



Portfolio Management, Inc.

REGISTERED INVESTMENT ADVISOR

Money Management, Inc.

REGISTERED INVESTMENT ADVISOR

Portfolio Management Services Agreement

(Use with non-ERISA accounts – a separate agreement is required for each account title or registration)

This Agreement governs the investment management services that Select Money Management, Inc., a California corporation (referred to as “us,” “we,” or “our”), agrees to provide to the client named below (referred to as “you” or “your”) upon the following terms and conditions. If you have any questions, please do not hesitate to write to our home office at: 26800 Aliso Viejo Parkway, Suite 150, Aliso Viejo, California 92656, or call us at (949) 975-7900.

1. **Investment Advisory Services.** We will begin our relationship by discussing and helping you identify your financial needs and objectives based upon the general background and financial information you provide to us. We will rely upon the information you provide; we will not independently verify your information. We will not consider any cash, securities, or other assets you own unless you tell us about them. You must let us know, in writing, if your financial needs, circumstances or objectives materially change. Unless we are exercising discretionary authority on your behalf, you are always free to accept or reject any advice or recommendation from us.

2. **Portfolio Management Services.** We offer two fee-based portfolio management services, as you select by initialing where indicated:

_____ (initial). **Model Portfolio Selection with Select’s Tactically- Managed Portfolios.** This program is based on our proprietary strategic asset allocation methodology developed by us with our affiliated registered investment advisor, Select Portfolio Management, Inc. Each of these models is designed to meet a specific goal. Portfolios are then created using separately managed accounts (“SMAs”), no-load mutual funds, exchange-traded funds (“ETFs”), unit investment trusts (“UITs”), and/or individual securities. We will assist you with selecting one of our portfolios based on our understanding of your specific financial circumstances, anticipated future financial needs, investment goals, return objectives, investment horizon, and risk tolerance. Acting in a limited discretionary capacity, we will choose when to execute any trade for your benefit and risk. When managing an account based on a model portfolio, the timing of trades in your account will primarily depend upon the model or changes in the model and, generally, will not take into consideration how long you may have held the position indicated by the model. A minimum of \$25,000 in assets is required to participate in the Model Portfolio Selection with Select’ Tactically-Managed Portfolios. Some strategies may have higher required minimums. We may waive this minimum at our sole discretion.

_____ (initial). **Custom Portfolios.** A custom portfolio will be created based on your information and our understanding of your specific financial circumstances, anticipated future financial needs, investment goals, return objectives, investment horizon, and risk tolerance, and may be comprised of separately managed accounts (“SMAs”), no-load mutual funds, exchange-traded funds (ETFs), unit investment trusts (“UITs”), bonds, variable products, annuities and/or individual securities. Once a portfolio is created, decisions regarding the type, amount, and holding period of any investment are made in accordance with

your circumstances, your requests or investment policy statement. Acting in a limited discretionary capacity, we will choose when to execute any trade for your benefit and risk. A minimum of \$250,000 in assets is required to participate in the Custom Portfolios. We may waive this minimum at our sole discretion.

3. **Custodial Brokerage Account.** We will assist you in opening a securities brokerage account to be held at National Financial Services, LLC (“National Financial” or “Custodian”), a clearing broker-dealer and affiliate of Fidelity Investments, Inc. Our affiliated broker-dealer, Securities Equity Group (“SEG”) introduces securities brokerage accounts to National Financial. This brokerage account will be governed by a separate agreement between you and National Financial, to which SEG is a third-party beneficiary. National Financial will serve as the custodian for your account. We will not have possession or custody of your cash, checks, securities, or other property. You will be financially responsible for all transactions, fees, and charges as will be incurred in our performing our services for you through your account. These may include brokerage fees, commissions, concessions, mark-ups, mark-downs, account maintenance, termination, and transfer fees, and other costs as may be charged by National Financial. Typically, these charges will be deducted from your account and will appear on your periodic account statements. We will perform our investment management services through this account. Neither we nor SEG are affiliated with National Financial and are not responsible for National Financial’s errors, actions, or omissions. Without assuming any obligation, we will help you to resolve issues should any occur if you promptly notify us.

4. **Directed Brokerage Services.** You direct us to place all securities transactions for your account through SEG to National Financial. Your directing brokerage services will allow us to manage your portfolios on the same basis as other accounts. Securities transactions placed through SEG will be executed at published commission rates and charges, which we believe to be competitive. Brokerage commissions and related charges are not included in our fees under this Agreement. In some transactions handled through directed brokerage arrangements you could pay significantly higher commissions or charges than might be available for the same transaction in the securities industry using other broker-dealers, including discount brokers. We indirectly benefit from compensation earned by SEG because both firms are commonly owned. We and SEG employ individuals who are registered with our firms. As such, those representatives will receive additional compensation as a result of transactions for the purchase or sale of securities for your

account, which may include brokerage commissions, trail commissions, shareholder servicing fees, 12b-1 fees, insurance commissions, and other compensation. This additional compensation creates conflicts of interest. Please do not hesitate to ask us if you have any questions or concerns about these conflicts of interest.

5. **Account Funding and Deployment.** Once your custodial brokerage account has been established, we will assist you in depositing or transferring cash or marketable securities into your account. Initially, your investments may be held in money market funds or similar liquid securities pending deployment in accordance with the characteristics and investment allocations governing your portfolio model as referenced in the **Investment Management Set-Up Form** attached as **Exhibit B** to this Agreement. Under some market conditions the portfolio model governing your account may not immediately cause us to invest your assets into equity or debt securities positions. We are not responsible for missed investment opportunities that could occur while your assets are awaiting deployment based on the portfolio model.

6. **Limited Discretionary Authority.** You grant us limited discretionary authority to manage the assets held in your account in accordance with the applicable model or custom portfolio through the purchase, sale, exchange, redemption, conversion, or other disposition of investments, income, or proceeds deposited and held in your account. In our discretion, we may periodically rebalance the asset allocation in your account. We may take all of these actions on your behalf without your prior knowledge, consent, or approval, subject to any written limitations you may have given us. All transactions in the account are solely for your benefit and risk. You authorize us to give instructions to the Custodian to manage your account. You authorize the Custodian to follow our instructions to effect transactions, deliver securities, make transfers and payments, deduct fees and charges, and take other actions with respect to your account. Any withdrawals, transfers, or other distributions from your account will only be in your name and sent to the last address of record you have provided, or into another account held in your name, except (i) the settlement of transactions for your account; (ii) the payment of our fees; (iii) the payment of applicable brokerage commissions, custodial fees, and related charges; and (iv) as you may direct us in writing.

7. **Investment Risks and Rewards.** All investments have various kinds and degrees of risk that are affected by events and circumstances beyond our control. The investment management decisions we will make for your account are subject to market, currency, economic, political and business risks. Many of those kinds of risks are described in Item 8, *Methods of Analysis, Investment Strategies, and Risk of Loss*, in our firm brochure (Form ADV, Part 2A), previously delivered to you, but there may be others too. Investments that offer the potential for greater returns also pose greater risks. The potential for high investment returns typically entails the potential for significant risks of loss. Promptly tell us if you have questions about investment risks or if you are ever uncomfortable with your investment risks. There can be no assurance that our investment management decisions will result in achieving the investment

needs and objectives you identify for us. We cannot promise or guarantee the future performance of your account, any financial returns, or the avoidance of any losses. Your account could suffer significant losses.

8. **Confirmations and Statements.** The Custodian will send you confirmations of all transactions we place for your account. The Custodian will also send periodic account statements, at least quarterly, indicating all amounts withdrawn or disbursed from the account, including our fees, and all transactions occurring in the account during the period covered by the statement. Typically, those statements will also include a summary of your investment positions and their values at the end of the reporting period. We will rely upon these account statements. You must promptly review these statements and immediately notify us if you have any concerns or believe any action or omission for your account was in error or was contrary to any written investment policy statement we have agreed upon with you or any other instructions or limitations you may have given us. Contact us immediately if you do not receive an account statement from the Custodian. The Custodian will send us copies of your account statements.

9. **Monitoring and Reporting.** On at least a quarterly basis, and more frequently as we determine, we will review the model or custom portfolio governing the investments in your account, your account statements, and your account performance. Based upon our periodic reviews, we may make changes in the model or custom portfolio and we may place orders for the purchase and sale of securities to implement these changes, which will result in brokerage commissions and related charges, which are your responsibility. We will contact you periodically for reviews; interim financial reviews with you are available upon your request.

10. **Joint accounts.** If this Agreement pertains to a joint or community property account (e.g., husband and wife, parent and child, etc.), and unless otherwise instructed in writing, our services will be based upon the identified financial needs and objectives that all or any one of you provide to us. You are collectively responsible for determining and advising us if only one or more of you is permitted to give us, SEG, or the Custodian instructions, authorizations, or to otherwise control the account. Unless we are otherwise instructed in writing, we shall be permitted to rely upon any authorization, instruction, or direction from any one of you until this authority is limited or revoked by all of you in a written notice delivered to us. We are not responsible for any claim for losses or damages resulting from our reliance upon any one of you or from any change in the status of the relationship between or among you. We are not responsible for the unauthorized conduct of any joint tenant. In the event of a dispute among the joint tenants, we may suspend services or terminate this Agreement. You agree to indemnify and hold us harmless from any claims, losses, damages, or expenses arising from or related to disputes between or among you.

11. **Fees and Expenses.**

a. **Fee Schedule and Calculation.** You will pay or cause to be paid to us the fees and related expenses set forth on **Exhibit A** to this Agreement. We may modify our fee schedule

from time to time upon 30 days prior written notice to you. You may terminate this Agreement at that time if you do not accept the change to our fee schedule. The fees described in this paragraph and Exhibit A shall constitute the entire compensation to which we will be entitled for the services provided under this Agreement. We are not compensated on the basis of a share of the appreciation or capital gains in your account (i.e., we do not charge performance-based compensation).

b. **Fee Payment Method.** All of our fees and any related expenses will be deducted from the account, rather than being separately invoiced to you. You hereby authorize these deductions to be paid by the Custodian from cash available in the account. If necessary, we may liquidate sufficient investments in the account in order to pay our fees. If deducted from the account, the amount of our fees will be shown on your periodic account statements from the Custodian. You should verify our calculation. You may terminate this fee deduction authorization at any time by giving us and the Custodian written notice; however, you will remain responsible for payment within 30 days of receipt of our invoice.

c. **Third-Party Expenses.** In addition to our fees, you are also responsible for the fees and expenses charged by the Custodian, SEG, and any other third-party product or service provider. The value of investments in mutual funds, public or private investment companies, variable insurance products, and bank deposits will be included in calculating our fees. Typically, these types of investment products charge and deduct from the fund or an insurance company's separate account various management fees, shareholder servicing fees, fund expenses, and sometimes distribution fees that are borne by all of its investors. Some funds impose initial or contingent deferred sales charges (CDSC), redemption fees, and other charges. These fees, expenses, and charges are disclosed in the prospectus, offering document, or contract pertaining to the investment, which are available upon your request. Select's Tactically-Managed Portfolios may have security positions that impose CDSCs or redemption fees and as a result may trigger these costs directly to you if positions are liquidated prematurely. Consequently, for these types of investments you are directly and indirectly paying two levels of advisory fees and expenses, that is, the fees you pay to us and fees and expenses that are paid to the mutual fund, insurance company, or other investment company.

12. **Proxy Voting.** We will not vote proxies sent by companies with respect to the securities held in your account. We will direct the Custodian to send all proxy materials and corporate communications to you instead of us. You will be solely responsible for voting those proxies. We would be pleased to assist you by answering any questions and offering our advice to help you make an informed decision.

13. **Conflicts of Interest and Other Disclosures.** We are registered as an "investment adviser" with the Securities and Exchange Commission ("SEC") under the Advisers Act and we are notice-filed in those states where this is required by state securities laws. Our firm brochure (Form ADV, Part 2A), discloses important information about us, our affiliates, our services, and conflicts of interest that may arise with respect to those services, implementation of our services, and business

relationships that we or our representatives may have with other product or service providers. Ask us if there is anything in this information that you do not understand or is a concern to you.

14. **Confidentiality.** Any information provided to us about you, your family, or your financial needs, objectives, or circumstances will be kept confidential except insofar as required by law and as described in our privacy notice, as it may be amended from time to time. We may provide information regarding you and your account to SEG, the Custodian, the mutual fund companies, insurance companies handling or holding investments for your account. We may also provide information to the attorneys, accountants, or other professionals whom you may identify to us from time to time. We may also provide information to other persons as reasonably necessary in performing our services as permitted by applicable law and described in our current privacy notice. You agree to treat confidentially our investment advice, investment recommendations, and investment decisions and no other person shall be entitled to rely upon them.

15. **Services for Others.** We manage investments for other clients, as well as for our own families and friends. We may give them advice or take actions for them or for our own accounts that is different from the advice we give you or actions we take for you. Different financial needs, objectives, and circumstances typically result in different advice or recommendations. We are not obligated to buy, sell or recommend for you any security or other investment that we may buy, sell or recommend for any other clients or for our own accounts. If we obtain material, non-public information about a security or its issuer that we may not lawfully use or disclose, we will have no obligation to disclose the information to you or use it for your benefit.

16. **Limited Liability.** Except as may otherwise be provided by law, we will not be liable to you for any loss (i) that you may suffer as a result of our good faith decisions or actions where we have exercised the degree of care, skill, prudence and diligence that a prudent person acting in a fiduciary capacity would use; (ii) caused by following your investment decisions or instructions; or (iii) caused by SEG, the Custodian, or any other third-party providing services to you or for your account. Federal and state securities laws may impose liabilities under certain circumstances on persons who act in good faith, and by entering this Agreement you are not waiving or limiting your rights under those laws.

17. **Your Representations.** You represent that you lawfully own or have legal authority to control all of the assets deposited or transferred into the account. You represent that this Agreement is duly authorized under, and does not violate, any instruments, agreements or other documents governing you or the account. If the person signing below is acting in a representative capacity, he or she is duly authorized to act on your behalf with respect to the account. We are permitted to rely, without independent verification, upon the authorizations, directions, and instructions of the individual(s) named below or any other representative with apparent authority to act on your behalf.

18. **Termination.** You may terminate this Agreement, without penalty, within five (5) business days from its date. Thereafter, you or we may terminate this Agreement by providing written notice to the other party. Upon termination, we will have no further obligation with respect to the account. You may also immediately give notice to terminate this Agreement after receipt of our notice of any proposed “assignment” of this Agreement or our proposed change in our fees or any terms or conditions of our services. Termination of this Agreement shall not affect liabilities or obligations incurred or arising from transactions initiated under this Agreement prior to the termination date, including any pending transactions for your account. You may terminate this Agreement without terminating your agreements with the Custodian. If you do move the assets in your account to a different custodian or broker-dealer, you are responsible for any associated costs. Our fees will be prorated for the number of elapsed days of the billing period before termination. Any earned but unpaid fees will be deducted from the account in the same manner as our other fees. Any charged but unearned fees will be automatically refunded to you within 30 days.

19. **Death and Disability.** Your death, disability, or incompetency will not terminate or change the terms of this Agreement or have any effect until we receive actual notice. Your personal representative, guardian, attorney in fact, or other authorized representative may confirm and continue by giving us written notice or may terminate this Agreement as provided in Section 18. You acknowledge that SEG or the Custodian may not permit any further account transactions until such time as appropriate documentary authority is provided to the Custodian.

20. **Amendment.** We may amend this Agreement, including the fee schedule in Exhibit A, by sending written notice to you of such amendments. Such amendments will be effective 30 days after the date of such notice unless you send written notice to us of your objection to such amendments within 30 days. However, this Section shall not be amended except in writing signed by all parties.

21. **Assignment of Agreement.** No “assignment” (as that term is construed under the Advisers Act) of this Agreement may be made by us without your consent. Your consent may be given orally, in writing, or by implied consent permitted under applicable laws. Your consent to an assignment may be conclusively presumed if we provide you with written notice describing the proposed assignment with an opportunity and method to terminate this Agreement not less than 30 days prior to the event and, thereafter, you continue our services under this Agreement without oral or written objection or contract termination. Any corporate reorganization or change in our ownership that does not result in a change of control is not an “assignment” for this purpose.

22. **Entire Agreement.** This Agreement, including Exhibit A, forms the entire contract between the parties. The laws of the State of California govern the validity, interpretation, enforceability, and performance of this Agreement without regard to conflicts of laws principles. Any term or provision of this Agreement which may be adjudicated or otherwise held invalid

or unenforceable will not affect the validity or enforceability of any of the remaining terms or provisions of the Agreement.

23. **Electronic Delivery of Documents.** You may elect to receive electronic delivery of all documents from us on the signature page of this Agreement. If you make this election, then you will generally not receive a paper copy of that document. You may request a paper copy of any document delivered electronically by calling or contacting our home office. Please allow up to ten business days for processing your request. Generally, paper copies will be provided at no cost; however, we reserve the right to charge reasonable printing, mailing, and handling charges for very large document requests. Requesting a paper copy of specific documents will not terminate this electronic delivery consent. Your consent to electronic delivery of documents will apply to our firm disclosure brochure, supplemental brochures, amendments to those brochures, privacy notices, and all records and documents related to the account disclosures, newsletters, and other notices regarding the account and such other documents, as we may electronically send or make available from time to time. In order to access documents electronically, you will need a personal computer with internet access through an Internet Service Provider (ISP) and an email address. You may download Adobe Reader at no cost on the Internet at www.adobe.com, but all other software, hardware and systems must be provided at your cost. You represent that the email address you provide us is and will be a current, valid email address. In the event you change your email address, you must notify us immediately by contacting our home office. If we are repeatedly unable to deliver your electronic document(s) to the specified email address, we reserve the right to terminate the electronic delivery of documents service and deliver the documents to you via U.S. mail. You can withdraw this consent at any time at no cost to you by calling or sending written notice to us at our home office. Your withdrawal will be effective within five business days of receipt by us.

24. **Binding Arbitration.** If informal methods of dispute resolution are not successful, then you agree with us to resolve any and all disagreements by final and binding arbitration.

a. **Important Disclosures.** You acknowledge that:

- ◆ **Arbitration shall be final and binding on you and us.**
- ◆ **You and we are each waiving our respective rights to seek remedies in court, including the right to jury trial.**
- ◆ **Pre-arbitration discovery is generally more limited than, and different from, court proceedings.**
- ◆ **The right to appeal or to seek modification of rulings by the arbitrators is strictly limited.**
- ◆ **The panel of arbitrators will be selected in accordance with the rules of the arbitration forum and may include a minority of arbitrators who were or are affiliated with the securities industry.**
- ◆ **This agreement to arbitrate does not constitute a waiver of the right to seek a judicial forum to the extent that such a waiver would be void under applicable law.**

b. **Agreement to Arbitrate.** You agree with us that, except as inconsistent with the preceding sentence, **ALL CLAIMS OR CONTROVERSIES, AND ANY RELATED ISSUES**, which may arise at any time between us (including our representatives, members, managers, officers, employees, and agents) concerning any investment advice, recommendation, or exercise of limited discretionary authority with respect to any subject matter; any transaction or order; the conduct of our representatives, members, managers, officers, employees, and agents; the construction, performance, or breach of this or any other agreement between you and us, whether entered into prior to, on, or subsequent to the date of this Agreement; the breach of any common law or statutory duty; or the violation of any federal or state law of any nature **SHALL BE RESOLVED BY BINDING ARBITRATION RATHER THAN BY A LAWSUIT IN A COURT OF LAW OR EQUITY.** Subject to any limitation that may be applied by federal courts under federal securities laws, **YOU HEREBY WAIVE YOUR RIGHT TO PARTICIPATE IN ANY PUTATIVE CLASS ACTION PROCEEDING THAT IS FILED AGAINST US.**

c. **Arbitration Forum.** Any arbitration pursuant to this Agreement shall be conducted in accordance with, and gov-

erned by, a mutually agreeable arbitration forum, but, in the absence of such agreement, then the American Arbitration Association (“AAA”) and its Code of Arbitration Procedure. Any arbitration must be commenced by delivery to the other party of a written demand for arbitration or a written notice of intention to arbitrate setting forth in detail the claim or controversy to be arbitrated. The location for all arbitration proceedings shall be in the AAA office located in or near Los Angeles, California.

d. **Arbitration Award.** The arbitrators shall issue a written and reasoned decision with their award. The award of the arbitrators, or of the majority of them, shall be final and binding, and judgment upon the award rendered may be entered in any federal or state court having jurisdiction. You agree and consent that any state or federal court located in California shall have personal and subject matter jurisdiction to enter judgment on an arbitration award.

25. **Disclosure Statement and Privacy Notice.** You acknowledge receipt of a SMM Brochure and/or SPM Brochure (Form ADV, Part 2A), and a SPM/SMM Brochure Supplement at or before the execution of this Agreement.

The parties have executed this Agreement, **including the agreement to binding arbitration of disputes above,** by their duly authorized representatives on _____, 20____.

<p>CLIENT:</p> <p>_____</p> <p><i>Client's or representative's signature</i></p> <p>_____</p> <p><i>Printed name and any representative capacity (e.g., trustee)</i></p>	<p>SELECT MONEY MANAGEMENT, INC.</p> <p>_____</p> <p><i>Signature</i></p> <p>_____</p> <p><i>Printed name and title</i></p>
<p>_____</p> <p><i>Client's additional required signatures (e.g., joint account or co-trustee)</i></p> <p>_____</p> <p><i>Additional printed name(s) and any representative capacity</i></p>	<p><u>Authorization for Electronic Delivery of Documents.</u></p> <p>_____ (<i>initial</i>). By initialing here, you hereby request and consent to our sending all communications and documents to you electronically, rather than in a paper format, upon the terms described in Section 23 above. Please carefully read those terms and related disclosures and do not hesitate to ask questions. This authorization can be terminated as provided in Section 23.</p>
<p>_____</p> <p><i>Client's additional required signatures (e.g., joint account or co-trustee)</i></p> <p>_____</p> <p><i>Additional printed name(s) and any representative capacity</i></p>	<p>Primary email address (<i>if any</i>):</p> <p>_____</p>

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EXHIBIT A

Portfolio Management Fees

Our fees will be billed quarterly in arrears and will be automatically withdrawn from your account pursuant to your authorization contained in this Agreement. In any partial calendar quarter, our fees will be pro-rated based on the number of days your account was under our management. For the purpose of determining our fees, the market value of assets under management shall be measured on the last business day of the immediately preceding billing quarter. We will rely upon the valuations provided by the Custodian without independent verification. In the event that you terminate your account prior to the end of a quarter, our final fee will be pro-rated based on the number of days your account was under our management and will be deducted from your account in the same manner.

Fee Schedule

The fee schedule applicable to our services for Select's Custom Managed Accounts and Tactically-Managed Portfolios is:

<u>Aggregate (or Family) Account Value</u>	<u>Annual Fee Custom Accounts Equity High Yield</u>	<u>Annual Fee Tactical Growth</u>	<u>Annual Fee Balanced Model</u>	<u>Annual Fee Tactical Bond Tactical Fixed Income</u>	<u>Annual Fee All Cash Models</u>
\$25,000.00 - \$150,000.00	2.40%	2.10%	2.00%	1.80%	0.50%
\$150,000.01 - \$250,000.00	2.20%	2.00%	1.90%	1.70%	0.50%
\$250,000.01 - \$500,000.00	1.90%	1.80%	1.80%	1.60%	0.50%
\$500,000.01 - \$750,000.00	1.80%	1.70%	1.70%	1.50%	0.50%
\$750,000.00 - \$1,000,000.00	1.70%	1.60%	1.40%	1.30%	0.50%
\$1,000,000.01 - \$2,000,000.00	1.30%	1.20%	1.10%	1.00%	0.50%
\$2,000,000.01 - \$3,000,000.00	1.00%	0.90%	0.90%	0.80%	0.50%
\$3,000,000.01 - \$4,000,000.00	0.90%	0.80%	0.80%	0.80%	0.50%
\$4,000,000.00 - \$5,000,000.00	0.80%	0.80%	0.80%	0.80%	0.50%
\$5,000,000.01 - and above	Negotiated	Negotiated	Negotiated	Negotiated	Negotiated

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