event which might affect the authority or the propriety of this Agreement.

**Dispute Resolution Procedure.** Any controversy or claim, including but not limited to, errors and omissions arising out of, or relating to, this Agreement or the breach thereof, shall be settled by arbitration in accordance with the securities arbitration rules then in effect with the Financial Industry Regulatory Authority, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Arbitration is final and binding on the parties.

**Termination.** Either party has the right to cancel this Agreement at any time by notifying the other in writing; such termination will be effective immediately upon receipt of such notice or at such other time as specified in the notice of termination. If Client terminates the Agreement within five business days of signing this Agreement, Client is entitled to a waiver of any pro-rated fees that would otherwise be due to AIC. After five days, AIC may bill for pro-rata fees due or, if applicable, actual time and charges. There is no penalty or termination fee for canceling the Agreement. AIC's authority under this Agreement will remain in effect until Client changes or cancels it in writing. Cancellation of this Agreement will not affect (a) the validity of any action previously taken by AIC under this Agreement, (b) liabilities or obligations of Client or AIC from transactions initiated before termination of this Agreement, or (c) Client's obligation to pay advisory fees (pro rated through the date of cancellation). Upon cancellation of this Agreement, AIC will have no obligation to recommend or take any action with regard to the securities, cash or other investments in Client's Account.

**Death & Disability.** Client's death, disability or incompetency will not automatically terminate or change the terms of this Agreement. However, Client's personal representative, guardian, attorney-in-fact or other authorized representative may cancel this Agreement by giving written notice to AIC.

**Self-Directed Assets.** Client may desire to place or keep certain assets within Client's Account that are selected by Client and are not the subject of investment advice or supervision by AIC. These are "self-directed" assets. AIC will have no responsibility to manage any "self-directed" assets in Client's Account, and AIC will have no liability to Client for any loss relating to the "self-directed" assets.

**Governing Law.** The interpretation and enforcement of this Agreement shall be governed by the laws of the State of California. Any provision hereof which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.

**Conflict of Interest Disclosure Statements:**

The following disclosures are provided regarding AIC's background and business practices which may constitute or create conflicts of interest.

- a. Advisory affiliates of AIC may be Registered Representatives of AIC, a broker-dealer and a member of the Financial Industry Regulatory Authority. Advisory affiliates of AIC may also maintain an insurance license and be appointed agents with several insurance carriers.
- b. In the course of AIC's services to Client, AIC may recommend to Client the purchase of securities, the use of accounts managed by third parties, and/or the purchase of products underwritten by insurance carriers. In each instance, AIC or the advisory affiliate would be entitled to receive a fee for advisory services, and AIC and its Registered Representatives might be entitled to receive a commission on the sale or purchase of any of those products. AIC may also receive on-going fees from mutual funds (generally not in excess of 0.25% per annum) and/or insurance companies on purchases made directly from the issuer or through AIC's clearing firm. Under such circumstances, AIC would have a financial interest in the transaction and would therefore have a conflict of interest in furnishing advice to the extent that such recommendations are implemented.
- c. Client hereby consents and agrees that AIC and its advisory affiliates who are also Registered Representative of AIC may receive fees for advisory services and may receive commissions on transactions in securities or insurance products, if and when implemented in their respective capacities for Client. This may also include securities or insurance products held in the Account.
- d. Client hereby acknowledges that Client is under no obligation to implement any investment or insurance transaction through AIC or its affiliates, and may implement AIC's recommendations through other brokers, dealers, or agents.

**Acknowledgements & Signatures.** By signing below, the parties acknowledge that this Account and Client's relationship with AIC will be governed by this Agreement and all incorporated agreements and/or disclosures. Client hereby acknowledges receipt of AIC's SEC Form ADV Part 2 or a disclosure statement containing equivalent information. Client also acknowledges receipt of AIC's Privacy Policy.



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

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

\_\_\_\_\_  
Email Address

\_\_\_\_\_  
Date



\_\_\_\_\_  
Additional Client Signature (if applicable)

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

\_\_\_\_\_  
Email Address

\_\_\_\_\_  
Date

***Agreed to and Accepted by American Investors Company:***



\_\_\_\_\_  
Advisory Affiliate Signature

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

\_\_\_\_\_  
Date

\_\_\_\_\_  
Registered Principal Signature

\_\_\_\_\_  
Date

American Investors Company  
12667 Alcosta Blvd., Suite 160  
PO Box 1307  
San Ramon, CA 94583  
Tel: (925) 866-2882

**AMERICAN INVESTORS COMPANY  
INVESTMENT ADVISORY AGREEMENT  
SCHEDULE A – COMPENSATION**

**ASSET MANAGEMENT FEES**

**PERCENTAGE OF ASSETS** - charged based on a fixed annual percentage or tiered schedule

**Fixed Percentage Fee**

Annual Rate \_\_\_\_\_%

**Tiered Fee Schedule**

<u>From</u>	<u>To</u>	<u>Annual % Rate</u>
\$0	\$ _____	_____%
\$ _____	\$ _____	_____%
\$ _____	\$ _____	_____%
\$ _____	\$ _____	_____%
\$ _____	\$ _____	_____%

Fees are billed in arrears on a \_\_\_\_\_ basis based on the period ending value.  
(quarterly/monthly/other)

Proration will be applied for:

- New Accounts - The first period billing will be pro-rated for the partial period
- Cash Flow - Additions and withdrawals of \$1,000 and above will be pro-rated for the partial period (where applicable)

**FIXED FEE**

Annual Amount: \$ \_\_\_\_\_

Fees are billed in arrears on a \_\_\_\_\_ basis.  
(quarterly/monthly/other)

**OPTIONAL: Account from which fees are to be debited (if different account):** \_\_\_\_\_  
list registration and, if available, account number

**FEES FOR OTHER ADVISORY SERVICES**

**Hourly Rate:** \$ \_\_\_\_\_ / HOUR Estimate of time/charges: \_\_\_\_\_

Retainer: \$ \_\_\_\_\_ *Not to exceed 50% of estimated charges / Balance due upon delivery of the plan/services*

**Fixed Fee:** \$ \_\_\_\_\_

Retainer: \$ \_\_\_\_\_ *Not to exceed 50% of fee / Balance due upon delivery of the plan/services*

*PLEASE NOTE: All checks for advisory services should be made payable to American Investors Company*

**Fixed Percentage Fee - 401(k) Plan Services :**

Annual Rate \_\_\_\_\_%

Fees are billed in arrears on a \_\_\_\_\_ basis based on the period ending value.  
(quarterly/monthly/other)

Proration will be applied for:

- New Accounts - The first period billing will be pro-rated for the partial period

**ADDITIONAL INSTRUCTIONS / NOTES**

Client Signature:	Date	Additional Client Signature (if applicable) :	Date
Client Name:		Client Name:	
Principal Approval:	Date	Advisory Affiliate Signature:	Date