

## **A DISCRETIONARY INVESTMENT MANAGEMENT AGREEMENT**

This investment management agreement (the “Agreement”) is made on this day between the undersigned party, (hereinafter referred to as “you” or “your”), and Elm Partners Management LLC, a registered investment adviser, whose mailing address is 50 S 16th Street STE 17, Philadelphia, PA 19102 and email address is info@elmwealth.com (hereinafter referred to as “us,” “we,” or “our”).

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- 1) Scope of Engagement.** You hereby appoint us as your investment adviser to perform the services herein described and we accept such appointment under the terms and conditions stated. We shall be responsible for the investment and reinvestment of those assets that you designate to be subject to our management (the “Assets” or “Account(s)”) in accordance with the Investment Program set forth in Section 2.

You hereby appoint us as your attorney-in-fact and grant us limited power-of-attorney with discretionary trading authority over your Account to buy, sell, or otherwise effect investment transactions involving the Assets. We are authorized, without your prior consultation, to buy, sell, and trade in stocks, bonds, mutual funds, index funds, exchange traded funds, and other securities and/or contracts relating to the same, on margin (only to bridge settlement date mismatches between different types of instruments such as ETFs and mutual funds), including investing Assets in short-term money-market instruments when we deem necessary, and to give instructions in furtherance of such trading authority. We are not authorized to make transfers from your Custodial account to any other account, with the exception of the deduction of our Management Fee. We are not authorized to receive and vote proxies on issues held in the Account[s] and receive annual reports.

Unless otherwise specifically and expressly indicated in this Agreement, you acknowledge and understand that the service to be provided by us under this Agreement is limited to the management of the Assets in accordance with the Investment Program and does not include financial planning or any other services. Undertaking any services not specifically within the Investment Program is at our sole discretion, and on a best-efforts basis only.

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- 2) Investment Program.** The investment management program or programs we will employ for your Assets are designed to be part of a wealth management solution for U.S. investors. We have several dynamic asset allocation strategies, each with the long term objective of outperforming (either through higher return or lower risk) a “Benchmark Portfolio”. For the Global Balanced portfolios, the Benchmark Portfolio consists of approximately 65% Global equities, 20% U.S. bonds and 15% in U.S. short-term fixed income. For the Global All-Equities portfolios, the Benchmark Portfolio consists of 100% Global Equities. We caution you that even if we are successful in achieving this objective, this will only be discernible in the context of a very long term horizon, possibly as long as ten or twenty years. When viewed on a monthly basis, we expect the probability that the return on your Assets outperforms the Benchmark Portfolio will be roughly 50/50, and that long periods of time should be expected when your Assets will underperform. The investment program is not designed to be market neutral; it should be expected that when global equities fall, the value of your Assets will also fall in value, and vice versa.

We will attempt to achieve the long term objective of outperforming the Benchmark Portfolio through a combination of cost efficiency, diversification, responsiveness to changes in asset valuation, responsiveness to momentum in asset prices, and managing your Assets in a tax aware (but not tax-optimized) fashion.

The investment program we intend to apply to your Assets is primarily rules-based. We believe a rules-based approach to investing has the following potential benefits:

- 1) It encourages a disciplined approach to investing which reduces the often negative impact of common behavioral biases that many investors may exhibit,
- 2) It allows us to charge a low management fee as it is generally much less costly to invest according to simple rules rather than according to the in-depth security and market analysis which requires the services of highly paid professionals, and,
- 3) It supports greater transparency between us and you in that you will not only know how your Assets are invested at any given time, but furthermore, based on the rules in place, you may be able to develop an expectation of how your Assets will be invested under various hypothetical future scenarios.

The starting point of the investment process is a “Baseline Portfolio”, which is displayed in our quarterly reports. The Baseline Portfolio is constructed to have roughly similar risk to the Benchmark Portfolio described above. The Baseline Portfolio is, by design, not a strictly market capitalization weighted portfolio. From time to time (but at least annually), the Baseline Portfolio will be reviewed, and may be revised for a variety of reasons (e.g., as new, liquid and low cost vehicles permit additional asset classes to be included in the Baseline Portfolio and enable a greater effective diversification or due to other relevant reasons).

Typically once every week, each asset class will be evaluated from both a valuation and momentum perspective, and desired deviations from the Baseline Portfolio will be calculated to provide raw desired allocation weights. Roughly 25% of the portfolio will be rebalanced at that time to the most recent set of desired allocation weights, subject to the considerations described below.

*For Global Balanced Portfolios:*

If the sum of the raw desired allocation weights (ignoring short-term fixed income) is less than 100%, then these weights form the basis of the desired portfolio. If the sum of the raw desired allocation weights is greater than 100%, each asset class will be proportionally scaled down so that the modified weights add up to 100% (and short-term fixed income is given a weight of 0%). The desired allocation of an individual asset class can be at most doubled relative to the baseline weights (subject to the no-leverage constraint) or set at zero, depending on the attractiveness of each asset category based on the valuation and momentum measures.

*For Global All-Equity Portfolios:*

The raw desired allocation weights will be normalized such that the sum of desired target weights in global equity markets always equals 100%. The desired allocation of an individual asset class can be at most doubled relative to the Baseline weights (subject to the no-leverage constraint) or set at zero, depending on the relative attractiveness of each asset category based on the valuation and momentum measures.

There are six possible Baseline Portfolios, and each account subject to this agreement will be associated with one Baseline Portfolio which you have selected.

The current allocation for all six baseline portfolios can be found [here](#).

Although the Investment Program is executed largely on a rules-based process, you should expect circumstances, which are difficult to foresee and describe fully in advance, when we will judge it is beneficial to you to use our discretion in a departure from our rules-based investment process. The most common example of such a deviation is during portfolio rebalancing, where investment decisions may be subject to restrictions or costs associated with mutual fund redemptions, liquidity or deviation from net asset value in the ETFs or general tax considerations. As well, tax considerations and transactions costs can produce a significant difference between the desired asset allocation and the actual asset allocation of your Assets.

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**3) Subscriptions and Redemptions.** Unless otherwise explicitly agreed with us in writing, we require notice (via electronic mail or a phone call) of one business day for any increase or reduction of the amount of Assets subject to our investment direction.

In the case of an increase of the amount of Assets subject to our investment direction which is greater than or equal to \$50,000, and in which the new assets are contributed in cash, and unless otherwise explicitly agreed with us in writing: we will make reasonable efforts to allocate the new Assets, according to our latest investment parameters, on the next business day following the day on which the new Assets are available for our instructions and reflected in the custodian's daily reporting.

In the case of an increase of the amount of Assets subject to our investment direction and in which any part of the new Assets is contributed in securities, and unless otherwise explicitly agreed with us in writing: we will allocate the new Assets, according to our latest investment parameters, on a best-efforts basis as quickly as is reasonable and practical given the nature of the securities contributed. Given that we use a limited set of securities in our Investment Program, You acknowledge and agree that

any securities so contributed may at any time be sold at our discretion regardless of tax basis or any other considerations, unless otherwise explicitly agreed with us in writing.

In the case of an increase of the amount of Assets subject to our investment direction, which is less than \$50,000, and in which the new assets are contributed in cash, and unless otherwise explicitly agreed with us in writing, we will allocate the new Assets, according to our latest investment parameters, during the next portfolio rebalancing.

In the case of a reduction in Assets subject to our investment direction, which does not constitute a full redemption, and unless explicitly agreed with us in writing, we will liquidate the necessary Assets to cash on a best efforts basis on the business day following your notification.

In the case of a full redemption of Assets, and unless otherwise explicitly agreed with us in writing, you can either remove us as Investment Managers from the Account or we can liquidate the portfolio to cash on a best efforts basis on the business day following your notification.

In all cases, we will confirm to you in writing that your notice has been received. If we have not confirmed that the notice has been received within one business day, you should assume that we have not received your notification and it is your responsibility to make further contact.

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**4) Management Fee.** Our annual fee for the services provided under this Agreement ("Management Fee") shall be 0.12% (12 basis points) of the market value of the Assets subject to this Agreement, if there is no active Averaging Program as defined in Exhibit B. The Management Fee shall be prorated and paid monthly, in arrears, based upon the average market value of the assets over the previous month, calculated as the simple daily average of the market value of the assets from the start to the end of the period. If the account has an active Averaging Program, the annual fee shall be 0.12% (12 basis points) of the Allocated Assets plus 0.03% (3 basis points) of the Non-Allocated Assets (all capitalized terms as defined in Exhibit B). Both Allocated Assets and Non-Allocated Assets shall be calculated as the simple daily average of the market value of the assets from the start to the end of the period. The Management Fee for the initial month shall be calculated on a pro rata basis commencing on the day the Assets are initially designated to us for management under this Agreement. No increase in the Management Fee shall be effective without prior written notification to you.

You acknowledge that you will authorize us, through the separate account agreement you will enter into directly with the Custodian (refer to Section 5 below), to invoice the Custodian for the Management Fee and direct and authorize the Custodian to deduct the amount stated above from your Account. The Custodian will send you a statement, at least quarterly, indicating all amounts disbursed from the Account including the Management Fee paid from the Account. You acknowledge that it is your responsibility to verify the accuracy of the calculation of the Management Fee and that the Custodian will not determine whether the Management Fee is accurate or properly calculated.

In addition to our Management Fee, you may also incur certain charges imposed by the Custodian and other unaffiliated third parties. Such charges include, but are not limited to, custodial fees, brokerage commissions, transaction fees, charges imposed directly by a mutual fund, index fund, or exchange traded fund purchased for the Account which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), certain deferred sales charges, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes (including withholding tax on dividends) on brokerage accounts and securities transactions.

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**5) Custodian.** We shall not maintain physical custody of your Assets; rather, your Assets must be maintained in an account at a "qualified custodian" under Rule 206(4)-2 of the Advisers Act. We recommend that our clients use Fidelity Brokerage Services LLC (Fidelity), or Charles Schwab & Co., Inc. (Schwab) as the Broker-Dealer and qualified Custodian of the Account. Both are broker-dealers registered with the Securities and Exchange Commission, members of FINRA, and members of SIPC. Under government regulations, we may be deemed to have custody of your assets if you authorize us to deduct our advisory fees directly from your account; however, Fidelity or Schwab, as the case may be, maintains actual custody of your assets.

We are independently owned and operated and not affiliated with Fidelity or Schwab.

The Custodian will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Fidelity or Schwab as custodian/broker-dealer, you will decide whether to do so and open your account with the Custodian by entering into an account agreement directly with them. We do not open the account for you. If you do not wish to place your assets with Fidelity or Schwab, then we cannot manage your account. Not all advisors require their clients to use a particular broker-dealer or other custodian selected by the advisor.

The terms of the custody/brokerage account, which contains the assets to which this Agreement pertains, shall be determined solely by and between you and the Custodian. We shall not be liable to you for any act, conduct or omission by the Custodian acting as Broker-dealer or Custodian. We shall not be responsible for ensuring the Custodian's compliance with the terms of the brokerage account. We are authorized and empowered to issue instructions to the Custodian and to request information about the brokerage account from the custodian.

Factors affecting our recommendation of Fidelity or Schwab as Custodian and Broker-Dealer and potential conflicts of interest are described in Exhibit A.

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**6) Execution of Brokerage Transactions.** Unless directed otherwise, we will arrange for the execution of securities brokerage transactions for the Assets through Fidelity who we reasonably believe will provide "best execution". In seeking best execution, the determinative factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution, taking into consideration the full range of the Broker-Dealer's services including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive commission rates, we may not necessarily obtain the lowest possible commission rates for Account transactions (see Exhibit A below).

We shall not favor any account over any other and purchase or sale orders executed contemporaneously shall be allocated in a manner we deem equitable among the accounts involved. Transactions for each client account will sometimes be effected independently, but more often we expect to purchase or sell the same securities for several separate account clients at approximately the same time. We may (but are not obligated to) combine or "batch" such orders to obtain best execution, negotiate more favorable commission rates, or allocate equitably among our clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among our clients in proportion to the purchase and sale orders placed for each client account on any given day. To the extent that we aggregate client orders for the purchase or sale of securities we shall do so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the Securities and Exchange Commission. We shall endeavor to process all Account transactions in a timely manner, but do not represent nor warrant that any such transaction shall be processed or effected by Fidelity on the same day as requested.

**We will not receive any portion of the brokerage commissions and/or transaction fees charged to you by Fidelity or Schwab under any circumstances.**

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**7) Risk Acknowledgement.** We do not guarantee the future performance of your Account, any specific level of performance, the success of any investment decision or strategy that we may use, or the success of our overall management of the Account. You understand that our investment decisions made for your Account are subject to various market, currency, economic, political and business risks, and that those investment decisions will often be unprofitable.

You acknowledge that past performance results achieved by accounts of funds supervised or managed by us are not indicative of the future performance of the Account. You understand that securities, mutual funds and other non-deposit investments are not deposits or other obligations of, or guaranteed by, us or any affiliate, are not insured by the Federal Deposit Insurance Corporation ("FDIC") or any other government agency, and are subject to investment risk, including possible loss of principal amounts invested.

**8) Adviser Liability.** Except as otherwise provided by law, neither we nor any of our employees, affiliates, representatives or agents shall be liable for (a) any loss that you may suffer by reason of any investment decision made or other action taken or omitted in good faith by us, by discretion or mistake, for the purposes of implementing the agreed investment program, with that degree of care, skill, prudence, and diligence under the circumstances that a person acting in a fiduciary capacity would use, (b) any loss that you may suffer by reason of any action taken or omitted, by discretion or mistake, which causes your portfolio's asset allocation to deviate from the desired asset allocation determined by the agreed investment program, if taken or omitted in good faith by us with that degree of care, skill, prudence and diligence under the circumstances that a person acting in a fiduciary capacity would use, (c) any loss arising from our adherence or attempted adherence to your written or oral instructions, or (d) any act or failure to act by the Custodian, any Broker-Dealer to which we direct transactions for the Account, or by any other non-party. The federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith, and therefore nothing in this Agreement will waive or limit any rights that you may have under those laws.

If the Account contains only a portion of your total assets, we shall not be responsible for: (i) any of your assets not set forth in this Agreement; or (ii) proper diversification of all of your assets.

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**9) Proxies.** Unless we agree otherwise in writing, you shall be responsible for: (a) directing the manner in which proxies solicited by issuers of securities you beneficially own shall be voted, and (b) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the securities in the Account. You authorize and direct us to instruct the Custodian to forward to you copies of all proxies and shareholder communications relating to the Assets.

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**10) Reports.** We will provide you with a report that may include such relevant Account and/or market related information such as Account performance on a quarterly basis. You will receive account statements directly from Fidelity at least quarterly. They will be sent to the email or postal mailing address you provided to Fidelity. You should carefully review those statements promptly when you receive them.

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**11) Non-Exclusivity.** You acknowledge and understand that we shall be free to render investment advice to others and that we do not make our services available exclusively to you. We, and our Advisory Affiliates, employees, representatives, and agents, may have or take the same or similar positions in specific investments for our own accounts, or for the accounts of other clients, as we do for you. Nothing in this Agreement shall put us under any obligation to purchase or sell, or to recommend for purchase or sale for the Account, any security which we (or our Advisory Affiliates, employees, representatives, and agents) may purchase or sell for our own accounts or for the account of any other client, unless in our sole determination, such investment would be in the best interest of the Account.

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**12) Notices.** Any notice, correspondence, or other communication required in connection with this Agreement will be deemed effective upon receipt if it is delivered to either party by email with originals to follow upon request. Notices, including notices of modifications to this agreement, will be deemed effective upon receipt if you continue to accept our services and we do not hear back from you within 60 days of receipt.

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**13) Assignment.** Neither party may assign this Agreement without the consent of the other party. Both parties acknowledge and agree that transactions that do not result in a change of actual control or management shall not be considered an assignment.

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**14) Confidentiality.** Except as required by applicable law, rule or regulation, or in order to implement your investment objectives or perform the services contemplated by this Agreement, both parties agree to treat information provided in connection with this Agreement as confidential.

**15) Receipt of Disclosures.** You hereby acknowledge receipt of our Privacy Policy Notice and a copy of our written disclosure statement as set forth on Form ADV Part 2A & 2B (Uniform Application for Investment Adviser Registration) or otherwise meeting the requirements of Rule 204-3 of the Advisers Act.

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**16) Client Conflicts.** If this Agreement is with more than one client, our services shall be based upon the joint goals as communicated to us by the joint-clients, collectively. Thereafter, we are authorized to rely upon instructions and/or information we receive from either joint-client, unless and until such authorization is revoked in writing to us. We shall not be responsible for any claims or damages resulting from such reliance or from any change in the status of the relationship between the joint-clients.

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**17) Arbitration.** To the extent not inconsistent with applicable law, in the event of any controversy, dispute or claim arising out of or relating to this Agreement, both parties agree to submit the dispute to arbitration before a single arbitrator in accordance with the Commercial Rules of the American Arbitration Association then in effect. The prevailing party shall be entitled to reasonable attorneys' fees, costs and expenses. You understand that this agreement to arbitrate does not constitute a waiver of your right to seek a judicial forum where such waiver would be void under federal or applicable state securities laws.

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**18) Death or Disability.** If you are a natural person, your death, disability or incompetence will not terminate or change the terms of this Agreement. However, your executor, guardian, attorney-in-fact or other authorized representative may terminate this Agreement by giving us proper written notice.

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**19) Client Representations and Warranties.** You represent that you have the full legal power and authority to enter into this Agreement and that the terms of this Agreement do not violate any obligation or duty to which you are bound, whether arising out of contract, operation of law, or otherwise. If you are an entity (e.g., corporation, partnership, limited liability company, or trust), this Agreement has been duly authorized by the appropriate corporate or other action and when so executed and delivered shall be binding in accordance with its terms. You agree to promptly deliver such corporate resolution or other action authorizing this Agreement at our request.

You acknowledge that you have provided us with the information set forth on the "Client Profile" (Exhibit C) and represent that such information is a complete and accurate representation of your financial position and of your investment needs, goals, objectives, and risk tolerance at the time of entering into this Agreement and warrant that you will promptly inform us in writing if and when such information becomes incomplete or inaccurate during the term of this Agreement.

You also agree to provide us with any other information and/or documentation that we may request in furtherance of this Agreement or related to your investment needs, goals, objectives, and risk tolerance for the Account, either directly from you or through your designated attorney, accountant, or other professional advisers. You acknowledge that we are authorized to rely upon any information received from such attorney, accountant, or other professional adviser and are not required to verify the accuracy of the information.

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**20) Retirement or Employee Benefit Plan Accounts.** This section applies to an Account that is a pension or other employee benefit plan (a "Plan") governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

If the Account is part of a Plan and we accept appointment to provide advisory services to such Account, we acknowledge that we are a "fiduciary" within the meaning of Section 3(21) of ERISA (but only with respect to the provision of services described in Section 1 of this Agreement). We represent that we are registered as an investment adviser and duly qualified to manage Plan assets under applicable regulations.

You represent that (i) our appointment and services are consistent with the Plan documents, (ii) you have furnished us true and complete copies of all documents establishing and governing the Plan and evidencing your authority to retain us, (iii) you agree to provide us with a list of persons or entities which you consider to be a "disqualified person," as that term is defined in Section

4975 of the Internal Revenue Code, as amended, or a “party in interest,” as that term is defined in Section 3(14) of ERISA, and (iv) if you have directed us to use a certain broker-dealer, we are unable to seek best execution for transactions in the Account and you may pay higher brokerage fees than if we were authorized to direct transactions to another broker-dealer that could provide best execution. You further represent that you will promptly furnish us with any amendments to the Plan, and you agree that, if any amendment affects our rights or obligations, such amendment will be binding on us only with our prior written consent. If the Account contains only a part of the assets of the Plan, you understand that we will have no responsibility for the diversification of all of the Plan’s investments, and we will have no duty, responsibility or liability for your assets that are not in the Account. If ERISA or other applicable law requires bonding with respect to the assets in the Account, you will obtain and maintain at your expense bonding that satisfies this requirement and covers us and any of our affiliates.

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**21) Entire Agreement.** This Agreement and the Exhibits annexed hereto, which Exhibits are incorporated herein by reference and made a part hereof, constitute the entire Agreement between the parties and supersedes all understandings, agreements (oral and written), or representations with respect to the subject matter hereof.

This Agreement may only be amended, revised or modified with our written consent. Each party acknowledges that no representation, inducement or condition not set forth herein has been made or relied upon by either party.

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**22) Waiver.** No failure by us to exercise any right, power, or privilege that we may have under this Agreement shall operate as a waiver thereof. Further, no waiver of any deviation from, or breach of, this Agreement by you shall be deemed to be a waiver of any subsequent deviation or breach.

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**23) Severability.** If any provision of this Agreement is deemed to be invalid or unenforceable or is prohibited by the laws of the state or jurisdiction where it is to be performed, this Agreement shall be considered divisible as to such provision and such provision shall be inoperative in such state or jurisdiction. The remaining provisions of this Agreement shall be valid and binding and of full force and effect as though such provision was not included.

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**24) Terms of Agreement and Termination.** By entering into this Agreement you agree to comply with the terms and conditions contained herein, and agree and acknowledge that we have the right to modify this Agreement at any time. We will provide you with notice of any such modifications and such modification shall thereafter become effective unless you provide us with notice of your intention to terminate the Agreement. You further agree to abide by any rules, procedures, standards, requirements or other conditions that we may establish in connection with your Account or this Agreement. This Agreement shall have an initial term of one-year, unless terminated by either party in writing as provided below. On the one-year anniversary date, and thereafter, this Agreement shall renew automatically without action by either party unless terminated pursuant to this Section 24. We shall contact you at least annually to review our previous services and/or recommendations and to discuss the impact resulting from any changes in your financial situation and/or investment objectives.

This Agreement will continue in effect from the date set forth above and may be terminated at any time upon receipt of written notice to terminate by either party to the other, which written notice must be manually signed by the terminating party. Termination of this Agreement will not affect (i) the validity of any action previously taken by us under this Agreement; (ii) liabilities or obligations of the parties from transactions initiated before termination of this Agreement; or (iii) your obligation to pay us fees that have already been earned under this Agreement. Upon the termination of this Agreement, we will not have any continuing obligation to take any action.

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**25) Governing Law, Venue, and Jurisdiction.** To the extent not inconsistent with applicable federal law, this Agreement and any dispute, disagreement, or issue of construction or interpretation arising hereunder whether relating to its execution, its validity, the obligations provided herein or performance shall be governed or interpreted according to the laws of the State of Delaware without regard to choice of law considerations except for the Section entitled Arbitration, which shall be governed by the Federal Arbitration Act. Any action, suit or proceeding arising out of, under or in connection with this Agreement seeking an injunction or not otherwise submitted to arbitration pursuant to this Agreement shall be brought and determined in the

appropriate federal or state court in the State of Illinois and in no other forum. The parties hereby irrevocably and unconditionally submit to the personal jurisdiction of such courts and agree to take any and all future action necessary to submit to the jurisdiction of such courts in any such suit, action or proceeding arising out of or relating to this Agreement.

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**26) Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. The execution of this Agreement may be by actual or facsimile signature.

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**27) Privacy.** You hereby acknowledge that you have received and reviewed a copy of the Advisor's Privacy Policy. Except as otherwise agreed to in writing or as required by law, we will keep confidential all information concerning your identity, financial affairs, and investments.

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**28) Section or Paragraph Headings.** Section headings herein have been inserted for reference only and shall not be deemed to limit or otherwise affect, in any matter, or be deemed to interpret in whole or in part any of the terms or provisions of this Agreement.

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By each party executing this Agreement they acknowledge and accept their respective rights, duties, and responsibilities hereunder. This Agreement is only effective upon our execution below.

Client name(s):

Client signature(s):

Date:

Elm Partners Management LLC:

Date:

## **EXHIBIT A: FACTORS AFFECTING OUR RECOMMENDATION OF FIDELITY OR SCHWAB AS CUSTODIAN AND BROKER-DEALER AND POTENTIAL CONFLICTS OF INTEREST**

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We seek to recommend a custodian and broker-dealer who will hold your assets and execute transactions on terms that are overall most advantageous by considering a wide range of factors including:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
  - capability to execute, clear and settle trades
  - capabilities to facilitate transfers and payments to and from accounts
  - breadth of investment products made available
  - availability of investment research and tools that assist us in making investment decisions
  - quality of services
  - competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
  - reputation, financial strength and stability
  - prior service to us and our other clients
  - availability of other products and services (see below)
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**Products and Services Available to Us from Fidelity and Schwab.** Fidelity and Schwab have divisions which serve independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage – trading, custody, reporting and related services – which is not typically available to retail customers. They also make available various support services. Some of those services help us manage or administer our clients' Accounts while others help us manage and grow our business.

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**Services that Benefit You.** Fidelity and Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets.

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**Services that May Not Directly Benefit You.** Fidelity and Schwab also make available to us other products and services that benefit us but may not directly benefit you. These products and services assist us in managing and administering our clients' accounts. In particular, they make available software and other technology that:

- provide pricing and other market data
- facilitate payment of our fees from our clients' accounts, and
- assist with back-office functions, record-keeping and client reporting.

Additionally, Fidelity and Schwab provide their own, as well as third party, investment research.

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**Services that Generally Benefit Only Us.** Fidelity and Schwab also offer other services intended to help us manage and further develop our business enterprise, including:

- educational conferences and events
- technology, compliance, legal, and business consulting
- access to employee benefits providers, human capital consultants and insurance providers.

They may provide some of these services directly or arrange for third-party vendors to provide the services to us. They may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. They may also provide us with other benefits such as occasional business entertainment of our personnel.

We don't have to pay for Fidelity or Schwab's services, and this may be contingent on keeping a minimum amount of client assets with the Custodian. This minimum amount may give us an incentive to require that you maintain your account with Fidelity or Schwab based on our interest in receiving their services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Fidelity and Schwab as custodians and brokers is in the best interests of our clients. It is primarily supported by the scope, quality and price of their services.

- provide access to client account data
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts

## EXHIBIT B: AVERAGING PROGRAM

Clients utilizing the optional Averaging Program wish to have funds in their account invested in Elm's core asset allocation in discreet amounts over a period of time ("averaging-in") rather than all at once. Prior to beginning an Averaging Program, you would provide Elm the following information:

- Total amount of funds to be invested through the Averaging Program ("Total Program Amount")
- Amount to be allocated at each rebalancing ("Base Amount")
- Reference index (if desired)
  - o Base level for the reference index
  - o Speed multiplier

### Case 1 – No Reference Index:

If no reference index is provided, upon each portfolio rebalancing date an amount equal to the Base Amount will be invested according to Elm's target asset allocation. However, the total amount invested in this way through the Averaging Program will not exceed the Total Program Amount, so if necessary the final invested amount may be reduced accordingly.

### Case 2 – Reference Index:

If a reference index is provided, funds will be invested as in Case 1, however the amount of funds invested in Elm's asset allocation upon each rebalancing will be adjusted by an amount equal to  $1 + M * (S_0 / S_t - 1)$ , where  $S_0$  is the chosen reference index level,  $S_t$  is the reference index at the time of the rebalancing, and  $M$  is the chosen Speed Multiplier. The total amount invested in this way through the Averaging Program will not exceed the Total Program Amount, so if necessary the final invested amount may be reduced accordingly.

Funds which are in your account but which are not yet invested in Elm's core asset allocation ("Non-Allocated Assets") will be held in a mix of short-term fixed-income ETFs and index funds with a weighted-average duration of approximately 1 year. The balance of the account ("Allocated Assets") will be invested in Elm's core asset allocation.

**EXHIBIT C: CLIENT PROFILE**

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1) Approximately what proportion of your total investment assets are represented by Elm-managed accounts, including this account?

- A small minority
- A significant proportion of assets, but not the vast majority
- The vast majority

2) Is your Net Worth greater than \$2.1 million? (We ask so we can comply with routine reporting requirements regarding the fraction of our clients who meet the SEC's "High-Net-Worth" threshold. For these purposes, Net Worth is measured jointly with your spouse, and excluding your primary residence)

- Yes
- No

3) How liquid are the investment assets held outside of your Elm-managed accounts?

- Mostly illiquid
- Some illiquid
- Mostly liquid

4) When do you expect to start making regular withdrawals from this Account?

- Almost immediately (less than 1 year).
- Within the next 1 to 5 years
- Within the next 5 to 10 years
- After 10 years

5) How would you describe your knowledge of investing?

- Very little knowledge or experience
- Some prior knowledge including familiarity with index funds, mutual funds, and ETFs
- I am a knowledgeable, experienced investor

6) What best describes your tax status?

- I am not a US-taxable investor
- I am a US taxable investor. I understand that Elm attempts to manage taxable accounts in a tax-sensitive fashion consistent with the account being subject to a high marginal rate of tax. (See FAQ #7 [here](#) for more detail)
- I am a US-taxable investor, but I do not wish my taxable accounts to be managed in a tax-sensitive fashion.

7) Asset allocation:

- I understand that Elm's strategy involves dynamic global asset allocation based on a systemic value-and momentum-based approach. I understand this approach may deviate significantly from Elm's baseline allocation, and for Global Balanced portfolios may at times result in Equity vs. Fixed-Income allocations strongly biased toward either Equities or Fixed-Income depending on specific market conditions.
- I am unsure if I understand Elm's strategy, and need more information about Elm's strategy and the potentially dynamic nature of the holdings.
- Other:

8) Customization:

- I understand that Elm's model portfolio has a Baseline which is not customized specifically for me and my financial situation, and am comfortable with the model portfolio's Baseline asset-allocation and dynamic adjustment strategy.
- I require a portfolio customized for me and my specific needs, and need to further discuss whether Elm is appropriate for me

9) Risk Tolerance:

- I fully understand that Elm's strategy involves risk of loss, and I am prepared to accept that risk.
- I am not comfortable accepting a material risk of loss.